

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 1, line 2, remove "and"

Page 1, line 2, after "transfer" insert "; to amend and reenact sections 4.1-01-02 and 4.1-01-17 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and the pipeline restoration and reclamation oversight program; to amend and reenact section 7 of chapter 34 of the 2019 Session Laws, relating to the waterbank program, and to provide for a report"

Page 1, remove lines 9 through 24

Page 2, replace lines 1 and 2 with:

| " | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|---|-------------------|--|----------------------|
| Salaries and wages | \$14,232,746 | \$1,487,555 | \$15,720,301 |
| Operating expenses | 6,592,780 | 255,272 | 6,848,052 |
| Capital assets | 15,000 | 0 | 15,000 |
| Grants | 8,823,774 | 708,000 | 9,531,774 |
| Environmental impact mitigation | 5,000,000 | (5,000,000) | 0 |
| Agricultural products utilization commission | 1,760,417 | 2,700,000 | 4,460,417 |
| North Dakota trade office | 0 | 1,600,000 | 1,600,000 |
| Board of animal health | 865,718 | 0 | 865,718 |
| Wildlife services | 1,457,400 | 0 | 1,457,400 |
| Pipeline restoration and reclamation oversight program | 200,000 | 0 | 200,000 |
| Crop harmonization board | <u>75,000</u> | <u>0</u> | <u>75,000</u> |
| Total all funds | \$39,022,835 | \$1,750,827 | \$40,773,662 |
| Less estimated income | <u>28,322,406</u> | <u>(1,007,568)</u> | <u>27,314,838</u> |
| Total general fund | \$10,700,429 | \$2,758,395 | \$13,458,824 |
| Full-time equivalent positions | 78.00 | 1.00 | 79.00" |

Page 2, line 3, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 2, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 8 through 11 with:

| | | |
|---|------------------|------------------|
| "Agricultural products utilization commission | 2,000,000 | 2,700,000 |
| Soil health grants | <u>0</u> | <u>500,000</u> |
| Total all funds | \$2,210,000 | \$3,200,000 |
| Less estimated income | <u>2,000,000</u> | <u>3,200,000</u> |
| Total general fund | \$210,000 | \$0 |

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the

appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, remove lines 12 through 30

Page 3, replace lines 1 through 4 with:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO BIOSCIENCE INNOVATION GRANT FUND - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,500,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the bioscience innovation grant fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for providing bioscience innovation grants. This funding is considered a one-time funding item.

SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the federal environmental law impact review fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially impact the state's agricultural, energy, or oil production sectors. This funding is considered a one-time funding item.

SECTION 5. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$2,700,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund for defraying the expenses of the agricultural products utilization commission for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered a one-time funding item.

SECTION 6. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - OUTDOOR HERITAGE FUND - SOIL HEALTH COVER CROP GRANT PROGRAM - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$500,000, of which the Bank of North Dakota shall transfer \$300,000 from the Bank's current earnings and undivided profits and the industrial commission shall transfer \$200,000 from the outdoor heritage fund to the agriculture commissioner for deposit in the agriculture commissioner's operating fund for defraying the expenses of the soil health cover crop grant program for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall establish guidelines for the use of grant funding provided for this program. This funding is considered a one-time funding item.

SECTION 7. ESTIMATED INCOME - TRANSFER - STATE WATER COMMISSION. The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

SECTION 8. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 9. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$6,900,301 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 10. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$619,329 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT. The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$1,600,000 of funding related to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the agriculture commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, providing training to export assistants, or to purchase computer equipment as part of the North Dakota trade office's export assistant program.

SECTION 12. AMENDMENT. Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01-02. Salary of agriculture commissioner.

The annual salary of the agriculture commissioner is one hundred ~~sixteen~~twenty-one thousand ~~eight~~five hundred ~~thirty-six~~thirty-three dollars through June 30, ~~2020~~2022, and one hundred ~~nineteen~~twenty-three thousand ~~sevent~~three hundred ~~fifty-seven~~seventy-six dollars after that date.

SECTION 13. AMENDMENT. Section 4.1-01-17 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01-17. Pipeline restoration and reclamation oversight ~~pilot~~ program - Generally.

1. The commissioner shall establish a ~~pilot~~ program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.

3. The ~~pilot~~ program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.
5. The names of surface owners and surface tenants who receive assistance under the program are closed records as defined in section 44-04-17.1.

SECTION 14. ESTIMATED INCOME - PIPELINE RESTORATION AND RECLAMATION. The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program.

SECTION 15. AMENDMENT. Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS. The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

SECTION 16. WATERBANK PROGRAM - MATCHING FUNDS. The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1009 - Department of Agriculture - House Action

| | Base Budget | House Changes | House Version |
|---|----------------|------------------|------------------|
| Salaries and wages | \$14,232,746 | \$1,487,555 | \$15,720,301 |
| Operating expenses | 6,592,780 | 255,272 | 6,848,052 |
| Capital assets | 15,000 | | 15,000 |
| Grants | 8,823,774 | 708,000 | 9,531,774 |
| State Board of Animal Health | 865,718 | | 865,718 |
| Wildlife services | 1,457,400 | | 1,457,400 |
| Crop Harmonization Board | 75,000 | | 75,000 |
| Pipeline restoration and reclamation | 200,000 | | 200,000 |
| Ag. Products Utilization Commission | 1,760,417 | 2,700,000 | 4,460,417 |
| Mitigation of environmental impacts | 5,000,000 | (5,000,000) | |
| Bioscience innovation grants | | 5,500,000 | 5,500,000 |
| Environmental law impact review | | 5,000,000 | 5,000,000 |
| North Dakota trade office | | 1,600,000 | 1,600,000 |
| Total all funds | \$39,022,835 | \$12,250,827 | \$51,273,662 |
| Less estimated income | 28,322,406 | (1,007,568) | 27,314,838 |
| General fund | \$10,700,429 | \$13,258,395 | \$23,958,824 |
| FTE | 78.00 | 1.00 | 79.00 |

Department 602 - Department of Agriculture - Detail of House Changes

| | Adds Funding for Salary and Benefit Increases¹ | Adds Funding for Cost to Continue 2019-21 Salaries² | Adds Funding for Salary Compression³ | Adds Funding for 1 FTE Grain Inspector Position⁴ | Adds Funding for Meat Inspector Position⁵ | Adds Funding for FTE Reclassification⁶ |
|--------------------------------------|--|---|--|--|---|--|
| Salaries and wages | \$348,561 | \$125,067 | \$702,500 | \$152,670 | \$90,478 | \$68,279 |
| Operating expenses | | | | 30,729 | 15,980 | |
| Capital assets | | | | | | |
| Grants | | | | | | |
| State Board of Animal Health | | | | | | |
| Wildlife services | | | | | | |
| Crop Harmonization Board | | | | | | |
| Pipeline restoration and reclamation | | | | | | |
| Ag. Products Utilization Commission | | | | | | |
| Mitigation of environmental impacts | | | | | | |
| Bioscience innovation grants | | | | | | |
| Environmental law impact review | | | | | | |
| North Dakota trade office | | | | | | |
| Total all funds | \$348,561 | \$125,067 | \$702,500 | \$183,399 | \$106,458 | \$68,279 |
| Less estimated income | 158,197 | 55,860 | 332,634 | 0 | 0 | 0 |
| General fund | <u>\$190,364</u> | <u>\$69,207</u> | <u>\$369,866</u> | <u>\$183,399</u> | <u>\$106,458</u> | <u>\$68,279</u> |
| FTE | 0.00 | 0.00 | 0.00 | 1.00 | 0.00 | 0.00 |

| | Adjusts Base Level Funding⁷ | Adds Funding for Grants⁸ | Removes Funding for Environmental Impact Grants⁹ | Transfers the North Dakota Trade Office¹⁰ | Adds One-Time Funding for APUC¹¹ | Adds One-Time Funding for a Soil Health Grant Program¹² |
|--------------------------------------|---|--|--|---|--|---|
| Salaries and wages | | | | | | |
| Operating expenses | \$208,563 | | | | | |
| Capital assets | | | | | | |
| Grants | | \$208,000 | | | | \$500,000 |
| State Board of Animal Health | | | | | | |
| Wildlife services | | | | | | |
| Crop Harmonization Board | | | | | | |
| Pipeline restoration and reclamation | | | | | | |
| Ag. Products Utilization Commission | | | | | \$2,700,000 | |
| Mitigation of environmental impacts | | | (\$5,000,000) | | | |
| Bioscience innovation grants | | | | | | |
| Environmental law impact review | | | | | | |
| North Dakota trade office | | | | \$1,600,000 | | |
| Total all funds | \$208,563 | \$208,000 | (\$5,000,000) | \$1,600,000 | \$2,700,000 | \$500,000 |
| Less estimated income | 37,741 | 208,000 | (5,000,000) | 0 | 2,700,000 | 500,000 |
| General fund | <u>\$170,822</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,600,000</u> | <u>\$0</u> | <u>\$0</u> |
| FTE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | Adds One-Time Funding for Bioscience Innovation Grants ¹³ | Adds One-Time Funding for Environmental Law Impact Review ¹⁴ | Total House Changes |
|--------------------------------------|--|---|---------------------|
| Salaries and wages | | | \$1,487,555 |
| Operating expenses | | | 255,272 |
| Capital assets | | | |
| Grants | | | 708,000 |
| State Board of Animal Health | | | |
| Wildlife services | | | |
| Crop Harmonization Board | | | |
| Pipeline restoration and reclamation | | | |
| Ag. Products Utilization Commission | | | 2,700,000 |
| Mitigation of environmental impacts | | | (5,000,000) |
| Bioscience innovation grants | \$5,500,000 | | 5,500,000 |
| Environmental law impact review | | \$5,000,000 | 5,000,000 |
| North Dakota trade office | | | 1,600,000 |
| Total all funds | \$5,500,000 | \$5,000,000 | \$12,250,827 |
| Less estimated income | 0 | 0 | (1,007,568) |
| General fund | \$5,500,000 | \$5,000,000 | \$13,258,395 |
| FTE | 0.00 | 0.00 | 1.00 |

¹ The following funding is added for 2021-23 biennium 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 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

| | <u>General Fund</u> | <u>Other Funds</u> | Total |
|---------------------------|---------------------|--------------------|--------------|
| Salary increase | \$188,218 | \$156,594 | \$344,812 |
| Health insurance increase | <u>2,146</u> | <u>1,603</u> | <u>3,749</u> |
| Total | \$190,364 | \$158,197 | \$348,561 |

² Funding of \$125,067 is added for the cost to continue salary increases given to employees in the 2nd year of the 2019-21 biennium, of which \$69,207 is from the general fund, \$26,577 is from federal funds, \$996 is from game and fish funds, \$4,217 is from the Agriculture Commissioner's operating fund, and \$24,070 is from the environment and rangeland protection fund.

³ Funding of \$702,500 is added to address employee salary compression concerns, of which \$369,866 is from the general fund, \$158,484 is from federal funds, \$3,903 is from game and fish funds, \$21,330 is from the Agriculture Commissioner's operating fund, and \$148,917 is from the environment and rangeland protection fund.

⁴ Funding of \$183,399 from the general fund is added for 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses.

⁵ Funding of \$106,458 is added from the general fund to fully fund a previously underfunded FTE meat inspector position, of which \$90,478 is for salaries and \$15,980 is for operating expenses.

⁶ Funding of \$68,279 is added from the general fund to reclassify an FTE program coordinator position to an FTE attorney position.

⁷ Base level funding is adjusted as follows:

| | <u>General Fund</u> | <u>Other Funds</u> | Total |
|---|---------------------|--------------------|----------------|
| Adds funding for the industrial hemp program | \$0 | \$36,250 | \$36,250 |
| Adds funding for public warehouse and grain buyer license costs | 43,500 | 0 | 43,500 |
| Adds funding for Microsoft Office 365 license expenses | 7,322 | 1,491 | 8,813 |
| Adds funding for the North Dakota mediation service program | <u>120,000</u> | <u>0</u> | <u>120,000</u> |
| Total | \$170,822 | \$37,741 | \$208,563 |

⁸ Funding of \$208,000 is added for grants, including \$158,000 of federal funding for the speciality crop block grant program to provide total federal funding of \$5,758,000, and \$50,000 from the environment and rangeland protection fund for noxious weed grants to provide a total of \$1,425,274, of which \$90,000 is from federal funds and \$1,335,274 is from the environment and rangeland protection fund.

⁹ Federal funding of \$5,000,000 is removed relating to the environmental impact mitigation fund. The Agriculture Commissioner has an existing continuing appropriation from the fund to provide grants to political subdivisions for the mitigation of environmental impacts.

¹⁰ Funding of \$1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office. A section is added to the bill regarding a matching requirement for these funds.

¹¹ One-time funding of \$2,700,000 is added from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) to provide a total of \$4,460,417, including \$1,760,417 from the APUC fund. A section is added to the bill to provide for the transfer from the Bank.

¹² One-time funding of \$500,000 is added for a soil health cover crop grant program, of which \$300,000 is from Bank of North Dakota profits and \$200,000 is from the outdoor heritage fund. A section is added to the bill to provide for the transfers from the Bank and the outdoor heritage fund.

¹³ One-time funding of \$5.5 million is added from the general fund, which is transferred to the bioscience innovation grant fund, for providing bioscience innovation grants during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the bioscience innovation grant fund.

¹⁴ One-time funding of \$5 million is added from the general fund, which is transferred to the federal environmental law impact review fund, for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the federal environmental law impact review fund.

This amendment also:

- Adds a section to appropriate \$5.5 million from the general fund, which the Office of Management and Budget is required to transfer to the bioscience innovation grant fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to appropriate \$5 million from the general fund, which the Office of Management and Budget is required to transfer to the federal environmental law impact review fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the APUC fund for the purpose of defraying the expenses of APUC during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the environment and rangeland protection fund during the 2021-23 biennium.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the Game and Fish Department operating fund during the 2021-23 biennium.
- Adds a section to identify \$1.6 million in the North Dakota trade office line item relating to the North Dakota Trade Office, which is transferred from the Department of Commerce. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23

biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
- Adds a section to amend North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.
- Adds a section to amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.