

Department of Water Resources
Budget No. 770
House Bill No. 1020

| | FTE Positions | General Fund | Other Funds | Total |
|--|---------------|--------------|----------------------|----------------------|
| 2025-27 legislative appropriations | 98.00 | \$0 | \$769,257,471 | \$769,257,471 |
| 2025-27 base budget | 93.00 | 0 | 699,660,783 | 699,660,783 |
| Legislative increase (decrease) to base budget | 5.00 | \$0 | \$69,596,688 | \$69,596,688 |

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

| | FTE Positions | General Fund | Other Funds | Total |
|--|---------------|--------------|-------------|-----------|
| The legislative action: | | | | |
| Adjusted funding for base payroll changes | | | \$416,661 | \$416,661 |
| Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026 | | | 962,334 | 962,334 |
| Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month | | | 606,534 | 606,534 |
| Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$703,398 for new positions and \$912,231 for vacant positions | | | 1,615,629 | 1,615,629 |
| Added FTE positions and related operating funding, including an accountant, deputy director, Northwest Area Water Supply (NAWS) operator, general counsel, and "silver jacket" flood risk positions, including \$36,000 of one-time funding | 5.00 | | 1,554,738 | 1,554,738 |
| Transferred \$1,361,986 for 5 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$1,225,788 resulting in the savings as shown | | | (136,198) | (136,198) |
| Transferred \$1,636,100 for estimated savings from vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$1,145,270, resulting in savings as shown | | | (490,830) | (490,830) |
| Added funding for State Water Commissioner salaries and operating expenses | | | 138,960 | 138,960 |
| Added funding for overtime and temporary salaries | | | 60,000 | 60,000 |
| Added funding for NAWS on-call pay | | | 106,954 | 106,954 |

| | | |
|--|-------------|-------------|
| Added funding for Board of Water Well Contractors administrative services, including \$30,000 of one-time funding | 81,123 | 81,123 |
| Added funding for an internship program | 100,000 | 100,000 |
| Adjusted funding for operating expenses, including professional fees and services and Devils Lake outlet utilities | (1,864,821) | (1,864,821) |
| Decreased funding for capital assets, including the Devils Lake outlet | (980,000) | (980,000) |
| Added funding for discretionary funding, including costs associated with State Water Commission studies of Missouri River intake sites, regional water systems governance, and the state's cost-share policy | 10,000,000 | 10,000,000 |
| Added funding for the Southwest Pipeline Project to provide a total of \$101 million | 20,968,600 | 20,968,600 |
| Added funding for NAWS to provide a total of \$106.9 million | 40,817,004 | 40,817,004 |
| Adjusted funding among the water projects and grants line items and designated \$260 million as one-time funding from a Bank of North Dakota line of credit | (5,300,000) | (5,300,000) |
| Added one-time funding for the replacement of emergency pumps | 480,000 | 480,000 |
| Added one-time funding for the replacement of an excavator | 400,000 | 400,000 |
| Added one-time funding for a data logger replacement | 60,000 | 60,000 |
| Total | 5.00 | \$0 |

FTE Changes

The Legislative Assembly approved 98 FTE positions for the Department of Water Resources for the 2025-27 biennium, an increase of 5 FTE positions from the 2023-25 biennium. The Legislative Assembly added an FTE accountant, deputy director, NAWS operator, and general counsel positions and converted a "silver jacket" flood risk temporary position to an FTE position.

One-Time Funding

The following is a summary of one-time funding items for the Department of Water Resources for the 2025-27 biennium:

| | Other Funds |
|---|---------------|
| Bank of North Dakota line of credit for water projects and grants | \$260,000,000 |
| New FTE one-time funding | 36,000 |
| Emergency pumps replacement | 480,000 |
| Excavator replacement | 400,000 |
| Data logger replacement | 60,000 |
| Board of Water Well Contractors one-time funding | 30,000 |
| Total | \$261,006,000 |

Deficiency Appropriation - 2023-25 Biennium

The Legislative Assembly, in House Bill No. 1024 (2025), approved a deficiency appropriation of \$10 million from the resources trust fund to the Department of Water Resources for the 2023-25 biennium to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.

Other Sections in House Bill No. 1020

New and vacant FTE pool - Section 3 provides language regarding the use of funding in the new and vacant FTE pool line item.

Additional income - Appropriation - Section 4 appropriates any additional funds available in the resources trust fund to the Department of Water Resources for the 2025-27 biennium.

Water projects stabilization fund - Section 5 identifies \$42.5 million of the amount appropriated in Section 1 is from the water projects stabilization fund.

Discretionary funding - Section 6 provides that the discretionary funding line item in Section 1 and any discretionary funding carried over pursuant to Section 24 may be used as necessary, except for salaries and wages.

Transfer - Water infrastructure revolving loan fund - Section 7 provides for a transfer of \$40 million from the resources trust fund to the water infrastructure revolving loan fund.

Line of credit - Water infrastructure revolving loan fund - Section 8 provides for a \$100 million Bank of North Dakota line of credit, the proceeds of which are to be transferred to the water infrastructure revolving loan fund as necessary to provide local cost-share for projects approved by the State Water Commission.

Attorney position authorization - Section 9 amends North Dakota Century Code Section 54-12-08 to allow the Department of Water Resources to employ an attorney.

Water Topics Overview Committee - Powers and duties - Section 10 amends the powers and duties of the Water Topics Overview Committee to provide for committee review of water project proposals with a state cost-share of \$10 million or more.

Bank of North Dakota line of credit - Section 11 amends Section 61-02-79 to provide a line of credit of up to \$260 million for water projects, including \$50 million for the Southwest Pipeline Project.

Northwest Area Water Supply - Biota water treatment plant - Section 12 provides continuing appropriation authority for federal funds received for the operations of the NAWS Biota water treatment plant.

Red River Valley Water Supply Project - Section 13 provides legislative intent for \$205 million for the Red River Valley Water Supply Project for the 2025-27 biennium. Section 14 provides legislative intent that any federal funds received for the Red River Valley Water Supply Project be allocated 75 percent to the state share and 25 percent to the local share.

Mouse River flood control project - Section 15 provides legislative intent for \$81.1 million for the Mouse River flood control project for the 2025-27 biennium.

Legislative intent - Grants and water projects - Section 16 provides additional detail regarding allocations within line items for water projects.

Missouri River system - Section 17 provides legislative intent for the Department of Water Resources to support efforts to protect and develop beneficial use of Missouri River system water.

Legislative Management study - Designated appropriations - Section 18 provides for a study of legislatively designated funding for water projects, including multiphase projects.

Legislative Management study - Storm water projects - Section 19 provides for a legislative management study of storm water projects.

Missouri River intake sites study - Section 20 provides for the Department of Water Resources to study or conduct a field investigation regarding Missouri River intake sites.

Regional water systems governance and finance - Section 21 provides for a State Water Commission study of regional water systems governance and finance.

Cost-share policy - Section 22 provides for a State Water Commission study of its cost-share policy and financial planning.

Line item transfers - Section 23 provides authority for the Director of the Department of Water Resources to transfer up to \$5 million between the operating expenses and capital assets line items.

Water project carryover - Section 24 provides that any unexpended obligated and unobligated 2023-25 biennium appropriation authority for grants or water-related projects, estimated to be \$600 million, may be continued and expended during the 2025-27 biennium.

Bowman radar system carryover - Section 25 allows funding for the Bowman radar system to be continued into the 2025-27 biennium.

Emergency - Section 26 declares the bill and House Bill No. 1040, relating to a drought disaster livestock water assistance program, to be an emergency measure.

Related Legislation

House Bill No. 1009 - This bill provides for the transfer of \$125,000 from the Department of Water Resources to the Agriculture Commissioner for the wildlife services program.

House Bill No. 1024 - This bill provides a deficiency appropriation of \$10 million from the resources trust fund to the Department of Water Resources to repay a Bank of North Dakota line of credit associated with the water infrastructure revolving loan fund.

House Bill No. 1040 - This bill amends eligibility for the drought disaster livestock water assistance program to remove the requirement that an applicant first apply for water cost-share assistance from the federal Department of Agriculture.