

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1024

That the Senate recede from its amendments as printed on pages 1676-1678 of the House Journal and pages 1427-1429 of the Senate Journal and that Engrossed House Bill No. 1024 be amended as follows:

Page 1, line 2, remove the first "and"

Page 1, line 4, after "fund" insert "and to provide for an exemption"

Page 1, replace lines 14 through 21 with:

"Salaries and wages	\$32,551,817	\$4,553,049	\$37,104,866
Operating expenses	10,771,898	6,475,528	17,247,426
Capital assets	1,247,172	(78,672)	1,168,500
Grants	<u>15,060,118</u>	<u>22,138,000</u>	<u>37,198,118</u>
Total all funds	\$59,631,005	\$33,087,905	\$92,718,910
Less estimated income	<u>46,969,930</u>	<u>29,966,956</u>	<u>76,936,886</u>
Total general fund	\$12,661,075	\$3,120,949	\$15,782,024
Full-time equivalent positions	166.00	7.00	173.00"

Page 1, line 22, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY"

Page 2, after line 13, insert:

"SECTION 3. APPROPRIATION - FEDERAL FUNDS - LEAD PIPE REMOVAL AND CLEAN WATER PROJECT GRANTS - ONE-TIME FUNDING. There is appropriated from federal funds, not otherwise appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the department of environmental quality for the purpose of providing grants to political subdivisions with a population of ten thousand or less for lead pipe removal and other projects eligible for funding from the clean water state revolving loan fund for the biennium beginning July 1, 2023, and ending June 30, 2025. The department shall require a political subdivision grant recipient to provide twenty-five percent matching funds and the department may not award grants in excess of \$5,000,000 to a political subdivision. The funding provided in this section is considered a one-time funding item."

Page 2, line 19, replace "\$742,080" with "\$723,595"

Page 3, after line 19, insert:

"SECTION 8. EXEMPTION - LABORATORY INFORMATION MANAGEMENT SYSTEM. The sum of \$1,000,000, appropriated from the general fund for the laboratory information management system in section 1 of chapter 52 of the 2021 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the laboratory information management system during the biennium beginning July 1, 2023, and ending June 30, 2025."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Department of Environmental Quality - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$32,551,817	\$36,933,657	\$171,209	\$37,104,866	\$37,104,866	
Operating expenses	10,771,898	16,177,694	1,069,732	17,247,426	17,247,426	
Capital assets	1,247,172	1,168,500		1,168,500	1,168,500	
Grants	15,060,118	36,838,118	360,000	37,198,118	37,198,118	
Lead pipe removal and clean water grants			25,000,000	25,000,000		\$25,000,000
Total all funds	\$59,631,005	\$91,117,969	\$26,600,941	\$117,718,910	\$92,718,910	\$25,000,000
Less estimated income	46,969,930	76,828,535	25,108,351	101,936,886	76,936,886	25,000,000
General fund	\$12,661,075	\$14,289,434	\$1,492,590	\$15,782,024	\$15,782,024	\$0
FTE	166.00	171.00	2.00	173.00	173.00	0.00

Department 303 - Department of Environmental Quality - Detail of Conference Committee Changes

	Adds Funding for Salary and Benefit Increases¹	Removes Salary Funding for Pool²	Adds Funding for Health Insurance Increases for Vacant Positions³	Adds Salary Equity Funding to Reclassify Positions⁴	Adds 1 FTE Human Resource Director Position⁵	Adds 1 FTE Assistant Director Position⁶
Salaries and wages	\$587,965	(\$3,743,544)	\$121,026	\$2,000,000	\$255,456	\$349,706
Operating expenses					15,165	15,167
Capital assets						
Grants						
Lead pipe removal and clean water grants						
Total all funds	\$587,965	(\$3,743,544)	\$121,026	\$2,000,000	\$270,621	\$364,873
Less estimated income	412,219	(2,795,634)	78,694	0	175,903	237,169
General fund	\$175,746	(\$947,910)	\$42,332	\$2,000,000	\$94,718	\$127,704
FTE	0.00	0.00	0.00	0.00	1.00	1.00

	Adds Funding for Federal Climate Pollution Reduction Act Grant⁷	Adds One-Time Funding for Lead Pipe Removal and Clean Water Projects⁸	Total Conference Committee Changes
Salaries and wages	\$600,600		\$171,209
Operating expenses	1,039,400		1,069,732
Capital assets			
Grants	360,000		360,000
Lead pipe removal and clean water grants		\$25,000,000	25,000,000
Total all funds	\$2,000,000	\$25,000,000	\$26,600,941
Less estimated income	2,000,000	25,000,000	25,108,351
General fund	\$0	\$0	\$1,492,590
FTE	0.00	0.00	2.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$180,905	\$424,571	\$605,476
Health insurance adjustment	(5,159)	(12,352)	(17,511)
Total	\$175,746	\$412,219	\$587,965

This is the same as the Senate version. The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool, the same as the Senate version.

	General Fund	Other Funds	Total
New FTE positions	(\$364,806)	(\$1,407,442)	(\$1,772,248)
Vacant FTE positions	<u>(583,104)</u>	<u>(1,388,192)</u>	<u>(1,971,296)</u>
Total	(\$947,910)	(\$2,795,634)	(\$3,743,544)

³ Funding is added for health insurance increases for vacant positions that was not included in the executive recommendation or the House version, the same as the Senate version.

⁴ Equity funding is added to increase salaries and wages to reclassify chemist and environmental scientist positions. The funding is provided in addition to equity funding included in the salary equity pool appropriated to the Office of Management and Budget, the same as the Senate version.

⁵ Funding, including funding from federal and special funds, is added for 1 FTE human resource director position in the Office of the Director and related operating expenses, the same as the Senate version.

⁶ Funding, including funding from federal and special funds, is added for 1 FTE assistant director in the Office of the Director and related operating expenses, the same as the Senate version.

⁷ Federal funding is added for a Climate Pollution Reduction Act grant, the same as the Senate version.

⁸ A section is added to the bill to provide \$25 million of one-time funding from federal funds for grants to political subdivisions with a population of 10,000 or less for lead pipe removal and other projects eligible for funding from the clean water state revolving loan fund. The department must require a political subdivision grant recipient to provide 25 percent matching funds and the department may not award grants in excess of \$5 million to a political subdivision. The House and Senate versions did not include this section.

This amendment also adds an exemption to allow the department to continue unexpended one-time funding provided during the 2021-23 biennium for the laboratory information management system project, the same as the Senate version.