

DEPARTMENT 303 - DEPARTMENT OF ENVIRONMENTAL QUALITY 2027-29 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$43,235,238
New and vacant FTE pool	2,290,870
Operating expenses	18,978,820
Capital assets	2,133,600
Grants	<u>59,938,459</u>
Total all funds	\$126,576,987
Less other funds	<u>107,701,251</u>
Total General Fund	\$18,875,736
FTE positions	175.00

The Department of Environmental Quality (DEQ) is organized in seven divisions--Air Quality, Chemistry, Water Quality, Municipal Facilities, Waste Management, Accounting, and the Office of the Director.

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes salary and benefits funding for 175 FTE positions, including temporary salaries	\$13,700,017	\$29,535,221	\$43,235,238
2. Includes a portion of the funding removed from the salaries and wages line item for estimated savings from new and vacant FTE positions. This line item includes \$1,862,648 related to vacant positions and \$428,222 for new positions. Funding may be transferred from this line if needed for filling new positions or if savings from vacant positions is less than estimated.	\$598,744	\$1,692,126	\$2,290,870
3. Includes funding for operating expenses primarily related to travel, rental expenses, repairs, information technology-related expenditures, professional fees and services, and chemistry laboratory supplies	\$4,556,975	\$14,421,845	\$18,978,820
4. Includes base budget funding for capital projects, including extraordinary repairs and equipment greater than \$10,000	\$0	\$2,133,600	\$2,133,600
5. Includes funding for grants, including drinking water emerging contaminants grants and 319 nonpoint water quality grants	\$20,000	\$59,918,459	\$59,938,459

Continuing Appropriations

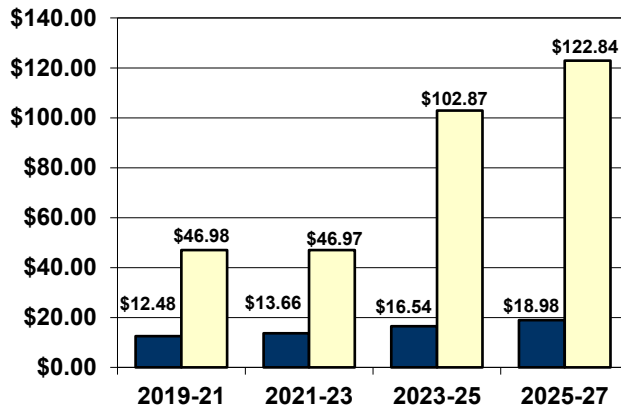
Environmental Quality Restoration Fund - North Dakota Century Code Section 23.1-10-02 - Allows DEQ to provide immediate and timely response to catastrophic events that threaten the public and environmental health when the responsible party is late in responding or cannot be located. The fund is to be administered by DEQ and may be used by the department for costs of environmental assessment, removal, corrective action, or monitoring as determined on a case-by-case basis. If, on July 1 in any year, the amount of uncommitted or unrestricted money in the Environmental Quality Restoration Fund is more than \$5,000,000, the amount in excess of \$5,000,000 must be transferred to the General Fund. The balance in the fund as of June 30, 2025, was \$7,270,119. After deducting the outstanding obligations, \$1,978,290 was transferred to the General Fund.

Petroleum Tank Release Compensation Fund - Section 23.1-12-29 - Provides a continuing appropriation to DEQ to reimburse claims made under the chapter.

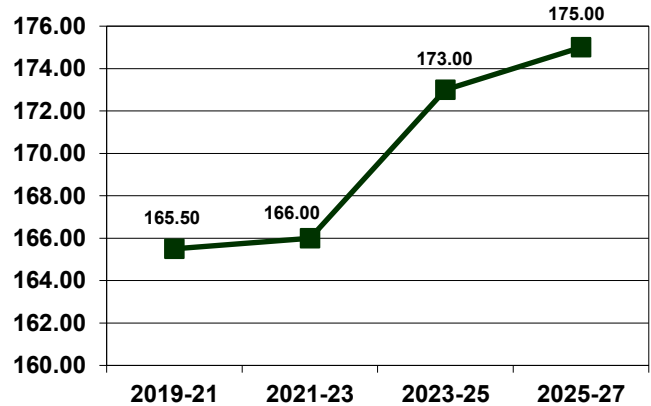
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

Ongoing General Fund Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Ongoing General Fund appropriations	\$10,724,151	\$12,480,922	\$12,661,075	\$16,350,783	\$18,875,736
Increase (decrease) from previous biennium	N/A	\$1,756,771	\$180,153	\$3,689,708	\$2,524,953
Percentage increase (decrease) from previous biennium	N/A	16.4%	1.4%	29.1%	15.4%
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	16.4%	18.1%	52.5%	76.0%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2019-21 Biennium

- Removed 3 FTE positions, including 1 FTE administrative assistant, 1 FTE office assistant, and 1 FTE legal assistant, and related funding for salaries and wages (\$94,123)
- Added 2 FTE positions and related funding from the General Fund and the Petroleum Release Compensation Fund for salaries and wages and operating expenses to transfer the Petroleum Tank Release Program from the Insurance Department to DEQ \$297,217
- Added 2 FTE positions and funding for salaries and wages in the 1st year of the biennium related to the state assuming primacy over the federal air pollution Quad O and Quad Oa Programs \$384,356
- Added 8 FTE positions and funding in the 2nd year of the biennium related to the state assuming primacy over the federal air pollution Quad O and Quad Oa Programs \$1,056,767
- Reduced funding for operating expenses related to training water treatment system operators to provide a total of \$125,000 from the General Fund (\$55,000)
- Added funding for Microsoft Office 365 licensing expenses \$20,048

2021-23 Biennium

- Decreased funding for temporary salaries (\$138,050)
- Transferred 1 FTE computer and network specialist III position to the Information Technology Department for the information technology (IT) unification initiative, including a decrease in salaries and wages and an increase in operating expenses \$2,022
- Removed 2 FTE environmental scientist II positions paid from the General Fund and restored other positions from special funds (\$360,800)
- Decreased funding for operating expenses (\$614,873)
- Increased funding for cost to continue operating expenses and grants, including funding to fully fund the Quad O and Quad Oa Programs, increases in IT data processing, IT equipment, and repairs \$362,474

2023-25 Biennium

- 1. Added funding for 1 FTE human resource director position in the Office of the Director and related operating expenses of \$15,165 \$94,718
- 2. Added funding for 1 FTE assistant director in the Office of the Director and related operating expenses of \$15,167 \$127,704
- 3. Added funding for 1 FTE civil rights and environmental justice position in the Office of the Director and related operating expenses of \$25,168 \$85,341
- 4. Added funding for 1 FTE accountant budget specialist III position in the Office of the Director and related operating expenses of \$10,500 \$80,141
- 5. Added equity funding for salaries and wages to reclassify chemist and environmental scientist positions \$2,000,000
- 6. Added funding for operating expenses related to laboratory information management system maintenance and hosting \$280,000

2025-27 Biennium

- 1. Increased funding for operating expenses and grants for cost to continue IT and rent \$767,204
- 2. Increased funding for ongoing operating expenses related to the new chemistry laboratory, including rent, supplies, and IT \$718,074

One-Time General Fund Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
One-time General Fund appropriations	\$0	\$0	\$1,000,000	\$187,800	\$99,500

Major One-Time General Fund Appropriations

2019-21 Biennium

None \$0

2021-23 Biennium

Added one-time funding for a laboratory information management system \$1,000,000

2023-25 Biennium

- 1. Added one-time funding for operating expenses related to chemistry laboratory inflation \$116,800
- 2. Added one-time funding for operating expenses for environmental data system development \$71,000

2025-27 Biennium

Added one-time funding to implement onsite wastewater treatment system regulation \$99,500

Other Funds

Major sources of special funds include:

- DEQ Operating Fund - Indirect cost recoveries and fees
- Petroleum Tank Release Compensation Fund - Registration fees collected under Section 23.1-12-17; money recovered by the fund under Section 23.1-12-23; interest attributable to investment of money in the fund; and money received by the administrator in the form of gifts, grants, reimbursements, or appropriations
- Abandoned Motor Vehicle Disposal Fund - Revenue from a tax on motor vehicle titles and funds derived from the investment of the fund
- Environment and Rangeland Protection Fund - Registration fees for pesticides; weed seed-free forage; fertilizer registration, inspection, and tonnage fees; and commercial feed registration, inspection, and tonnage fees
- Wastewater Operator's Certification Fund - Revenue from fees charged by the department for certifications

Major sources of federal funds include:

- Infrastructure Investment and Jobs Act - Drinking water emerging contaminants funding
- Infrastructure Investment and Jobs Act - Drinking Water State Revolving Fund lead grant
- Nonpoint source implementation grant - Funding for a variety of activities to prevent nonpoint source pollution from degrading water quality
- Performance Partnership grant - Air quality

Other Funds Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Other funds appropriations	\$39,487,520	\$46,978,574	\$46,969,930	\$102,871,491	\$122,839,637
Increase (decrease) from previous biennium	N/A	\$7,491,054	(\$8,644)	\$55,901,561	\$19,968,146
Percentage increase (decrease) from previous biennium	N/A	19.0%	0.0%	119.0%	19.4%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	19.0%	18.9%	160.5%	211.1%

Major Increases (Decreases) in Other Funds Appropriations

2019-21 Biennium

Ongoing

1. Removed 3 FTE positions, including 1 FTE administrative assistant, 1 FTE office assistant, and 1 FTE legal assistant and related funding for salaries and wages (\$271,407)
2. Added 2 FTE positions and related funding from the General Fund and the Petroleum Tank Release Compensation Fund for salaries and wages and operating expenses to transfer the Petroleum Tank Release Program from the Insurance Department to DEQ \$277,852
3. Transferred the Boiler Inspection Program, including 4 FTE positions, from the Insurance Department to DEQ. Funding is provided from the State Fire and Tornado Fund for base salaries and wages of \$753,365 and operating expenses of \$89,000 \$842,365
4. Increased funding for equipment and IT equipment over \$5,000 to provide a total ongoing appropriation of \$1.02 million from other funds \$275,125
5. Increased funding for grants to accept and disburse funding from the Volkswagen trust settlement to provide a total of \$5,399,529 \$2,899,529

One-time

- Added one-time funding from the Strategic Investment and Improvements Fund (SIIF) for capital assets of \$1 million and operating expenses of \$40,000 for Air Pollution Program equipment related to the establishment of federal program supremacy \$1,040,000

2021-23 Biennium

Ongoing

1. Transferred 1 FTE computer and network specialist III position to the Information Technology Department for the IT unification initiative, including a decrease in salaries and wages and an increase in operating expenses \$3,755
2. Added 1.5 FTE accounting positions, including 1 FTE accounting manager II position and .5 accounting/budget specialist III position, and related funding for salaries and wages of \$329,622 and reduced funding for operating expenses by \$470,361 related to accounting services provided by the State Department of Health (\$140,739)
3. Added a .5 FTE environmental scientist III position and related funding for salaries and wages \$66,879
4. Added a .5 FTE accounting/budget analyst III position, including salaries and wages of \$110,099 and related operating expenses of \$8,201 \$118,300
5. Added 1 FTE environmental scientist II position, including salaries and wages of \$152,169 and related operating expenses of \$33,331 in the Petroleum Tank Release Program to adjust the funding source to special funds \$185,500
6. Increased funding from fees for Boiler Inspection Program operating expenses \$200,000
7. Added funding from Pollutant Discharge Elimination System Program fees for operating expenses to develop a web-based application reporting system for the North Dakota Pollutant Discharge Elimination System Program \$343,732
8. Increased funding for cost to continue operating expenses and grants, including funding to fully fund the Quad O and Quad Oa Programs, increases in IT data processing, IT equipment, and repairs \$919,353
9. Decreased funding for Volkswagen settlement grants to provide a total of \$4,485,118 (\$914,411)
10. Removed funding for Information Technology Department customer success management fees (\$108,000)
11. Decreased funding for bond and capital payments to provide a total of \$119,972, of which \$59,581 is from the General Fund (\$62,347)
12. Increased funding for equipment and IT equipment over \$5,000 to provide a total ongoing appropriation of \$1,103,200 of other funds \$83,200

One-time

- None \$0

2023-25 Biennium**Ongoing**

1. Added funding from federal and special funds for 1 FTE natural resource services III position and related operating expenses of \$7,500	\$226,162
2. Added funding from federal funds for 2 FTE engineering and planning services VI positions and related operating expenses of \$97,500	\$608,784
3. Added funding, including funding from federal and special funds, for 1 FTE human resource director position in the Office of the Director and related operating expenses of \$15,165	\$175,903
4. Added funding, including funding from federal and special funds, for 1 FTE assistant director in the Office of the Director and related operating expenses of \$15,167	\$237,169
5. Added funding, including funding from federal and special funds, for 1 FTE civil rights and environmental justice position in the Office of the Director and related operating expenses of \$25,168	\$158,491
6. Added funding, including funding from federal and special funds, for 1 FTE accountant budget specialist III position in the Office of the Director and related operating expenses of \$10,500	\$148,835
7. Increased federal funding for temporary salaries related to lead line inventory	\$274,560
8. Added funding from special funds for operating expenses related to lead and copper testing	\$184,000
9. Added federal funding for operating expenses related to ongoing licensing and maintenance of the drinking water system database	\$100,000
10. Added federal funding for operating expenses for professional services related to a lead line service replacement project	\$150,000
11. Removed funding, including funding from federal funds, for 2021-23 biennium bond payment	(\$60,391)
12. Added federal funding for grants related to Infrastructure Investment and Jobs Act (IIJA) municipal facilities and lead and copper programs	\$21,000,000
13. Added federal funding related to the Climate Pollution Reduction Act grant, including funding for salaries and wages, operating expenses, and grants	\$2,000,000

One-time

1. Added one-time funding from federal funds for operating expenses related to administering the IIJA Municipal Facilities Revolving Loan Fund, including office and IT equipment	\$22,350
2. Added one-time funding from federal funds for operating expenses to upgrade the Drinking Water Program portal	\$325,000
3. Added one-time funding for operating expenses, including funding from federal and special funds, for environmental data system development	\$1,294,444
4. Added one-time funding from federal funds for equipment over \$5,000 related to administering the IIJA Municipal Facilities Revolving Loan Fund	\$155,000
5. Added one-time funding from federal funds for lead pipe removal and clean water project grants	\$25,000,000

2025-27 Biennium**Ongoing**

1. Added funding from special funds from fees for 1 FTE chemist position (\$237,902) and related operating expenses (\$115,500) to establish a program to test water for emerging contaminants	\$353,402
2. Added funding from special funds from inspection fees for 1 FTE chemist position for a State Fuel Inspection Program	\$237,900
3. Added funding from special funds from inspection fees for temporary salaries (\$100,100) and operating expenses (\$99,300) for the State Fuel Inspection Program	\$199,400
4. Adjusted funding for base budget changes to operating expenses	\$1,652,430
5. Increased funding for operating expenses and grants for cost to continue IT and rent	\$715,512
6. Increased funding from special funds from fees for operating expenses related to the Water and Wastewater Operator Certification Program to expand test availability	\$100,500
7. Increased funding from the Petroleum Tank Release Compensation Fund for operating expenses related to a new database	\$260,000
8. Adjusted funding for base budget changes to capital assets	\$1,124,900
9. Adjusted funding for base budget changes to grants	\$22,146,882

One-time

1. Added one-time funding from SIIF for operating expenses related to moving the chemistry laboratory	\$1,500,000
2. Added one-time funding from SIIF for operating expenses related to the new chemistry laboratory, including office and IT equipment, maintenance, wireless connectivity, and security	\$700,186

3. Added 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
4. Added one-time funding from special funds from fees for operating expenses (\$3,200) and capital assets (\$940,000) for computers and laboratory equipment to establish a program to test water for emerging contaminants	\$943,200
5. Added one-time funding from the Petroleum Tank Release Compensation Fund for operating expenses for a new database	\$700,000
6. Added one-time funding from SIIF for capital assets related to the new chemistry laboratory	\$1,375,000
7. Added one-time funding from special funds from inspection fees for equipment related to a State Fuel Inspection Program	\$215,000
8. Added one-time funding from a Bank of North Dakota line of credit for wastewater infrastructure grants	\$9,700,000