

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
State Water Commission			
Salaries and wages	\$19,831,986	\$20,537,867	\$705,881
Operating expenses	43,855,753	43,366,550	(489,203)
Capital assets	105,938,758	148,467,437	42,528,679
Project carryover	308,333,818		(308,333,818)
Water supply - Grants	128,000,000	125,000,000	(3,000,000)
Rural water supply - Grants	37,200,000	59,600,000	22,400,000
Fargo area flood control	66,500,000		(66,500,000)
Mouse River flood control	82,500,000		(82,500,000)
Other flood control projects	48,000,000		(48,000,000)
General water - Grants	27,093,776	14,227,275	(12,866,501)
Basinwide plan implementation		1,100,000	1,100,000
Flood control - Grants		48,000,000	48,000,000
Discretionary water projects		6,000,000	6,000,000
Total all funds	\$867,254,091	\$466,299,129	(\$400,954,962)
Less estimated income	867,254,091	466,299,129	(400,954,962)
General fund	\$0	\$0	\$0
FTE	90.00	90.00	0.00
Bill total			
Total all funds	\$867,254,091	\$466,299,129	(\$400,954,962)
Less estimated income	867,254,091	466,299,129	(400,954,962)
General fund	\$0	\$0	\$0
FTE	90.00	90.00	0.00

House Bill No. 1020 - State Water Commission - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$19,831,986	\$682,761	\$20,514,747
Operating expenses	43,855,753	(489,203)	43,366,550
Capital assets	105,938,758	57,528,679	163,467,437
Project carryover	308,333,818	(308,333,818)	
Water supply - Grants	128,000,000	(32,000,000)	96,000,000
Rural water supply - Grants	37,200,000	3,400,000	40,600,000
Fargo area flood control	66,500,000	(66,500,000)	
Mouse River flood control	82,500,000	(82,500,000)	
Other flood control projects	48,000,000	(48,000,000)	
General water - Grants	27,093,776	(12,866,501)	14,227,275
Basinwide plan implementation		1,100,000	1,100,000
Flood control - Grants		38,000,000	38,000,000
Total all funds	\$867,254,091	(\$449,978,082)	\$417,276,009
Less estimated income	867,254,091	(449,978,082)	417,276,009
General fund	\$0	\$0	\$0
FTE	90.00	0.00	90.00

Department 770 - State Water Commission - Detail of House Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adjusts FTE Positions³	Adjusts Funding for Operating Expenses⁴	Reduces Funding for Capital Assets⁵	Removes Funding for Project Carryover⁶
Salaries and wages	\$230,410	\$424,639	\$27,712			
Operating expenses				(\$4,889,203)		
Capital assets					(\$13,081,566)	
Project carryover						(\$308,333,818)
Water supply - Grants						
Rural water supply - Grants						
Fargo area flood control						
Mouse River flood control						
Other flood control projects						
General water - Grants						
Basinwide plan implementation						
Flood control - Grants						
Discretionary water projects						
Total all funds	\$230,410	\$424,639	\$27,712	(\$4,889,203)	(\$13,081,566)	(\$308,333,818)
Less estimated income	230,410	424,639	27,712	(4,889,203)	(13,081,566)	(308,333,818)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Funding for New Water Projects⁷	Adds Funding from Bank of North Dakota Line of Credit⁸	Adds Funding for Basinwide Plan Implementation⁹	Adds Funding for Microsoft Office 365 License Expenses¹⁰	Total House Changes
Salaries and wages					\$682,761
Operating expenses		\$4,400,000			(489,203)
Capital assets		70,600,000		\$10,245	57,528,679
Project carryover					(308,333,818)
Water supply - Grants	(\$32,000,000)				(32,000,000)
Rural water supply - Grants	3,400,000				3,400,000
Fargo area flood control	(66,500,000)				(66,500,000)
Mouse River flood control	(82,500,000)				(82,500,000)
Other flood control projects	(48,000,000)				(48,000,000)
General water - Grants	(12,866,501)				(12,866,501)
Basinwide plan implementation			\$1,100,000		1,100,000
Flood control - Grants	38,000,000				38,000,000
Discretionary water projects					
Total all funds	(\$200,466,501)	\$75,000,000	\$1,100,000	\$10,245	(\$449,978,082)
Less estimated income	(200,466,501)	75,000,000	1,100,000	10,245	(449,978,082)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and 1.5 percent on July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	Other Funds
Salary increase	\$420,224
Health insurance increase	4,415
Total	\$424,639

³ FTE positions are adjusted as follows:

<u>Description</u>	<u>Other Funds</u>
Removes 1 FTE risk mapping position and related federal funds	(\$183,884)
Adds 1 FTE regulatory position	<u>211,596</u>
Total	\$27,712

⁴ Funding for operating expenses is adjusted as follows:

	<u>Other Funds</u>
Debt payment to Bank of North Dakota	(\$7,236,750)
Professional services	1,713,735
Utility expenses	101,700
Repairs	497,250
IT and equipment over \$5,000	14,009
Other operating expenses	<u>20,853</u>
Total	(\$4,889,203)

⁵ Funding is reduced for state water projects in the capital assets line item to provide a total of \$163,467,437.

⁶ The funding for carryover projects is removed and a section is added providing that the remaining \$22,000,000 in the capital assets line item and \$295,363,183 in the project carryover line item are exempt from North Dakota Century Code Section 54-44.1-11 for 2 years after June 30, 2023. The section also authorizes the State Water Commission to obtain approval from the Emergency Commission and Budget Section to increase carryover authority of funding from previous bienniums.

⁷ Funding for grants for new water projects is adjusted as follows:

	<u>Other Funds</u>
Water supply - grants	(\$32,000,000)
Rural water supply - grants	3,400,000
Fargo area flood control	(66,500,000)
Mouse River flood control	(82,500,000)
Other flood control projects	(48,000,000)
Flood control - grants	38,000,000
General water - grants	<u>(12,866,501)</u>
Total	(\$200,466,501)

⁸ Funding from proceeds received from a Bank of North Dakota line of credit is added to provide funding for the Northwest Area Water Supply Project. A section is also added to amend Section 61-02-79 relating to a Bank line of credit, to continue authorization for a \$75 million Bank line of credit for the 2021-23 biennium.

⁹ Section 8 provides that one-time funding of \$1.1 million is provided for implementation of basinwide water plans, of which up to \$100,000 may be used to reimburse administrative and planning costs incurred by the water resource districts in the development of basinwide water plans.

¹⁰ Funding is added for Microsoft Office 365 license expenses.

This amendment also adds sections to:

- Appropriate any additional amounts in the resources trust fund and water development trust fund which become available to the State Water Commission, subject to Budget Section approval.
- Provide that the remaining \$22,000,000 in the capital assets line item and \$295,363,183 in the project carryover line item are exempt from Section 54-44.1-11 and may be continued into the 2021-23 biennium. This section also authorizes the State Water Commission to obtain approval from the Emergency Commission and Budget Section to increase carryover authority of funding from previous bienniums.
- Create a new section to Chapter 61-02 to require the State Water Commission to report on carryover projects to the Legislative Management on a quarterly basis.
- Amend Section 61-02-79 to extend the \$75 million line of credit authorization from the Bank of North Dakota into the 2021-23 biennium.
- Create a new section to Chapter 61-40 authorizing the Western Area Water Supply Authority to issue revenue bonds.
- Provide a limit on total state funds that may be approved by the State Water Commission for the Fargo flood control project to \$850 million. The section provides legislative intent that of the \$850 million, the state has

provided \$414.5 million and the remaining \$435.5 million is to be provided from bond proceeds during the 2021-23 biennium.

- Provide that excluding funding provided for Mouse River flood control projects provided prior to the 2021-23 biennium, the total state funds that may be approved by the State Water Commission for Mouse River flood control may not exceed a total of \$604 million. The section provides legislative intent that of the \$604 million, \$74.5 million is provided from the resources trust fund through bond proceeds used to repay outstanding loans of the resources trust fund during the 2021-23 biennium.
- Provide legislative intent that the state provide up to \$1.6 million to the system 4 connection to system 1, a rural water supply project sponsored by All Seasons Water District, in addition to any funds approved for the project by the State Water Commission in previous bienniums, during the 2021-23 biennium.
- Provide a Legislative Management study with input from the State Water Commission and stakeholders of the Red River Valley Water Supply Project of an entity to own, manage, and operate the Red River Valley Water Supply Project.
- Provide a Legislative Management study with input from the State Water Commission, of an entity, other than the state, to own, manage, and operate the Northwest Area Water Supply Project.
- Declare an emergency.

House Bill No. 1020 - State Water Commission - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$19,831,986	\$20,514,747	\$23,120	\$20,537,867
Operating expenses	43,855,753	43,366,550		43,366,550
Capital assets	105,938,758	163,467,437	(15,000,000)	148,467,437
Project carryover	308,333,818			
Water supply - Grants	128,000,000	96,000,000	29,000,000	125,000,000
Rural water supply - Grants	37,200,000	40,600,000	19,000,000	59,600,000
Fargo area flood control	66,500,000			
Mouse River flood control	82,500,000			
Other flood control projects	48,000,000			
General water - Grants	27,093,776	14,227,275		14,227,275
Basinwide plan implementation		1,100,000		1,100,000
Flood control - Grants		38,000,000	10,000,000	48,000,000
Discretionary water projects			6,000,000	6,000,000
Total all funds	\$867,254,091	\$417,276,009	\$49,023,120	\$466,299,129
Less estimated income	867,254,091	417,276,009	49,023,120	466,299,129
General fund	\$0	\$0	\$0	\$0
FTE	90.00	90.00	0.00	90.00

Department 770 - State Water Commission - Detail of Senate Changes

	Adds Funding for Salary Increases ¹	Adjusts Funding for Capital Assets ²	Adjusts Funding for Water Supply Grants ³	Adjusts Funding for Rural Water Supply Grants ⁴	Increases Funding for Flood Control Projects ⁵	Reduces Funding from Bank of North Dakota Line of Credit ⁶
Salaries and wages	\$23,120					
Operating expenses						
Capital assets		\$10,000,000				(\$25,000,000)
Project carryover						
Water supply - Grants			\$29,000,000			
Rural water supply - Grants				\$19,000,000		
Fargo area flood control						
Mouse River flood control						
Other flood control projects						
General water - Grants						
Flood control - Grants					\$10,000,000	
Basinwide plan implementation						
Discretionary water projects						
Total all funds	\$23,120	\$10,000,000	\$29,000,000	\$19,000,000	\$10,000,000	(\$25,000,000)
Less estimated income	23,120	10,000,000	29,000,000	19,000,000	10,000,000	(25,000,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for State Water Commission Discretionary Spending⁷	Total Senate Changes
Salaries and wages		\$23,120
Operating expenses		
Capital assets		(15,000,000)
Project carryover		
Water supply - Grants		29,000,000
Rural water supply - Grants		19,000,000
Fargo area flood control		
Mouse River flood control		
Other flood control projects		
General water - Grants		
Flood control - Grants		10,000,000
Basinwide plan implementation		
Discretionary water projects	\$6,000,000	6,000,000
Total all funds	\$6,000,000	\$49,023,120
Less estimated income	6,000,000	49,023,120
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding is adjusted to provide salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100, and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

² Funding for capital assets is increased by \$10 million from the resources trust fund to provide a total of \$148,467,437. The House provided \$138,467,437.

³ Funding of \$29 million is added from the resources trust fund for water supply grants to provide a total of \$125 million. The House provided \$96 million.

⁴ Funding of \$19 million is added from the resources trust fund for rural water supply grants to provide a total of \$59.6 million. The House provided \$40.6 million.

⁵ Funding of \$10 million is added from the resources trust fund to provide a total of \$48 million for flood control grants. The House provided \$38 million.

⁶ Funding available from a Bank of North Dakota line of credit is reduced by \$25 million, from \$75 million to \$50 million. A section is added amending North Dakota Century Code Section 61-02-79 reducing the Bank of North Dakota line of credit from \$75 million to \$50 million and, specifically identifying the line of credit as being available for costs associated with the Northwest Area Water Supply Project for the 2021-23 biennium. The House provided a \$75 million line of credit with no restrictions on the use of the funds.

⁷ A section is added to provide one-time funding of \$6 million from the resources trust fund for providing discretionary water project funding to the State Water Commission. The State Water Commission may allocate the funding based on the needs of the state. The House did not include this section.

House Bill No. 1020 - State Water Commission - House Action

The House concurred with the Senate.