



Department of Environmental Quality
Department No. 303
2025 Senate Bill No. 2024

REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum budget recommendation	174.00	\$19,246,146	\$113,282,487	\$132,528,633
Revisions - Increase (decrease)	0.00	(113,806)	(239,397)	(353,203)
Armstrong budget recommendation	174.00	\$19,132,340	\$113,043,090	\$132,175,430
Base level	173.00	16,350,783	76,074,697	92,425,480
Increase (decrease)	1.00	\$2,781,557	\$36,968,393	\$39,749,950
Percentage increase (decrease)	0.6%	17.0%	48.6%	43.0%

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- **Salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace 2023-25 biennium new and vacant FTE pool amounts
- Adds \$353,402 of ongoing funding from special funds from fees for 1 FTE chemist position and related operating expenses and one-time funding of \$943,200 from special funds from fees for operating expenses and capital assets for computers and laboratory equipment to establish a program to test water for emerging contaminants
- Adjusts funding for operating expenses and grants, including increases of \$284,973 from the general fund and \$2,830,583 from special funds and a decrease in funding of \$294,483 from federal funds, to provide net increases of \$2,227,614 in the operating expenses line item and \$593,459 in the grants line item for base budget changes, cost to continue adjustments, and information technology (IT) rate increases
- Adds \$718,074 from the general fund for ongoing operating expenses related to the new chemistry laboratory, including rent, supplies, and IT
- Increases funding from special funds from fees by \$72,000, including ongoing funding of \$67,000 and one-time funding of \$5,000 for operating expenses to expand test availability for the water and wastewater operator certification program
- Adds \$960,000 from the petroleum tank release fund for operating expenses, including \$260,000 of ongoing funding and \$700,000 of one-time funding, related to a new database
- Increases funding from federal funds by \$1,275,900 and decreases funding from the general fund by \$4,800 and special funds by \$151,000 for base budget adjustments to capital assets to provide a net increase of \$1,120,100
- Increases funding from federal funds by \$25,132,000 and decreases funding from special funds by \$2,985,118 for base budget adjustments to grants to provide a net increase of \$22,146,882
- Adds \$3,575,186 of one-time funding from the strategic investment and improvements fund (SIIF) for operating expenses related to the new chemistry laboratory, including office and IT equipment, maintenance, wireless connectivity, and security (\$700,186) and to moving the chemistry laboratory (\$1,500,000) and for capital assets related to the new chemistry laboratory (\$1,375,000)

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 12 fees. The agency recommended the antifreeze registration fee be discontinued or transferred to another state agency.

Major Related Legislation

House Bill No. 1058 - Provides for Department of Environmental Quality regulation of aboveground storage tanks, including fees for permits and licensing.

House Bill No. 1541 - Creates an Environmental Quality Advisory Committee and transfers funds at the end of the biennium, from the State Plumbing Board fund relating to the regulation of septic tanks and septic systems, to the Department of Environmental Quality operating fund.

House Bill No. 1577 - Provides an appropriation of \$50 million from the strategic investment and improvements fund to the Department of Environmental Quality for wastewater infrastructure grants.

House Bill No. 1605 - Relates to the prohibition of water fluoridation and requires Department of Environmental Quality enforcement.

Senate Bill No. 2110 - Allows water distribution and wastewater system operator certificate exams to be given by a third-party testing service and would allow the fees for the exams to be set in North Dakota Administrative Code. A fiscal note prepared by the department indicates revenue and expenses would both increase approximately \$72,000 for the cost of the third-party testing service and revenue related to the additional fees collected to cover the third-party testing service cost.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Department of Environmental Quality - Budget No. 303
Agency Worksheet - Senate Bill No. 2024

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	173.00	\$16,350,783	\$76,074,697	\$92,425,480
2025-27 Ongoing Funding Changes				
Base payroll changes		(\$6,473)	\$676,352	\$669,879
Salary increase		509,588	1,072,043	1,581,631
Health insurance increase		332,285	712,694	1,044,979
Adds back funding to replace 2023-25 biennium new FTE pool		364,806	1,407,442	1,772,248
Adds back funding to replace 2023-25 biennium vacant FTE pool		583,104	1,388,192	1,971,296
Adds funding from special funds from fees for 1 FTE chemist position and related operating expenses to establish a program to test water for emerging contaminants	1.00		353,402	353,402
Base budget changes to operating expenses		(508,475)	1,652,430	1,143,955
Increases funding for operating expenses related to IT rate increases		26,244	168,158	194,402
Increases funding for operating expenses and grants for cost to continue information technology and rent		767,204	715,512	1,482,716
Increases funding for ongoing operating expenses related to the new chemistry laboratory, including rent, supplies, and IT		718,074		718,074
Increases funding from special funds from fees for operating expenses related to the water and wastewater operator certification program to expand test availability			67,000	67,000
Increases funding from the petroleum tank release fund for operating expenses related to a new database			260,000	260,000
Base budget changes to capital assets		(4,800)	1,124,900	1,120,100
Base budget changes to grants			22,146,882	22,146,882
Total ongoing funding changes	1.00	\$2,781,557	\$31,745,007	\$34,526,564
One-Time Funding Items				
Adds one-time funding from the strategic investment and improvements fund for operating expenses related to moving the chemistry laboratory			\$1,500,000	\$1,500,000
Adds one-time funding from the strategic investment and improvements fund (SIIF) for operating expenses related to the new chemistry laboratory, including office and IT equipment, maintenance, wireless connectivity, and security			700,186	700,186
Adds one-time funding from special funds from fees for operating expenses related to the water and wastewater operator certification program to expand test availability			5,000	5,000
Adds one-time funding from special funds from fees for operating expenses and capital assets for computers and laboratory equipment to establish a program to test water for emerging contaminants			943,200	943,200

Adds one-time funding from the petroleum tank release fund for operating expense for a new database			700,000	700,000
Adds one-time funding from the strategic investment and improvements fund for capital assets related to the new chemistry laboratory			1,375,000	1,375,000
Total one-time funding changes	0.00	\$0	\$5,223,386	\$5,223,386
Total Changes to Base Level Funding	1.00	\$2,781,557	\$36,968,393	\$39,749,950
2025-27 Total Funding	174.00	\$19,132,340	\$113,043,090	\$132,175,430

Federal funds included in other funds

\$82,333,376

Total ongoing changes - Percentage of base level

0.6%

17.0%

41.7%

37.4%

Total changes - Percentage of base level

0.6%

17.0%

48.6%

43.0%