



NORTH
Dakota

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LEGISLATIVE APPROPRIATIONS
2021-2023 BIENNIUM

GOVERNOR DOUG BURGUM

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Office of Management and Budget

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EXECUTIVE SUMMARY

Governor Doug Burgum's executive budget for the 2021-23 biennium provided a responsible spending plan for the state of North Dakota that maintained healthy reserves, reduced ongoing general fund spending, and invested in strategic priorities, without raising taxes.

Major initiatives in Governor Burgum's executive budget recommendation included:

- **Ensuring Pension Solvency** – Recognizing the need to address the state's unfunded pension liability, the executive budget proposed increasing employer and employee contributions by 1 percent each, beginning January 1, 2022. This plan was endorsed by the Public Employee's Retirement System board and would have resulted in a fully funded pension plan over time. The legislature did not approve this proposal but addressed pension solvency through the allocation of a portion of future Legacy Fund earnings, as provided in House Bill 1380.
- **Investing in Technology and Cyber Security** – To better serve the citizens of North Dakota and provide the most efficient use of resources, \$105.0 million was proposed to replace outdated technology in several agencies. In addition, \$20.2 million was proposed to improve the state's cyber security defenses and ensure the sensitive data transmitted and stored via the state network is secure and protected. The legislature appropriated \$111.2 million for large IT projects and provided 29.0 FTE and \$19.5 million to enhance the state's cybersecurity.
- **Supporting K-12 and Higher Education** – The state's strong commitment to education was continued in the

2021-23 executive budget. For K-12 education, per student formula rates were maintained, despite

limited resources due to the economic impact of the COVID-19 pandemic. For higher education, the executive budget proposed a 7.5 percent reduction in formula funding, recognizing the limited general fund resources available and the opportunities and alternative funding sources available for higher education. However, the executive budget included \$19.0 million to address deferred maintenance and up to \$20.0 million for the higher education challenge grant program. As the state's pandemic response led to economic recovery and a return to normal business, the state revenue outlook improved. This improved outlook allowed the legislature to provide a modest increase in school funding formula payments rates for both K-12 schools and institutions of higher education. The legislative budget also included \$19.0 million for deferred maintenance and \$11.2 million for higher education challenge grants.



- **Building Our Workforce** – Recognizing the need to provide a skilled and trained workforce to grow the North Dakota economy and meet the needs of industry and business, the executive budget proposed a significant expansion of career and technical education centers through a matching grant program.
- **Supporting Behavioral Health** – During the 2019-21 biennium, the Substance Use Disorder Voucher Program was appropriated \$8.0 million, but the funding proved inadequate to meet the need and covered program costs for only 14 months of the biennium. For the 2021-23 biennium, the executive budget included increased funding for the program to \$17.0 million. The legislature approved. The increase included two grants to further expand the program into underserved areas of the state.
- **Investing in Infrastructure** – The executive budget included a comprehensive bonding package, with bond repayment from a portion of future Legacy Fund earnings. The historically low interest environment and the opportunity to avoid a general fund impact by providing for bond repayment with Legacy Fund earnings provides a high potential return on the investment for citizens. The legislature agreed and authorized the largest bonding package ever authorized in North Dakota in House Bill 1431.
- **Establishing a Framework for Distribution of Future Legacy Fund Earnings** – The executive budget proposal included a strategy for the allocation of future Legacy Fund earnings using a percent of market value approach to stabilize and limit future spending. The executive

budget proposal included an allocation strategy that followed five themes:

1. Economic diversification, community building, and strategic initiatives
2. Research and innovation
3. Government transformation
4. Legacy bond repayment
5. Legacy projects

The legislature, through passage of House Bill 1380, adopted a similar strategy for allocation of future earnings using a percent of market value approach and providing a framework to guide future legislatures.

Governor Burgum’s executive budget totaled \$15.02 billion, of which \$4.84 billion was from the General Fund. The budget was developed during the COVID-19 pandemic, during unprecedented volatility and uncertainty. During the ensuing months of the legislative process, the state pandemic response and recovery effort proved successful. Business activity in many sectors returned to normal, and state revenues improved significantly. During this time, additional federal funds were authorized to assist states, and those funds became part of the final legislative budget. The legislative appropriation for the 2021-23 biennium totaled \$16.94 billion, of which \$4.99 billion was from the General Fund.

The legislative budget closely matched the executive budget recommendation in many areas. The increase in the overall legislative budget was mainly attributable to over \$2.00 billion in

federal COVID-10 funding made available after completion of the executive budget proposal but included in the final legislative appropriation. The legislative budget for General Fund spending was 3.2 percent higher than the executive budget recommendation.

For both the executive budget and legislative appropriation, approximately 80 percent of the state general fund budget is spent in the areas of K-12 education, higher education, and health and human services:

- **K-12 Education** – The school aid formula appropriation for the 2021-23 biennium is \$2.13 billion, \$1.56 billion from the General Fund and \$576.0 million from state special fund sources

- **Higher Education** – The appropriation for higher education is \$2.69 billion, \$703.4 million from the General fund and \$1.99 billion from state special funds.
- **Human Services** – The appropriation for the Department of Human Services is \$4.77 billion, \$1.58 billion from the General Fund and \$3.19 billion from special and federal funds.

Subsequent pages highlight the Governor’s recommendations and the legislative changes to his proposed initiatives.

Changes from Executive Recommendation

In comparison to the executive budget, the 2021 Legislative Assembly increased the total spending from all funding sources by \$1.92 billion, or 12.8 percent. General fund spending was increased by \$157.3 million, or 3.2 percent.

The increase in total spending is primarily attributable to over \$2.00 billion in additional federal funds that were made available to North Dakota during the legislative process in response to the COVID-19 pandemic. The increase in general fund spending is primarily attributable to fully funding the higher education formula, increasing the K-12 per student payment rate by 1 percent each year, and additional funding for Department of Human Services cost, caseload, and reimbursement rates.

Executive Budget Comparison to Total Legislative Appropriations for 2021-23			
	Executive Recommendation	Legislative Appropriations	Change
General Fund	\$ 4,835,670,367	\$ 4,992,957,330	\$ 157,286,963
Other Funds	10,183,865,389	11,943,388,235	\$ 1,759,522,846
Total	\$ 15,019,535,756	\$ 16,936,345,565	\$ 1,916,809,809

2021-23 General Fund Budget

The estimated July 1, 2021 beginning balance in the General Fund is \$710.3 million and revenues are projected to be \$4.35 billion during the 2021-23 biennium. Legislative appropriations from the General Fund total \$5.06 billion for the biennium leaving an estimated June 30, 2023 ending balance of \$63.6 million. The following table shows the General Fund budget summary for the 2021-23 biennium:

2021-23 General Fund Budget Status	
Estimated General Fund Beginning Balance	\$ 710,259,973 \1
Estimated 2021-23 General Fund Revenues	4,346,281,995
Total General Fund Available	\$ 5,056,541,968
2021-23 General Fund Appropriations	(4,992,957,330)
Estimated General Fund Ending Balance	\$ 63,584,638 \2

\1 Estimated July 1, 2021 balance based on estimated revenues using the 2021 legislative revenue forecast.
 \2 Estimated General Fund balance for June 30, 2023.

Balances of Major Special Funds

Balances of Select Special Funds		
Fund	Estimated Balance June 30, 2021	Estimated Balance June 30, 2023
Legacy Fund	\$ 8,057,044,923	\$ 9,386,495,533
Strategic Investments and Improvements Fund	\$ 523,887,024	\$ 535,974,720
Budget Stabilization Fund	\$ 748,943,600	\$ 748,943,600

STATE OF NORTH DAKOTA

APPROPRIATION COMPARISONS

2019-21 AND 2021-23 LEGISLATIVE APPROPRIATIONS AND 2021-23 EXECUTIVE RECOMMENDATION

Agency	2019-21 Legislative Appropriation ¹		2021-23 Executive Recommendation		2021-23 Legislative Appropriation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
General Government						
Executive Branch						
101 Office of the Governor	\$4,492,106	\$4,492,106	\$4,333,956	\$4,333,956	\$4,587,944	\$4,587,944
108 Office of the Secretary of State	5,623,063	21,054,704	5,702,347	13,295,461	5,521,552	13,827,126
110 Office of Management and Budget	33,215,852	50,352,367	31,896,780	185,794,192	34,026,399	49,549,812
112 Information Technology Department	28,565,311	349,597,645	17,824,839	275,233,775	28,975,953	275,146,058
117 Office of the State Auditor	10,122,860	14,296,038	9,521,824	14,598,119	9,119,110	14,945,262
120 Office of the State Treasurer	1,746,370	1,781,370	1,779,467	1,779,467	1,705,918	71,865,918
125 Office of the Attorney General	45,804,596	84,908,836	47,260,701	86,325,107	42,646,718	91,805,846
127 Office of the State Tax Commissioner	54,071,616	54,196,616	62,449,257	62,574,257	64,241,316	64,366,316
140 Office of Administrative Hearings	0	2,830,664	0	2,782,417	0	2,881,529
188 Comm on Legal Counsel for Indigents	18,384,627	20,374,662	17,712,805	19,709,703	19,294,363	21,289,213
190 Retirement and Investment Office	0	14,869,164	0	6,180,318	0	6,402,505
192 Public Employees Retirement System	0	9,576,196	0	10,108,112	0	10,217,396
195 Ethics Commission	517,155	517,155	653,674	653,674	623,984	623,984
Total Executive Branch	\$202,543,556	\$628,847,523	\$199,135,650	\$683,368,558	\$210,743,257	\$627,508,909
Legislative and Judicial Branches						
150 Legislative Assembly	\$15,825,515	\$15,965,515	\$20,330,194	\$20,330,194	\$19,692,464	\$19,692,464
160 Legislative Council	13,045,074	13,115,074	15,945,379	16,015,378	16,370,410	16,440,410
180 Judicial Branch	107,503,043	110,615,340	115,967,211	118,161,669	112,312,790	113,729,853
Total Legislative and Judicial Branches	\$136,373,632	\$139,695,929	\$152,242,784	\$154,507,241	\$148,375,664	\$149,862,727
Total General Government	\$338,917,188	\$768,543,452	\$351,378,434	\$837,875,799	\$359,118,921	\$777,371,636
Education						
Elementary, Secondary, and Other Education						
201 Department of Public Instruction	\$1,721,361,137	\$2,538,914,880	\$1,598,055,407	\$2,579,738,885	\$1,658,396,873	\$2,936,330,623
226 Land Department	0	10,458,401	0	10,345,068	0	10,402,999
250 State Library	5,781,419	8,155,780	6,023,909	8,392,134	5,831,721	10,362,864
252 School for the Deaf	7,528,850	10,229,208	7,457,297	10,944,731	7,406,556	10,916,084
253 ND Vision Services/School for the Blind	4,717,989	6,050,804	4,622,428	6,199,718	4,761,879	6,238,557
270 Dept. of Career & Technical Education	40,064,988	54,768,109	39,978,448	99,998,265	41,735,063	126,754,880
Total Elementary, Secondary, and Other Educ.	\$1,779,454,383	\$2,628,577,182	\$1,656,137,489	\$2,715,618,801	\$1,718,132,092	\$3,101,006,007
Higher Education						
215 North Dakota University System Office	\$113,977,097	\$144,979,303	\$124,591,002	\$167,883,523	\$128,198,476	\$153,955,511
227 Bismarck State College	31,068,227	101,517,629	26,358,629	96,755,722	32,084,055	102,493,948
228 Lake Region State College	12,945,280	41,276,544	12,694,861	37,972,176	14,242,152	39,876,580
229 Williston State College	10,067,743	34,133,922	9,238,600	33,270,852	11,286,737	35,306,272
230 University of North Dakota	150,279,869	1,110,689,148	137,831,175	894,132,663	156,024,079	916,681,850
232 UND Medical Center	62,935,789	221,972,800	64,065,329	224,970,019	67,026,005	227,832,254
235 North Dakota State University	132,714,983	921,873,867	125,141,333	764,800,792	138,556,325	813,973,425
238 ND State College of Science	36,542,022	97,739,180	32,750,556	93,571,158	35,714,792	96,559,844

STATE OF NORTH DAKOTA

APPROPRIATION COMPARISONS

2019-21 AND 2021-23 LEGISLATIVE APPROPRIATIONS AND 2019-21 EXECUTIVE RECOMMENDATION

Agency	2019-21 Legislative Appropriation ¹		2021-23 Executive Recommendation		2021-23 Legislative Appropriation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
239 Dickinson State University	18,593,063	53,707,796	18,126,267	49,109,020	20,242,730	55,235,138
240 Mayville State University	16,420,616	48,558,605	17,199,194	49,395,663	20,279,828	52,562,268
241 Minot State University	39,896,693	104,570,295	37,676,963	101,687,805	41,206,630	105,254,397
242 Valley City State University	22,658,933	79,251,025	20,551,560	46,901,742	24,161,377	50,848,223
243 Dakota College at Bottineau	7,740,826	24,266,741	8,626,489	26,811,210	9,537,862	27,754,062
244 North Dakota Forest Service	4,676,664	15,342,064	4,556,471	15,225,461	4,792,478	15,461,793
Total Higher Education	\$660,517,805	\$2,999,878,919	\$639,408,429	\$2,602,487,806	\$703,353,526	\$2,693,795,565
Total Education	\$2,439,972,188	\$5,628,456,101	\$2,295,545,918	\$5,318,106,607	\$2,421,485,618	\$5,794,801,572
Health and Human Services						
301 ND Department of Health	\$36,360,590	\$160,279,823	\$88,879,743	\$260,160,376	\$44,103,431	\$268,722,205
303 Department of Environmental Quality	12,480,922	58,714,496	12,597,698	59,807,354	13,661,075	60,631,005
313 Veterans Home	5,679,324	24,955,146	5,466,701	25,144,083	5,805,643	26,829,683
316 Indian Affairs Commission	1,098,639	1,098,639	1,112,086	1,112,086	1,095,715	1,095,715
321 Department of Veterans Affairs	1,416,430	2,793,587	1,378,624	3,244,287	1,570,624	3,374,274
325 Department of Human Services	1,462,663,487	4,106,823,991	1,563,943,856	4,377,564,216	1,579,020,870	4,771,142,514
360 Protection and Advocacy Project	3,312,565	7,306,700	3,155,580	7,441,039	3,139,350	7,402,940
380 Job Service North Dakota	430,624	65,686,194	410,561	65,450,721	410,229	65,405,492
Total Health and Human Services	\$1,523,442,581	\$4,427,658,576	\$1,676,944,849	\$4,799,924,162	\$1,648,806,937	\$5,204,603,828
Regulatory						
401 Office of the Insurance Commissioner	\$0	\$28,734,703	\$0	\$50,426,100	\$0	\$31,474,180
405 Industrial Commission	27,449,198	45,442,988	25,986,966	50,364,926	51,595,873	75,965,058
406 Office of the Labor Commissioner	2,395,169	2,875,850	2,534,973	3,051,841	2,394,186	2,911,054
408 Public Service Commission	6,714,928	19,323,404	6,613,408	20,036,769	6,431,087	19,892,782
412 Aeronautics Commission	500,000	49,331,082	475,000	31,228,807	475,000	31,216,987
413 Dept. of Financial Institutions	0	9,135,872	0	9,167,283	0	9,106,507
414 Securities Department	0	2,757,119	0	2,825,725	0	2,808,984
471 Bank of North Dakota	0	64,357,799	0	66,961,079	10,000,000	757,791,179
473 North Dakota Housing Finance Agency	7,500,000	54,921,891	0	58,903,412	9,500,000	68,425,532
475 North Dakota Mill and Elevator	0	76,994,824	0	88,599,394	0	88,377,209
485 Workforce Safety and Insurance	0	68,747,842	0	73,460,852	0	73,186,928
Total Regulatory	\$44,559,295	\$422,623,374	\$35,610,347	\$455,026,188	\$80,396,146	\$1,161,156,400
Public Safety						
504 Highway Patrol	\$44,295,405	\$61,494,103	\$44,820,848	\$61,476,948	\$36,327,762	\$66,811,414
530 Department of Corrections & Rehab	229,678,076	271,633,965	229,179,922	274,173,401	218,165,809	284,813,424
540 Adjutant General	27,571,197	148,056,239	26,779,578	180,053,623	24,862,232	195,768,463
Total Public Safety	\$301,544,678	\$481,184,307	\$300,780,348	\$515,703,972	\$279,355,803	\$547,393,301

STATE OF NORTH DAKOTA

APPROPRIATION COMPARISONS

2019-21 AND 2021-23 LEGISLATIVE APPROPRIATIONS AND 2019-21 EXECUTIVE RECOMMENDATION

Agency	2019-21 Legislative Appropriation ^{\1}		2021-23 Executive Recommendation		2021-23 Legislative Appropriation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
<u>Agriculture and Economic Development</u>						
601 Dept of Commerce	\$40,191,721	\$98,615,014	\$33,398,770	\$95,964,378	\$34,667,572	\$186,446,127
602 North Dakota Department of Agriculture	10,910,429	41,232,835	11,067,647	39,756,971	23,959,712	58,470,487
627 Upper Great Plains Transportation Institute	4,396,329	23,292,223	4,283,050	23,347,234	4,485,607	25,752,957
628 Branch Research Centers	18,201,026	38,801,414	17,699,004	38,415,480	18,569,483	39,292,301
630 NDSU Extension Service	27,709,666	55,487,825	25,196,268	53,495,411	29,437,823	57,741,744
638 Northern Crops Institute	1,943,810	3,840,027	1,895,053	3,819,277	1,987,142	3,909,760
640 NDSU Main Research Center	53,417,326	111,360,566	48,187,301	105,254,423	55,088,232	114,249,188
649 Agronomy Seed Farm	0	1,565,975	0	1,582,478	0	1,579,655
665 North Dakota State Fair	542,833	542,833	515,691	515,691	542,833	542,833
670 Racing Commission	399,072	565,037	390,473	557,212	407,894	574,495
Total Agriculture and Econ Dev	\$157,712,212	\$375,303,749	\$142,633,257	\$362,708,555	\$169,146,298	\$488,559,547
<u>Natural Resources</u>						
701 State Historical Society	\$18,965,691	\$22,244,943	\$18,143,330	\$21,678,841	\$19,411,350	\$26,841,302
709 Council on the Arts	1,606,204	3,345,126	1,564,547	3,249,955	1,662,766	4,210,748
720 Game and Fish Department	0	85,303,632	0	91,812,839	0	92,368,134
750 Department of Parks and Recreation	14,343,129	43,034,982	13,069,337	74,465,700	13,573,491	48,705,884
770 State Water Commission	0	968,154,091	0	709,047,231	0	540,799,129
Total Natural Resources	\$34,915,024	\$1,122,082,774	\$32,777,214	\$900,254,566	\$34,647,607	\$712,925,197
<u>Transportation</u>						
801 Department of Transportation	\$2,500,000	\$1,464,745,404	\$0	\$1,829,935,907	\$0	\$2,249,534,084
Total Transportation	\$2,500,000	\$1,464,745,404	\$0	\$1,829,935,907	\$0	\$2,249,534,084
TOTAL ALL BUDGETS	\$4,843,563,166	\$14,690,597,737	\$4,835,670,367	\$15,019,535,756	\$4,992,957,330	\$16,936,345,565

\1 Reflects May 2019 legislative appropriations.

One-Time General Fund Expenditures 2021-23

	Executive Budget	Legislative Budget
	Gen. Fund	Gen. Fund
110 OMB		
Budget Sytem	\$ 1,230,100	\$ -
E-Procurement Study	2,021,204	-
Facility Consolidation Study	350,000	-
Student Internship	200,000	100,000
Agency Total	\$ 3,801,304	\$ 100,000
125 Attorney General		
Litigation Pool Funding	\$ 3,000,000	\$ -
Agency Total	\$ 3,000,000	\$ -
150 Legislative Assembly		
Redistricting Salaries	\$ 231,918	\$ 233,170
Redistricting Operating	83,114	83,114
IT Expansion	1,450,000	1,450,000
Agency Total	\$ 1,765,032	\$ 1,766,284
160 Legislative Council		
Public Website Redesign	\$ 150,000	\$ 150,000
Acute Psychiatric Treatment Study	-	500,000
IT Expansion	48,000	48,000
Agency Total	\$ 198,000	\$ 698,000
180 Judicial Branch		
Zoom Remote Video Equipment	\$ 360,000	\$ -
Wi-fi Access Points	157,600	-
Juvenile Case Management System	2,000,000	2,000,000
Veterans' Court Funding	-	145,247
Youth Cultural Achievement Program	-	90,000
Supreme Court Docket Management System	2,000,000	-
Agency Total	\$ 4,517,600	\$ 2,235,247
188 Commission on Legal Counsel for Indigents		
Juvenile Justice Program	\$ -	\$ 325,000
Agency Total	\$ -	\$ 325,000

One-Time General Fund Expenditures 2021-23

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
201 Department of Public Instruction		
State School Aid Formula Rewrite	\$ -	\$ 200,000
Agency Total	\$ -	\$ 200,000
215 NDUS		
Education Challenge Grant	\$ 10,000,000	\$ 11,150,000
Math Pathways	-	150,000
Agency Total	\$ 10,000,000	\$ 11,300,000
230 University of North Dakota		
Space Command Initiative	\$ -	\$ 4,000,000
Agency Total	\$ -	\$ 4,000,000
235 North Dakota State University		
Construction Litigation Settlement Agreement	\$ 125,000	\$ 125,000
Agency Total	\$ 125,000	\$ 125,000
240 Mayville State University		
Natural Gas Boiler Project	\$ -	\$ 1,600,000
Agency Total	\$ -	\$ 1,600,000
301 Health Department		
COVID Pandemic Response	\$ 45,441,323	\$ 4,747,045
Task Force on Prevention of Sexual Abuse of Children	-	281,715
Forensic Examiner Upgrades	910,000	781,231
Agency Total	\$ 46,351,323	\$ 5,809,991
303 Department of Environmental Quality		
LIMS System Upgrade	\$ -	\$ 1,000,000
Agency Total	\$ -	\$ 1,000,000
313 Veterans' Home		
Resident Absences	\$ -	\$ 25,000
Agency Total	\$ -	\$ 25,000

One-Time General Fund Expenditures 2021-23

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
325 Department of Human Services		
FRAME/CCWIPS Technology Project	\$ 15,000,000	\$ 15,000,000
MMIS System Modernization	-	4,326,686
MMIS Tech Stack Upgrade	-	600,000
Data Automation	-	109,530
Human Service Center Capital Projects	-	724,000
DD Provider Stabilization Grants	-	125,000
Bed Buyback Program	3,300,000	-
Nursing Facility Payment Reform	3,348,000	3,348,000
Agency Total	\$ 21,648,000	\$ 24,233,216
405 Industrial Commission		
Transfer to Clean Sustainable Energy Fund	\$ -	\$ 25,000,000
Parentology and Geological Equipment	-	106,206
Agency Total	\$ -	\$ 25,106,206
406 Department of Labor & Human Rights		
Phase 2 Software Upgrade	\$ 147,717	\$ 147,717
Agency Total	\$ 147,717	\$ 147,717
408 Public Service Commission		
Real-time Kinematic Equipment	\$ 5,400	\$ 5,400
Agency Total	\$ 5,400	\$ 5,400
471 Bank of North Dakota		
Transfer to Agriculture Diversification and Development Fund	\$ -	\$ 10,000,000
Agency Total	\$ -	\$ 10,000,000
473 Housing Finance		
Transfer to Housing Incentive Fund	\$ -	\$ 9,500,000
Agency Total	\$ -	\$ 9,500,000

One-Time General Fund Expenditures 2021-23

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
504 Highway Patrol		
Hard Body Armor	\$ 228,000	\$ -
Body and In-car Cameras	1,158,000	-
Agency Total	\$ 1,386,000	\$ -
530 Department of Corrections and Rehabilitation		
Deferred COVID Admission	\$ 1,000,000	\$ -
Kitchen Equipment	115,000	115,000
JRCC Equipment	191,000	191,000
Agency Total	\$ 1,306,000	\$ 306,000
540 Adjutant General		
Camp Grafton Land Purchase	\$ 2,600,000	\$ 1,750,000
NG Operations, Maintenance and Repairs	1,000,000	-
DES Consumables	100,000	100,000
NDNG Andover Upgrade	80,000	80,000
Fargo Readiness Center Equipment	50,000	50,000
Agency Total	\$ 3,830,000	\$ 1,980,000
601 Commerce		
Tourism Campaign	\$ 2,000,000	\$ -
Tourism Branding	200,000	-
Technical Skills Training Grant	1,000,000	-
Unmanned Aircraft System - Beyond Visual Line of Sight (VANTIS)	-	1,000,000
Workforce Grants - Tribally Controlled Community Colleges	-	500,000
Film and Theater Production Grant	-	100,000
Tourism Transportation Improvement Grant	-	565,432
Discretionary Funds	-	1,000,000
Agency Total	\$ 3,200,000	\$ 3,165,432

One-Time General Fund Expenditures 2021-23

	Executive Budget Gen. Fund	Legislative Budget Gen. Fund
602 Department of Agriculture		
Mediation Database Replacement	\$ 90,000	\$ -
Meat Inspection Database Replacement	90,000	-
Transfer to Bioscience Innovation Grant Fund	-	5,500,000
Transfer to Federal Law Impact Review Fund	-	5,000,000
Agency Total	\$ 180,000	\$ 10,500,000
640 Main Research Center		
Deferred Maintenance	\$ 500,000	\$ 500,000
Agency Total	\$ 500,000	\$ 500,000
670 Racing Commission		
Internships	\$ -	\$ 20,000
Agency Total	\$ -	\$ 20,000
701 Historical Society		
SADR Upgrade	\$ 25,000	\$ 25,000
Agency Total	\$ 25,000	\$ 25,000
750 Parks & Recreation		
Trail Lease Renewals	\$ -	\$ 200,000
Fort Abraham Lincoln Viewshed Lease	-	50,000
Agency Total	\$ -	\$ 250,000
Total	\$ 101,986,376	\$ 114,923,493

One-Time Other Fund Expenditures 2021-23

	Executive Budget Other Funds	Legislative Budget Other Funds
110 OMB		
Extraordinary Repairs (Capital Building Fund)	\$ 900,000	\$ 500,000
Bonding Package	137,100,000	-
Budget System (SIIF)	-	1,230,100
E-procurement Software (SIIF)	-	2,021,204
Special Assessments (Capital Building Fund)	300,000	300,000
Facility Consolidation Study (Capital Building Fund)	-	350,000
Building Automation Upgrade (Capital Building Fund)	518,800	518,800
Wayfinding Signs (Capital Building Fund)	1,000,000	500,000
Agency Total	\$ 139,818,800	\$ 5,420,104
112 ITD		
Cybersecurity Funding Replacement (CRF)	\$ -	\$ 6,500,000
Transfer from BND for NDHIN	-	6,000,000
Agency Total	\$ -	\$ 12,500,000
120 State Treasurer		
Local Fiscal Relief Fund Allocations (Federal)	\$ -	\$ 50,160,000
Agency Total	\$ -	\$ 50,160,000
125 Attorney General		
Crime Lab Equipment	\$ 1,111,706	\$ 1,111,706
Litigation Funding Pool (SIIF, Gaming Tax Allocation Fund)	-	4,650,000
IT Projects	1,175,000	1,175,000
Agency Total	\$ 2,286,706	\$ 6,936,706
192 Public Employees Retirement System		
Upgrade PersLink	\$ 257,600	\$ 257,600
Development Resources	104,500	104,500
Agency Total	\$ 362,100	\$ 362,100

One-Time Other Fund Expenditures 2021-23

	Executive Budget Other Funds	Legislative Budget Other Funds
201 Department of Public Instruction		
ESSER Funding (Federal)	\$ 27,500,000	\$ -
Teacher Support Program (FASF)	3,000,000	-
Gateway to Science (Integrated Formula Turnback)	-	13,500,000
REA Grants (CRF)	-	250,000
Integrated Formula (FASF)	32,309,972	-
Agency Total	\$ 62,809,972	\$ 13,750,000
215 NDUS		
Tuition Scholarship Program (BND Profits)	\$ -	\$ 1,500,000
Tier II and Tier III Capital Building Funds (Bonding Authority)	19,000,000	-
Agency Total	\$ 19,000,000	\$ 1,500,000
226 Department of Trust Lands		
Land Management System Project	\$ 1,600,000	\$ 1,600,000
Agency Total	\$ 1,600,000	\$ 1,600,000
228 Lake Region State College		
Precision Ag Center (SIIF)	\$ -	\$ 363,000
Agency Total	\$ -	\$ 363,000
230 University of North Dakota		
Apron at Grand Forks Airport (Coronavirus Capital Projects Fund)	\$ -	\$ 5,000,000
Agency Total	\$ -	\$ 5,000,000
235 North Dakota State University		
NDSU Agriculture Products Development Center (Bonds)	\$ 14,000,000	\$ 50,000,000
Agency Total	\$ 14,000,000	\$ 50,000,000
239 Dickinson State University		
DSU Pulver Hall (Coronavirus Capital Project Funds)	\$ -	\$ 4,000,000
Agency Total	\$ -	\$ 4,000,000
243 Dakota College at Bottineau		
DCB - Old Main Renovation (SIIF/Other Funds/Capital Building Funds)	\$ 4,000,000	\$ 4,000,000
Agency Total	\$ 4,000,000	\$ 4,000,000

One-Time Other Fund Expenditures 2021-23

	Executive Budget Other Funds	Legislative Budget Other Funds
252 ND School for the Deaf		
Extraordinary Repairs (School for the Deaf Operating Fund)	\$ 690,000	\$ 350,000
HVAC Replacements (CRF)	-	300,000
Equipment (School for the Deaf Operating Fund)	-	40,000
COVID Programs (Federal)	-	21,500
Campus Server Upgrade (School for the Deaf Operating Fund)	7,500	7,500
Agency Total	\$ 697,500	\$ 719,000
253 Vision Services - School for the Blind		
Miscellaneous Repairs (School for the Blind Operating Fund)	\$ 370,000	\$ 284,000
HVAC Replacement (CRF)	-	86,000
Vision Screening Devices (Federal)	-	11,500
LED Lighting	-	33,000
Agency Total	\$ 370,000	\$ 414,500
270 Career and Technical Education		
Career Academies	\$ 45,000,000	\$ -
Agency Total	\$ 45,000,000	\$ -
301 Health Department		
Vital Records System Technology Upgrade (Health Department Operating Fund)	\$ -	\$ 275,000
Statewide Health Strategies (Community Health Trust Fund)	3,000,000	1,500,000
COVID Pandemic Response (Federal/Community Health Trust Fund)	38,790,738	4,515,296
Forensic Examiner Electronic Medical Records (Federal Funds)	-	128,769
Agency Total	\$ 41,790,738	\$ 6,419,065
313 Veterans' Home		
Equipment (Soldiers' Home Fund)	\$ -	\$ 16,700
Flooring Project (Soldiers' Home Fund)	131,500	-
Thermostat Replacements (Soldiers' Home Fund)	-	131,500
Memorial Garden (Melvin Norgard Memorial Fund)	200,000	200,000
COVID-19 Response (Federal)	-	1,300,000
Agency Total	\$ 331,500	\$ 1,648,200

One-Time Other Fund Expenditures 2021-23

	Executive Budget Other Funds	Legislative Budget Other Funds
321 Department of Veterans' Affairs		
Veterans' Home Cemetery (Federal)	\$ 291,500	\$ 291,500
Agency Total	\$ 291,500	\$ 291,500
325 Department of Human Services		
FRAME/CCWIPS Technology Project (Federal Fund)	\$ 15,000,000	\$ 15,000,000
MMIS System Modernization (Federal Funds)	30,673,314	30,673,314
MMIS Tech Stack Upgrade (Federal Funds)	-	1,800,000
Data Automation (Federal Funds)	-	132,217
Nursing Facility Payment Reform (Federal Funds)	3,852,000	3,852,000
Agency Total	\$ 49,525,314	\$ 51,457,531
401 Insurance Department		
Office Remodel (Insurance Regulatory Trust)	\$ -	\$ 100,000
State Flexibility to Stabilize Market (Federal)	-	662,000
Reinsurance Study (ND Reinsurance Assoc. Earnings)	-	200,000
Lignite Industry Insurance Study (Insurance Regulatory Trust)	-	200,000
Agency Total	\$ -	\$ 1,162,000
406 Department of Labor and Human Rights		
Phase 2 Software Upgrade (Federal)	\$ 30,000	\$ 30,000
Agency Total	\$ 30,000	\$ 30,000
408 Public Service Commission		
Real-time Kinematic Equipment (Federal Funds)	\$ 114,600	\$ 114,600
Agency Total	\$ 114,600	\$ 114,600
473 Housing Finance		
Transfer to Housing Incentive Fund (Legacy)	\$ 8,000,000	\$ -
Housing Assessment	-	35,000
Agency Total	\$ 8,000,000	\$ 35,000
485 WSI		
CAPS System Replacement (WSI Fund)	\$ 7,500,000	\$ 7,500,000
MyWSI Extranet Project (WSI Fund)	3,050,000	3,050,000
Building Upgrades (WSI Fund)	514,000	514,000
Agency Total	\$ 11,064,000	\$ 11,064,000

One-Time Other Fund Expenditures 2021-23

	Executive Budget Other Funds	Legislative Budget Other Funds
504 Highway Patrol		
Hard Body Armor (Motor Carrier Electronic Permit Fund)	\$ 37,000	\$ 265,000
Body and In-car Cameras (Motor Carrier Electronic Permit Fund)	-	1,158,000
Law Enforcement Training Academy (Coronavirus Capital Projects Fund)	-	3,000,000
CVIEW (Motor Carrier Electronic Permit Fund)	-	275,000
Agency Total	\$ 37,000	\$ 4,698,000
530 Department of Corrections and Rehabilitation		
Roughrider Industries Equipment (RRI Funds)	\$ 1,281,988	\$ 1,281,988
Roughrider Industries Warehouse (RRI Funds)	500,000	500,000
Agency Total	\$ 1,781,988	\$ 1,781,988
540 Adjutant General		
Equipment (Federal)	\$ 660,000	\$ 660,000
NDNG Dickinson Readiness Center (Federal)	15,500,000	15,500,000
Line of Command Bridge Training Site (Federal)	6,000,000	6,000,000
Deferred Maintenance (SIIF)	-	1,000,000
NDND Andover Upgrade (Federal)	240,000	240,000
Fargo Readiness Center Equipment (Federal)	50,000	50,000
Equipment (Federal)	\$ 22,450,000	\$ 23,450,000
601 Commerce		
Unmanned Aircraft System Grants (Federal)	\$ 1,000,000	\$ 1,000,000
Tourism Marketing (Coronavirus Relief Funds)	-	7,000,000
Unmanned Aircraft System - Beyond Visual Line of Sight - VANTIS (SIIF)	-	19,000,000
Enhanced Use Lease Grants (SIIF)	-	7,000,000
Technical Skills Training Grant (Coronavirus Relief Funds)	-	1,000,000
Job Development and Economic Growth Grant (SIIF)	-	1,500,000
Workforce Safety Grant (SIIF)	-	1,500,000
Travel Agent and Tour Operator Resiliency Grant (Coronavirus Relief Funds)	-	2,000,000
Event Center Resiliency Grants (Coronavirus Relief Funds)	-	2,000,000
COVID-19 Response (Coronavirus Relief Funds)	-	56,234,176
Agency Total	\$ 1,000,000	\$ 98,234,176

One-Time Other Fund Expenditures 2021-23

	Executive Budget Other Funds	Legislative Budget Other Funds
602 Department of Agriculture		
Grassland Grazing Grant Program (SIIF)	\$ -	\$ 5,000,000
Soil Health Cover Crop Grant Program (BND Transfer/Other Funds)	-	700,000
Intermodal Facility Grant Program (Coronavirus Capital Projects Fund)	-	2,000,000
Agricultural Products Utilization Commission (APUC)	-	2,700,000
Agency Total	\$ -	\$ 10,400,000
627 Upper Great Plains Transportation Institute		
Remote Sensing of Infrastructure (Federal/SIIF)	\$ -	\$ 2,225,000
Agency Total	\$ -	\$ 2,225,000
640 Main Research Center		
Carrington Feedlot Expansion & Research Support Facility (SIIF)	\$ -	\$ 775,000
Langdon Greenhouse (SIIF)	-	473,000
Hettinger Storage Shed (SIIF)	-	300,000
Central Grasslands Director Residence (SIIF)	-	325,000
Central Grasslands Livestock Facilities (SIIF)	-	200,000
Agency Total	\$ -	\$ 2,073,000
701 Historical Society		
Historical Site Repairs (Coronavirus Capital Projects Fund)	\$ -	\$ 4,200,000
Agency Total	\$ -	\$ 4,200,000
709 Council on the Arts		
Grants (Coronavirus Relief Funds)	\$ -	\$ 759,060
Agency Total	\$ -	\$ 759,060
720 Game and Fish		
Outdoor Heritage Grant (Game and Fish Special Funds)	\$ 500,000	\$ 500,000
Landowner PLOTS Payments (Federal/Special Funds)	1,485,000	1,485,000
State Radio Equipment (Game and Fish Special Funds)	-	801,500
Agency Total	\$ 1,985,000	\$ 2,786,500

One-Time Other Fund Expenditures 2021-23

	Executive Budget Other Funds	Legislative Budget Other Funds
750 Parks & Recreation		
Infrastructure and Capital Projects (Bonding)	\$ 9,885,000	\$ 7,900,000
Deferred Maintenance Projects (Legacy Fund Earnings)	10,000,000	-
Park District Infrastructure Grants (Bonding)	20,600,000	-
International Peace Garden Capital Projects (Federal Funds)	-	3,000,000
Parks Matching Grant Program (Federal Funds)	-	1,632,800
Agency Total	\$ 40,485,000	\$ 12,532,800
770 Water Commission		
Bank of North Dakota Line of Credit	\$ 75,000,000	\$ 50,000,000
Basinwide Plan Implementation (Resources Trust Fund)	-	1,100,000
Discretionary Funds for Water Projects Grants (Resources Trust Fund)	-	6,000,000
Mouse River Flood Control (Resources Trust Fund)	-	74,500,000
Agency Total	\$ 75,000,000	\$ 131,600,000
801 Department of Transportation		
Infrastructure Bonding	\$ 302,400,000	\$ 70,000,000
Construction and Materials Management System/RIMS Replacement Project (Highway Fund)	9,660,000	9,660,000
Infrastructure Improvements (Federal)	45,000,000	45,000,000
Emergency Road Repair Grants (Disaster Relief Fund)	-	750,000
Contingent Bank of North Dakota Loan	-	50,000,000
Beyond Visual Line of Sight Unmanned Aircraft System Program (Highway Fund)	-	5,000,000
COVID-19 Capital Assets and Grants (Federal)	-	318,609,357
Agency Total	\$ 357,060,000	\$ 499,019,357
Total	\$ 900,891,718	\$ 1,022,707,187

FTE COMPARISON

LEGISLATIVELY AUTHORIZED AND EXECUTIVE RECOMMENDATION

Department	2017-19 Legislatively Authorized FTE	2019-21 Legislatively Authorized FTE	2021-23 Executive Recommendation	2021-23 Legislatively Authorized FTE	Change from 2019-21 to 2021-23
General Government					
<i>Executive Branch</i>					
101 Office of the Governor	18.00	18.00	18.00	17.00	(1.00)
108 Office of the Secretary of State	32.00	32.00	32.00	33.00	1.00
110 Office of Management and Budget	117.00	112.00	108.00	108.00	(4.00)
112 Information Technology Department	344.30	402.00	497.00	479.00	77.00
117 Office of the State Auditor	56.00	58.00	58.00	61.00	3.00
120 Office of the State Treasurer	7.00	7.00	7.00	7.00	0.00
125 Office of the Attorney General	237.00	246.00	248.00	253.00	7.00
127 Office of the State Tax Commissioner	133.00	123.00	118.00	118.00	(5.00)
140 Office of Administrative Hearings	5.00	5.00	5.00	5.00	0.00
188 Commission on Legal Counsel of Indigents	40.00	40.00	40.00	40.00	0.00
190 Retirement and Investment Office	19.00	20.00	20.00	19.00	(1.00)
192 Public Employees Retirement System	34.50	34.50	35.50	35.50	1.00
195 Ethics Commission	0.00	2.00	2.00	1.00	(1.00)
Total Executive Branch	1,042.80	1,099.50	1,188.50	1,176.50	77.00
<i>Legislative and Judicial Branches</i>					
150 Legislative Assembly	0.00	0.00	0.00	0.00	0.00
160 Legislative Council	36.00	36.00	44.00	44.00	8.00
180 Judicial Branch	355.50	363.00	363.00	362.00	(1.00)
Total Legislative and Judicial Branches	391.50	399.00	407.00	406.00	7.00
Education					
<i>Elementary, Secondary, and Other Education</i>					
201 Department of Public Instruction	91.75	89.25	89.25	86.25	(3.00)
226 Department of Trust Lands	31.00	28.00	30.00	30.00	2.00
250 State Library	28.75	27.75	26.75	26.75	(1.00)
252 School for the Deaf	45.61	44.61	44.61	44.61	0.00
253 ND Vision Services/School for the Blind	28.50	27.90	27.75	27.75	(0.15)
270 Dept. of Career and Technical Education	24.50	52.30	50.30	50.30	(2.00)
Total Elementary, Secondary and Other Education	250.11	269.81	268.66	265.66	(4.15)
<i>Higher Education</i>					
215 North Dakota University System Office	148.90	158.83	158.83	158.83	0.00
227 Bismarck State College	358.35	332.90	332.90	332.90	0.00
228 Lake Region State College	118.10	115.76	115.76	115.76	0.00
229 Williston State College	100.75	101.29	101.29	101.29	0.00
230 University of North Dakota	2,218.07	2,132.17	2,059.98	2,059.98	(72.19)
232 UND Medical School	435.75	492.67	492.67	492.67	0.00
235 ND State University	1,895.66	1,870.16	1,829.43	1,829.43	(40.73)
238 ND State College of Science	345.04	311.61	311.61	311.61	0.00
239 Dickinson State University	168.00	213.26	175.50	175.50	(37.76)

FTE COMPARISON

LEGISLATIVELY AUTHORIZED AND EXECUTIVE RECOMMENDATION

Department	2017-19 Legislatively Authorized FTE	2019-21 Legislatively Authorized FTE	2021-23 Executive Recommendation	2021-23 Legislatively Authorized FTE	Change from 2019-21 to 2021-23
240 Mayville State University	210.53	230.35	230.35	230.35	0.00
241 Minot State University	441.65	403.04	403.04	403.04	0.00
242 Valley City State University	202.75	202.77	202.77	202.77	0.00
243 Dakota College at Bottineau	82.29	82.29	91.86	91.86	9.57
244 ND Forest Service	27.00	28.00	28.00	28.00	0.00
Total Higher Education	6,752.84	6,675.10	6,533.99	6,533.99	(141.11)
Health and Human Services					
301 ND Department of Health	211.75	204.00	221.50	210.50	6.50
303 Department of Environmental Quality	152.25	165.50	166.00	166.00	0.50
313 Veterans Home	120.72	120.72	114.79	114.79	(5.93)
316 Indian Affairs Commission	4.00	4.00	4.00	4.00	0.00
321 Department of Veterans Affairs	7.00	7.00	7.00	8.00	1.00
325 Department of Human Services	2,162.23	2,230.23	2,221.63	2,249.33	19.10
360 Protection and Advocacy Project	27.50	28.50	28.50	28.50	0.00
380 Job Service North Dakota	181.61	172.61	156.61	156.61	(16.00)
Total Health and Human Services	2,867.06	2,932.56	2,920.03	2,937.73	5.17
Regulatory					
401 Office of the Insurance Commissioner	46.00	41.00	39.00	38.00	(3.00)
405 Industrial Commission	110.25	112.25	108.25	108.25	(4.00)
406 Office of the Labor Commissioner	14.00	14.00	14.00	13.00	(1.00)
408 Public Service Commission	45.00	43.00	43.00	43.00	0.00
412 Aeronautics Commission	7.00	7.00	7.00	7.00	0.00
413 Dept. of Banking and Financial Institutions	30.00	31.00	31.00	31.00	0.00
414 Securities Department	9.00	10.00	10.00	10.00	0.00
471 Bank of North Dakota	181.50	181.50	165.50	173.00	(8.50)
473 North Dakota Housing Finance Agency	44.00	44.00	48.00	49.00	5.00
475 North Dakota Mill and Elevator Association	153.00	156.00	156.00	156.00	0.00
485 Workforce Safety and Insurance	260.14	260.14	248.14	260.14	0.00
Total Regulatory	899.89	899.89	869.89	888.39	(11.50)
Public Safety					
504 Highway Patrol	204.00	197.00	193.00	193.00	(4.00)
530 Department of Corrections and Rehabilitation	845.29	899.79	907.79	907.79	8.00
540 Office of the Adjutant General	234.00	222.00	222.00	222.00	0.00
Total Public Safety	1,283.29	1,318.79	1,322.79	1,322.79	4.00
Agriculture and Economic Development					
601 Department of Commerce	66.40	61.80	58.80	58.80	(3.00)
602 North Dakota Department of Agriculture	73.00	78.00	78.00	79.00	1.00

FTE COMPARISON

LEGISLATIVELY AUTHORIZED AND EXECUTIVE RECOMMENDATION

Department	2017-19 Legislatively Authorized FTE	2019-21 Legislatively Authorized FTE	2021-23 Executive Recommendation	2021-23 Legislatively Authorized FTE	Change from 2019-21 to 2021-23
627 Upper Great Plains Transportation Institute	43.88	43.88	43.88	43.88	0.00
628 Branch Research Centers	110.29	109.81	108.21	108.21	(1.60)
630 NDSU Extension Service	252.98	242.51	242.77	241.77	(0.74)
638 Northern Crops Institute	11.80	12.80	13.55	13.55	0.75
640 NDSU Main Research Station	336.12	344.05	337.56	334.56	(9.49)
649 Agronomy Seed Farm	3.00	3.00	3.00	3.00	0.00
665 ND State Fair	0.00	0.00	0.00	0.00	0.00
670 ND Racing Commission	2.00	2.00	2.00	2.00	0.00
Total Agriculture and Economic Development	899.47	897.85	887.77	884.77	(13.08)
Natural Resources					
701 State Historical Society	75.00	75.00	78.75	78.75	3.75
709 Council on the Arts	5.00	5.00	5.00	5.00	0.00
720 Game and Fish Department	163.00	165.00	162.00	164.00	(1.00)
750 Department of Parks and Recreation	62.50	61.50	57.75	57.75	(3.75)
770 State Water Commission	93.00	90.00	90.00	90.00	0.00
Total Natural Resources	398.50	396.50	393.50	395.50	(1.00)
Transportation					
801 Department of Transportation	1,047.00	982.00	987.00	982.00	0.00
Grand Total FTE	15,832.46	15,871.00	15,779.13	15,793.33	(77.67)

EMPLOYEE COMPENSATION

The Governor's recommended compensation package for state team members included:

- Funding for salary increases of 2 percent the first year of the biennium and 2 percent the second year.
- Continuation of the state fully-funded health insurance premium.
- Additional employee and employer contributions to improve the funding status of the retirement fund.

The legislatively approved budget includes the following components of the state team member compensation plan:

Salaries

The legislative appropriation increased agency budgets by 1.5 percent for the first year of the biennium and an additional 2.0 percent for the second year of the biennium. However, increases during the first year are to be a minimum of \$100 per employee per month.

Health Insurance

The legislative appropriation continues the current state health insurance plan with no changes. The fully state-paid monthly premium for the 2021-23 biennium is \$1,428.77, an increase of only \$2.03 per month from the 2019-21 rate of \$1,426.74 per month.

Retirement Plan

The executive budget included funding to support increasing the state and the employee retirement contributions by 1 percent each, beginning January 1, 2022. Although the legislature did not approve the contribution rate increase, House Bill 1380 provides that from future Legacy Fund earnings, \$150 million per biennium will be deposited into the Legacy Sinking and Interest fund. Based on bond issuances authorized by the 2021 legislature, only \$90.0 to \$100.0 million per biennium will likely be required for bond payments. House Bill 1380 provides that any amounts in the Legacy Sinking and Interest fund not needed for bond repayments will be transferred to the PERS pension fund. Consequently, \$50.0 to \$60.0 million per biennium may be available for this purpose. The actuarial impact of this allocation has not been determined.

In addition, House Bill 1209 requires the legislature, during the 2021-22 interim, to develop a plan to close the defined benefit retirement plan to new hires effective January 1, 2024 and require new hires after that date to participate in a defined contribution retirement plan. Any proposed recommendations will require passage by the 2023 legislature to be effective.

2019 – 21 SUPPLEMENTAL APPROPRIATIONS

Supplemental appropriations were approved for agencies in House Bill 1025 as follows:

- The Tax Department to cover a shortfall of \$1.3 million in Homestead tax credits and \$2.7 million in Disabled Veterans tax credits. These supplemental appropriations are funded from the General Fund.
- The Bank of North Dakota for \$17.5 million for loan repayment for the Theodore Roosevelt presidential library endowment fund. This supplemental appropriation is funded from the General Fund.
- The Adjutant General to repay anticipated Bank of North Dakota loans of \$3.1 million for the state share of disaster costs related to 2019-20 flooding and \$750,000 for loan interest repayment for law enforcement costs related to Dakota Access pipeline. These supplemental appropriations are funded from the State Disaster Relief Fund.

- The Office of Management and Budget to cover \$875,632 for payments relating to court-ordered judgements. This supplemental appropriation is funded from the litigation pool (Strategic Investment and Improvement Fund).

Additional supplemental appropriations approved by the legislature include:

- The Attorney General for \$355,000 for sexual assault evidence collection tracking system and drug analyzers. This supplemental appropriation is funded from Federal Funds.
- The Department of Human Services for \$333,333 for fire protection services. This supplemental appropriation is funded from the Department of Human Services special fund.

BASIS OF BUDGET AND ACCOUNTING

North Dakota's budget for general government operations is primarily prepared on a cash basis. Most General Fund revenues are reflected in the budget for the period in which they will be received. However, in the case of some revenues, such as oil and gas taxes, they are included in the budget when they are both available and measurable. Primarily, expenditures are reflected in the budget for the period in which the funding will be spent. However, some expenditures, such as payroll, are reflected in the budget for the period in which the services are received and the related liabilities incurred.

The state's annual comprehensive financial report (ACFR) is prepared using the modified accrual basis of accounting for governmental funds. Governmental funds comprise the majority of funds included in the state budget and legislative appropriation.

Proprietary funds use full accrual accounting. For the most part, proprietary funds are non-appropriated and therefore not part of the budget document. However, certain proprietary funds, such as the Bank of North Dakota, Housing Finance Agency, and Workforce Safety and Insurance, include agency administrative costs that are part of the state budget and consequently part of

the legislative appropriation. The portion of these funds that is non-appropriated is not part of the state budget.

Regardless of the basis of accounting, the accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present the financial statements in accordance with generally accepted accounting principles (GAAP).

The ACFR includes a detailed reconciliation of the differences between budgetary revenues and expenses and actual revenues and expenses included in the ACFR in accordance with GAAP.

The most significant difference between budgetary statements and GAAP financial statements is the categorization of General Fund revenues and expenses. In compliance with GAAP, certain revenues and expenses that are reflected as "other funds" for budgetary purposes and legislative appropriations are reflected as part of the state General Fund for financial reporting purposes.

Another difference between budgetary statements and GAAP is the recording of non-appropriated expenditures in GAAP financial reports, but the exclusion of those expenditures from budgetary documents due to their non-appropriated status.

REVENUE HIGHLIGHTS

*General Fund***2019-21**

The 2019-21 biennium began with a General Fund balance of \$65.0 million. General Fund revenues were significantly over forecast prior to the start of the COVID-10 pandemic. As of March 2020, General Fund revenues exceeded the forecast by \$121.3 million, or 6.5 percent. As the pandemic unfolded, business activity was restricted, and oil price and production plummeted, and there was a corresponding negative impact on state General Fund revenues. However, state revenues rebounded quickly as business restrictions were limited in North Dakota compared to most other states.

The biennium is expected to end with tax revenues within 1.0 percent of original estimates. However, the original legislative forecast included only \$100.0 million for Legacy Fund interest earnings transferred to the General Fund. The revised forecast includes \$736.0 million, resulting in additional General Fund revenue and a higher-than-expected ending balance. The ending General Fund balance prior to transfers to the Budget Stabilization Fund is projected to be \$732.7 million. A transfer of \$22.4 million will be required to bring the Budget Stabilization Fund to its maximum balance of \$748.9 million. After the required transfer to the Budget Stabilization Fund, the June 30, 2021 ending General Fund balance is expected to be \$710.3 million.

2021-23

Although many sectors of the North Dakota economy are on a path of strong economic rebound, there is uncertainty in some primary sectors. Oil production is limited by global demand uncertainty, few rigs operating in the state, and a limited workforce. The agriculture industry is hampered by an ongoing drought cycle and price volatility. The legislative forecast assumes revenues, excluding transfers, will decline slightly, by approximately 0.3 percent for the 2021-23 biennium.

Comparing the 2019-21 biennium revised forecast to the 2021 - 23 legislative forecast:

- **Sales tax** collections, the state's largest tax source, are expected to decline by \$19.7 million, or 1.1 percent.
- **Motor vehicle excise tax** collections are expected to increase by \$14.9 million, or 6.0 percent.
- **Individual income tax** collections are expected to increase by \$38.0 million or 5.0 percent.
- **Corporate income tax** collections are anticipated to increase by \$11.0 million or 5.6 percent.
- **Insurance premium taxes** are anticipated to increase by \$7.1 million, or 7.5 percent.
- **Oil and gas taxes** deposited in the General Fund will remain at \$400.0 million.
- **Gaming tax** is expected to decrease by \$17.1 million, or 63.6 percent, due to the passage of House Bill 1212 which provides for the deposit of a portion of gaming taxes into the charitable gaming operation fund.
- **Coal conversion tax** is reduced to \$0 as a result of passage of House Bill 1412, which provides a coal conversion tax exemption through June 30, 2026.
- **Interest income** is anticipated to increase slightly from \$44.2 million to \$50.0 million, primarily due to the

increase in the Budget Stabilization Fund balance. This is a 13.0 percent increase.

- The 2011 legislature created the **Strategic Investment and Improvements Fund** to receive all revenues previously deposited in the Lands and Minerals Trust Fund, as well as a portion of oil and gas taxes. A \$764.4 million transfer from the Strategic Investment and Improvements Fund is authorized for the 2019-21 biennium, but that transfer is reduced to \$410.0 million for the 2021-23 biennium.
- The **Legacy Fund** was approved by North Dakota voters in November 2010. Thirty percent of oil and gas tax revenues are deposited in the fund. Earnings are transferred to the General Fund at the end of each biennium. A transfer of \$736.0 million is anticipated for the 2019-21 biennium. However, as a result of passage of 2021 House Bill 1380, future Legacy Fund earnings will be allocated to specific strategic priorities, rather than be part of the ongoing general fund budget.

Based on the May 2021 legislative revenue forecast, the July 1, 2021, General Fund balance is projected to be \$63.6 million.

Other Funds

Unlike agency budget requests and the executive budget, the legislative appropriation does not distinguish between state special funds and federal funds – both are included in the category of “other” funds appropriated to agencies. However, OMB requires agencies to identify anticipated special and federal fund components of their other funds appropriations. Although these amounts are subject to change as the biennium progresses, as of the date of this publication, agencies have

indicated that the \$11.94 billion other funds appropriation includes the following:

Federal funds	\$ 5.87 billion
<u>Special funds</u>	<u>6.07 billion</u>
Total other funds	\$11.94 billion

Federal funds represent 34.6 percent of the legislative budget. Agencies receiving significant federal funds include the Adjutant General, Department of Commerce, Department of Health, Department of Human Services, Department of Public Instruction, Department of Transportation, and Job Service North Dakota.

Congress sets the amount of federal funds received by states in annual appropriation sessions. The amount indicated above is the total of agencies’ estimates of what they may receive during the biennium. If anticipated federal funds are not forthcoming, the agencies cannot use all their appropriation authority. If actual federal funds received exceed budget estimates, the agency can request from the Emergency Commission authority to accept and expend additional funds.

Special funds represent 35.9 percent of the legislative budget. Special funds are best described as dedicated funds usually earmarked for specific purposes. One example is the state gas tax, earmarked for Department of Transportation functions.

Agencies with significant amounts of dedicated funds include the Retirement and Investment Office, Public Employees Retirement System, and the Department of Trust Lands, which operate on interest from investments. The Bank of North Dakota and the North Dakota Mill and Elevator Association operate on

their own profits. Agencies like the Information Technology Department and the Central Services division of the Office of Management and Budget charge agencies for services provided. The Game and Fish Department has other funds from hunting and fishing licenses.

These special, dedicated funds are estimates provided by state agencies and are included as part of the legislatively authorized "other funds" appropriation.

Economic Outlook

Moody's Analytics, the economic forecasting consultant engaged to prepare the executive budget revenue forecast, predicts moderate growth for North Dakota over the upcoming budget period, but cautions that "North Dakota's economy will recover more slowly than national and regional peers this year due to continued caution from energy producers." (Précis U.S. State, February 2021)

After declining by 5.7 percent in 2020, employment is expected to grow by 1.2 percent in 2021, 3.0 percent in 2022, and 1.9 percent in 2023. The unemployment rate is expected to drop below 3.0 percent by 2022 and remain low throughout the forecast period.

Moody's uses its economic models and expertise to forecast changes in the state's tax bases which, when used in conjunction with the appropriate tax rates, are the basis of the state's revenue forecast. The Moody's forecast assumes the following:

- Taxable sales and purchases will grow by 6.4 percent in fiscal year 2022 and 5.6 percent in fiscal year 2023.

- Motor vehicle taxable sales will remain flat for 2022 with growth of only 0.5 percent but grow by 2.5 percent in 2023.
- Nonfarm adjusted gross income will grow by 5.4 percent in calendar year 2021 and by 6.4 percent in calendar year 2022.
- Farm adjusted gross income will grow by 12.3 percent in calendar year 2021 and by 7.4 percent in calendar year 2022.
- Corporate taxable income will increase by 11.9 percent in calendar year 2021 and 7.6 percent in calendar year 2022.

Oil and Gas Taxes

2019-21 Biennium

Oil prices fluctuated during the first year of the 2019-21 biennium from a high monthly average price of \$52.92 to a low of \$9.54. The COVID-19 pandemic resulted in an unprecedented collapse in worldwide oil demand and a drop to historic lows. Oil prices have improved since the low in April 2020. North Dakota prices have crept back up to just over \$56 in March 2021. Production has remained steady the second year of the biennium and is currently at about 1.1 million barrels per day.

The legislative forecast assumes prices will average \$50 per barrel for the remaining months of the biennium while production is expected to hold even at 1.1 million barrels per day for the remainder of the biennium.

Based on the revised legislative forecast, oil extraction and gross production tax allocations are projected to total \$3.61 billion during the 2019-21 biennium, allocated as shown on the table at the end of this section.

2021-23 Biennium

Oil prices are anticipated to remain steady at \$50 per barrel during the 2021-23 biennium. Production is assumed to remain constant at 1.1 million barrels per day throughout the first year of the biennium and then decrease to 1.0 million barrels per day throughout the second year.

The 2021 legislature enacted several changes affecting the allocation and rates of oil and gas taxes:

- **SB 2014** – Limits the allocation of the oil and gas gross production tax revenues to the North Dakota Outdoor Heritage Fund to \$7.5 million per fiscal year for the 2021-23 biennium and increases the allocation of oil and gas tax revenues to the Oil and Gas Research Fund from \$10.0 million to \$14.5 million for the 2021-23 biennium and requires \$500,000 of the allocation to be used for a study of the development and implementation of hydrogen energy in the state.
- **HB 1015** – This bill includes the following:
 - Changes the allocation to the state disaster relief fund from \$15.0 million to \$20.0 million.
 - Changes the allocation to the municipal infrastructure fund and county and township infrastructure fund to align the funds to receive equal allocations at the same time after the initial allocation to the Strategic Investment and Improvements Fund.
- **SB 2328** – Provides for an oil extraction tax credit for the use of onsite flare mitigation system.
- **SB 2319** – Changes the allocation of oil and gas tax revenue for wells that are located outside of the reservation but has one or more laterals crossing the reservation boundaries. Tax revenue from the wells that produce from inside the Three Affiliated Tribes

reservation will be split equally for all existing wells. Wells drilled after July 1, 2019, will split their on-reservation tax revenues 80 percent to the tribe, and 20 percent to the state, depending on whether the minerals are tribal trust or fee to be consistent with the existing tax agreement.

Long-Term Outlook

The state's biennial budgeting period requires revenue forecasting and expenditure projections for a three-year period – the final year of the current biennium and the two years of the subsequent biennium. To provide a longer-term view of the state's revenues, the Office of Management and Budget, along with Moody's Analytics and the Office of State Tax Commissioner, developed preliminary projections for major state General Fund revenues and oil and gas taxes through the 2023-25 biennium.

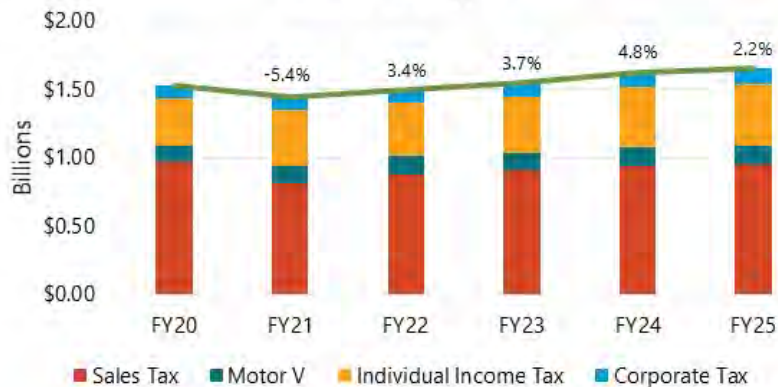
General Fund

The four major general fund tax types comprise 78.9 percent of total general fund tax revenue. The outlook for these for major tax types is slow and steady growth through the 2023-25 biennium. After a slight pandemic-related decline in fiscal year 2021, the forecast assumes growth of 3.4 percent and 3.7 percent in fiscal years 2022 and 2023, respectively. For the long-term forecast of fiscal years 2024 and 2025, growth rates of 4.8 percent and 2.2 percent are expected.

Oil and Gas Taxes

The outlook for oil and gas taxes is one that is conservative and steady. The outlook estimated for the 2023-25 biennium North Dakota crude oil production would plateau at around 1.1 to 1.0 million barrels per day, monthly well completions would continue at around 50 completions per month, and the North Dakota price, after transportation discounts, would average approximately \$45.50 per barrel. These assumptions would result in oil and gas production and extraction tax collections of approximately \$3.43 billion during the 2023-25 biennium.

Long-Term Projections For Major General Fund Tax Types



2019-21 and 2021-23 Estimated Oil Tax Allocations

	Revised ^{\1}	Legislative ^{\2}
	<u>2019-21</u>	<u>2021-23</u>
Counties and Cities	\$ 533,760,000	\$ 518,220,000
Tribal Allocations	415,920,000	486,890,000
Legacy Fund	959,140,000	971,340,000
Foundation Aid Stabilization Fund	149,970,000	158,690,000
Common Schools Trust Fund	149,970,000	158,690,000
Resources Trust Fund	303,240,000	321,110,000
Renewable Energy Development Fund	3,000,000	3,000,000
Energy Conservation Fund	1,200,000	1,200,000
Oil and Gas Research Fund	16,000,000	14,500,000
State Energy Research Fund	5,000,000	5,000,000
ND Outdoor Heritage Fund	15,000,000	15,000,000
Well Plugging and Site Reclamation Fund	11,300,000	11,720,000
General Fund	400,000,000	400,000,000
Tax Relief Fund	200,000,000	200,000,000
Budget Stabilization Fund	48,430,000	-
State Disaster Fund	-	18,190,000
Municipal Infrastructure Fund	29,880,000	11,990,000
County/Township Infrastructure Fund	-	11,990,000
Airport Infrastructure Fund	-	-
Lignite Research Fund	10,000,000	10,000,000
Strategic Investment & Improvements Fund	361,240,000	400,000,000
Total Oil and Gas Taxes	<u>\$ 3,613,050,000</u>	<u>\$ 3,717,530,000</u>

\1 Preliminary revenue estimates through June 30, 2021, based on the March 2021 legislative revenue forecast.

\2 The March 2021 legislative forecast assumes an average North Dakota price of \$50.00 for the biennium. Production is estimated at 1.1 million barrels per day throughout the first year of the biennium and 1.0 million barrels per day throughout the second year.

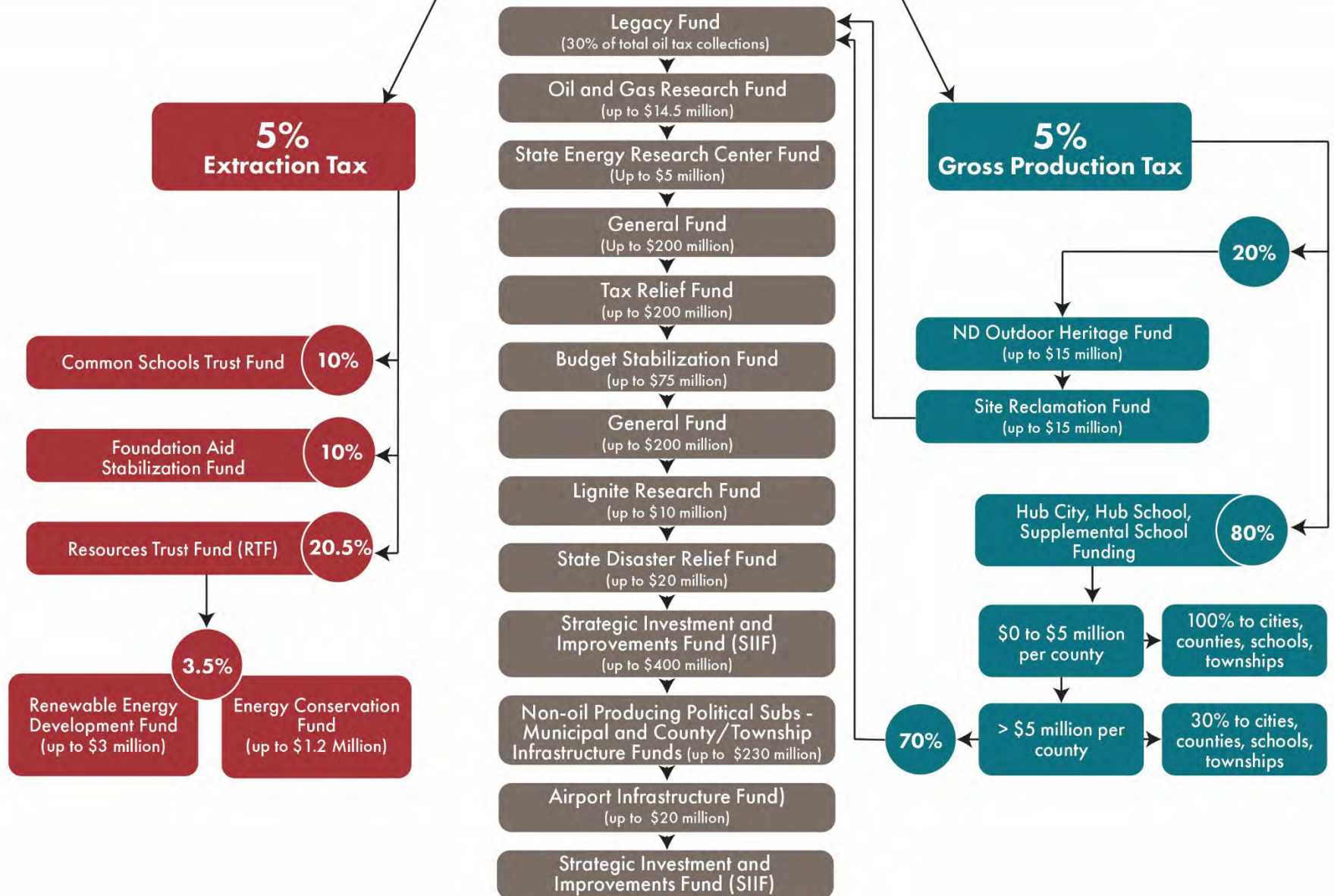
OIL EXTRACTION AND PRODUCTION TAX ALLOCATIONS

2021-23 Biennium
March 2021 Legislative Forecast

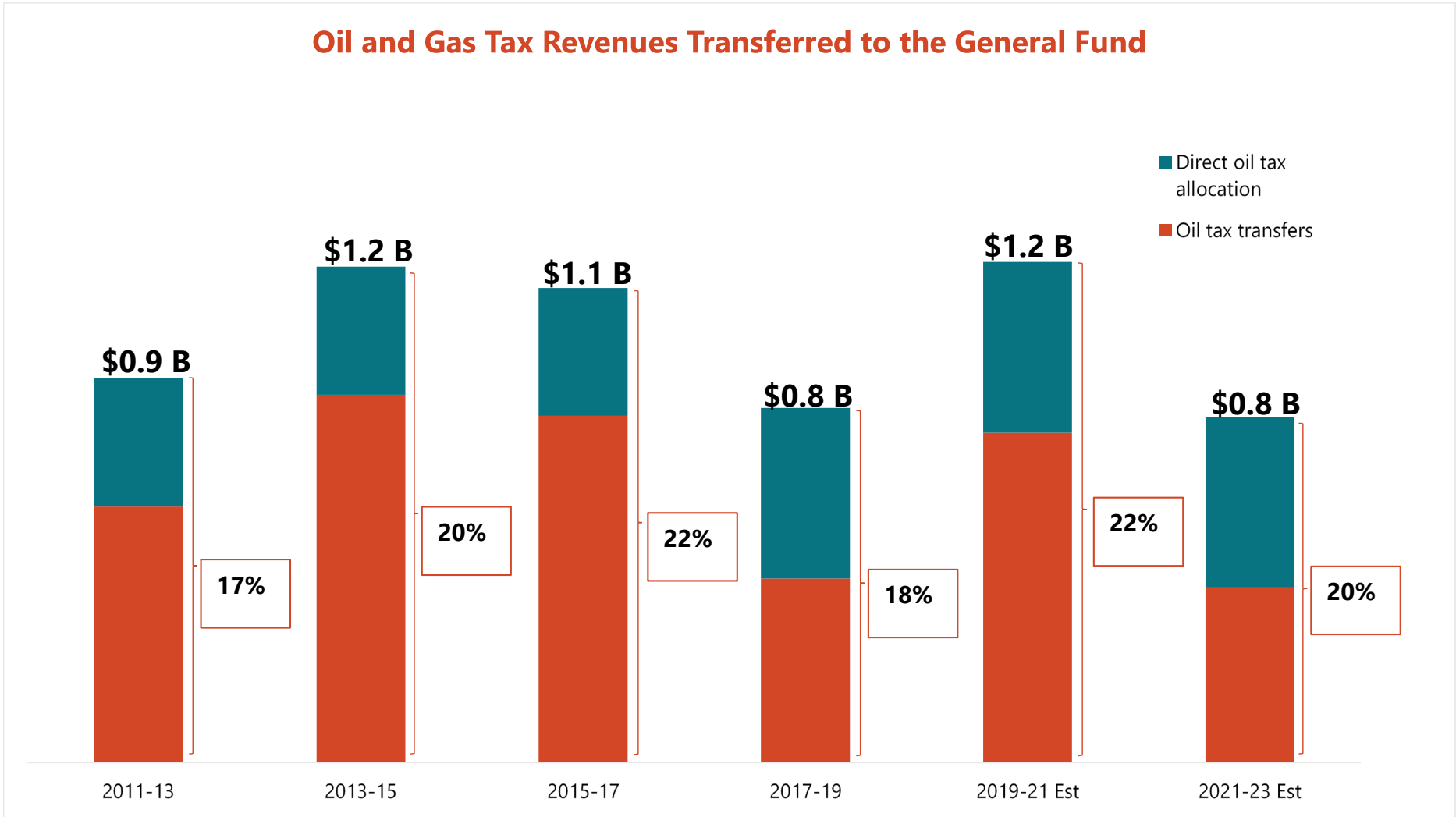
Tax Assessed on Gross Value of Oil Produced*

- Extraction Tax
- Production Tax
- Combined Tax Sources

* Excludes tax allocations to tribes; includes gross production tax assessed on units of natural gas produced



Oil and Gas Tax Revenues Transferred to the General Fund



Percentages represent portion of overall General Fund revenue.

2021-23 Agency Fund Matrix

Agency	General Fund	Major Special Funds ¹¹						Other Special Funds ¹²							Non-Major Special Funds	Federal Funds
		ITD	Tuition Apprtn-ment	Foundation Aid Stabil	DHS	Water Comm	Highway	Higher Ed Funds ¹³	Bonding	Community Health Trust	Disaster Relief	Fire and Tornado	Health Care Trust	Strategic Invest & Improve		
General Government																
Executive Branch																
101 Office of the Governor	X															
108 Office of the Secretary of State	X															X
110 Office of Management and Budget	X												X			X
112 Information Technology Department (ITD)	X	X														X
117 Office of the State Auditor	X															X
120 Office of the State Treasurer	X										X					X
125 Office of the Attorney General	X												X			X
127 Office of the State Tax Commissioner	X															X
140 Office of Administrative Hearings																X
188 Comm on Legal Counsel for Indigents	X															X
190 Retirement and Investment Office																X
192 Public Employees Retirement System																X
195 Ethics Commission	X															
Legislative and Judicial Branches																
150 Legislative Assembly	X															
160 Legislative Council	X															
180 Judicial Branch	X															X
Education																
Elementary, Secondary, and Other Education																
201 Department of Public Instruction (DPI)	X		X	X												X
226 Trust Lands													X			X
250 State Library	X															X
252 School for the Deaf	X															X
253 ND Vision Services/School for the Blind	X															X
270 Dept. of Career & Technical Education	X															X
Higher Education																
215 North Dakota University System Office	X															X
227 Bismarck State College	X						X									X
228 Lake Region State College	X						X									X
229 Williston State College	X						X									X
230 University of North Dakota	X						X									X
232 UND Medical Center	X						X									X
235 North Dakota State University	X						X									X
238 ND State College of Science	X						X									X
239 Dickinson State University	X						X									X
240 Mayville State University	X						X									X
241 Minot State University	X						X									X
242 Valley City State University	X						X									X
243 Dakota College at Bottineau	X						X									X
244 North Dakota Forest Service	X						X									X
Health and Human Services																
301 ND Department of Health	X									X						X
303 Department of Environmental Quality	X															X
313 Veterans Home	X															X
316 Indian Affairs Commission	X															X
321 Department of Veterans Affairs	X															X
325 Department of Human Services (DHS)	X				X					X		X				X
360 Protection and Advocacy Project	X															X
380 Job Service North Dakota	X															X

2021-23 Agency Fund Matrix

Agency	General Fund	Major Special Funds ¹							Other Special Funds ²							Non-Major Special Funds	Federal Funds
		ITD	Tuition Apprtn-ment	Foundation Aid Stabil	DHS	Water Comm	Highway	Higher Ed Funds ³	Bonding	Community Health Trust	Disaster Relief	Fire and Tornado	Health Care Trust	Strategic Invest & Improve	Tobacco Prevent & Ctrl Trust		
Regulatory																	
401 Office of the Insurance Commissioner								X			X				X	X	
405 Industrial Commission	X												X		X	X	
406 Office of the Labor Commissioner	X														X	X	
408 Public Service Commission	X														X	X	
412 Aeronautics Commission	X														X	X	
413 Dept. of Financial Institutions															X		
414 Securities Department															X		
471 Bank of North Dakota															X		
473 North Dakota Housing Finance Agency															X	X	
475 North Dakota Mill and Elevator															X		
485 Workforce Safety and Insurance															X		
Public Safety																	
504 Highway Patrol	X														X	X	
530 Department of Corrections & Rehab	X														X	X	
540 Adjutant General	X									X			X		X	X	
Agriculture, Economic Development, and Agriculture and Economic Development																	
601 Dept. of Commerce	X												X		X	X	
602 North Dakota Department of Agriculture	X												X		X	X	
627 Upper Great Plains Transportation Institute	X												X		X	X	
628 Branch Research Centers	X														X		
630 NDSU Extension Service	X														X	X	
638 Northern Crops Institute	X														X		
640 NDSU Main Research Center	X												X		X	X	
649 Agronomy Seed Farm															X		
665 North Dakota State Fair	X														X		
670 Racing Commission	X														X		
Natural Resources																	
701 State Historical Society	X														X	X	
709 Council on the Arts	X												X		X	X	
720 Game and Fish Department															X	X	
750 Department of Parks and Recreation	X														X	X	
770 State Water Commission									X						X	X	
Transportation																	
801 Department of Transportation							X		X		X				X	X	

¹ Major Special Funds are those state special funds which include appropriated expenditures of \$100.0 million or more per biennium.
² Other Special Funds do not meet the definition of Major Special Funds but are of particular interest to policymakers and other constituents.
³ Higher Education funds are comprised of Tuition Revenue, Auxiliary Funds, and Grants and Contracts.

STATE OF NORTH DAKOTA

FINANCIAL SUMMARY

Consolidated Funds Statement - All Appropriated Funds 2019-21 Biennium

	Major Special Funds ¹							Non-Major	Federal	Combined	
	General Fund ²	ITD Service ³	Tuition Apportionment ³	Foundation Aid Stabilization ³	Human Services ³	Water Commission ³	Highway ³	Higher Ed Funds ³	Special Funds ³	Funds ⁴	Total
Revenues											
Sales and excise taxes	\$2,184,754,800										\$2,184,754,800
Income taxes	935,573,000										935,573,000
Oil and gas taxes	400,000,000			213,288,197							613,288,197
Charges for services/permits/licenses	45,511,200	\$176,456,303			\$314,051,801		\$75,835,000	\$2,322,361,114			2,934,215,418
Insurance premium taxes	72,944,050										72,944,050
Investment and interest income	10,000,000		\$366,764,000				2,200,000				378,964,000
Fines and forfeitures											0
Transfers from general fund											0
Transfers from special funds	1,041,217,024		11,000,000			\$791,199,242	346,900,000	17,000,000			2,207,316,266
Reimbursement for political subdivisions							132,700,000				132,700,000
Sale of materials							4,000,000				4,000,000
Miscellaneous	132,959,566					135,745,181	161,695,929				430,400,676
Non-major special fund revenue									\$514,760,104		514,760,104
Federal funds										\$3,905,944,659	3,905,944,659
Total revenues	\$4,822,959,640	\$176,456,303	\$377,764,000	\$213,288,197	\$314,051,801	\$926,944,423	\$723,330,929	\$2,339,361,114	\$514,760,104	\$3,905,944,659	\$14,314,861,170
Expenditures											
General government	\$338,917,188	\$182,357,841							\$224,015,162	\$23,253,261	\$768,543,452
Elementary and secondary education	1,779,454,383		\$377,764,000	\$115,000,000					19,556,485	336,802,314	2,628,577,182
Higher education	660,517,805							2,339,361,114	0	0	2,999,878,919
Health and human services	1,523,442,581				\$307,742,295				120,940,308	2,475,533,392	4,427,658,576
Regulatory	44,559,295								332,441,836	45,622,243	422,623,374
Public safety	301,544,678								50,956,397	128,683,232	481,184,307
Agriculture and economic development	157,712,212								148,644,246	68,947,291	375,303,749
Natural resources	34,915,024					\$929,031,274			69,948,025	88,188,451	1,122,082,774
Transportation	2,500,000						\$722,330,929		1,000,000	738,914,475	1,464,745,404
Total expenditures	\$4,843,563,166	\$182,357,841	\$377,764,000	\$115,000,000	\$307,742,295	\$929,031,274	\$722,330,929	\$2,339,361,114	\$967,502,459	\$3,905,944,659	\$14,690,597,737

- Notes:**
- \1 Major special funds are those state special funds which include appropriated expenditures of \$100.0 million or more per biennium.
 - \2 General Fund revenues are based on the 2019 legislative revenue forecast. General Fund expenditures are based on original legislative appropriations authorized by the 2019 legislature.
 - \3 Revenue and expenditure estimates are amounts included in each agency's budget request for the 2019-21 biennium, adjusted for legislative changes.
 - \4 Federal funds revenue is not included in budget documents but for the purposes of this schedule is assumed to be equal to estimated expenditures. Estimated expenditures are equal to appropriation authority.

Consolidated Funds Statement - All Appropriated Funds
2021-23 Biennium

	Major Special Funds ¹								Non-Major Special Funds ³	Federal Funds ⁴	Combined Total
	General Fund ²	ITD Service ³	Tuition Apportionment ³	Foundation Aid Stabilization ³	Human Services ³	Water Commission ³ ⁵	Highway ³ ⁵	Higher Ed Funds ³			
Revenues											
Sales and excise taxes	\$2,086,905,200										\$2,086,905,200
Income taxes	1,003,000,000										1,003,000,000
Oil and gas taxes	400,000,000			143,454,500							543,454,500
Charges for services/permits/licenses	44,753,592	\$227,000,000			\$334,618,480		\$78,600,000	\$1,959,579,039			2,644,551,111
Insurance premium taxes	101,573,801										101,573,801
Investment and interest income	50,000,000		\$421,020,000				2,300,000				473,320,000
Fines and forfeitures											0
Transfers from general fund							100,000,000				100,000,000
Transfers from special funds	581,973,744		12,000,000			\$580,328,898	345,700,000	21,863,000			1,541,865,642
Reimbursement for political subdivisions							126,100,000				126,100,000
Sale of materials							4,000,000				4,000,000
Miscellaneous	78,075,658					161,703,776	72,300,000				312,079,434
Non-major special fund revenue									\$737,415,954		737,415,954
Federal funds										\$5,867,714,279	5,867,714,279
Total revenues	\$4,346,281,995	\$227,000,000	\$433,020,000	\$143,454,500	\$334,618,480	\$742,032,674	\$729,000,000	\$1,981,442,039	\$737,415,954	\$5,867,714,279	\$15,541,979,921
Expenditures											
General government	\$359,118,921	\$227,993,926							\$105,235,232	\$85,023,557	\$777,371,636
Elementary and secondary education	1,718,132,092		\$433,020,000	\$143,454,500					44,966,083	761,433,332	3,101,006,007
Higher education	703,353,526							1,981,442,039	0	9,000,000	2,693,795,565
Health and human services	1,648,806,937				\$318,242,773				120,178,739	3,117,375,379	5,204,603,828
Regulatory	80,396,146								1,022,697,837	58,062,417	1,161,156,400
Public safety	279,355,803								67,658,065	200,379,433	547,393,301
Agriculture and economic development	169,146,298								172,647,638	146,765,611	488,559,547
Natural resources	34,647,607					\$540,799,129			3,680,067	133,798,394	712,925,197
Transportation	0						\$737,235,688		156,422,240	1,355,876,156	2,249,534,084
Total expenditures	\$4,992,957,330	\$227,993,926	\$433,020,000	\$143,454,500	\$318,242,773	\$540,799,129	\$737,235,688	\$1,981,442,039	\$1,693,485,901	\$5,867,714,279	\$16,936,345,565

Notes:
¹ Major special funds are those state special funds which include appropriated expenditures of \$100.0 million or more per biennium.
² General Fund revenues are based on the 2021 legislative revenue forecast. General Fund expenditures are based on original legislative appropriations authorized by the 2021 legislature.
³ Revenue and expenditure estimates are amounts included in each agency's budget request for the 2021-23 biennium, adjusted for legislative changes.
⁴ Federal funds revenue is not included in budget documents but for the purposes of this schedule is assumed to be equal to estimated expenditures. Estimated expenditures are equal to appropriation authority.
⁵ Miscellaneous revenue and expenditure estimates include bonding amounts authorized by the 2021 legislature.

**General Fund
Status Statement**

	2017-19 Actual ^{\1}	2021 Legislative Projection	
		2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$65,000,000	\$65,000,000 ^{\2}	\$710,259,973
Revenues:			
Total Revenues	\$4,913,448,662	\$5,387,998,690 ^{\3}	\$4,346,281,995 ^{\3}
Expenditures:			
One-time Appropriations	(\$14,638,226)	(\$48,639,068)	(\$114,923,493)
Ongoing Appropriations	(4,295,624,415)	(4,794,924,098)	(4,878,033,837)
Adjustment for Emergency Clauses	(106,000)	106,000	0
Supplemental Appropriations	(115,560,181)	(21,540,000)	0
Unspent Authority/Adjustments	61,389,781	244,667,574	0
Total Expenditures	(\$4,364,539,041)	(\$4,620,329,592)	(\$4,992,957,330)
Ending Balance before Transfers	\$613,909,621	\$832,669,098	\$63,584,638
Transfers and Adjustments:			
Transfer to Budget Stabilization Fund	(548,010,854) ^{\4}	(22,409,125) ^{\4}	0
Transfer to Highway Fund	0	(100,000,000) ^{\5}	0
Adjustments and Cash Certifications	(898,767)	0	0
Total Transfers and Adjustments	(\$548,909,621)	(\$122,409,125)	\$0
Ending Fund Balance	\$65,000,000	\$710,259,973	\$63,584,638

^{\1} Final revenues and expenditures per state accounting system reports dated June 30, 2019.

^{\2} Actual July 1, 2019 balance.

^{\3} Based on actual collections through April 30, 2021, and the May 2021 revised forecast for the 2019-21 biennium and the May 2021 legislative revenue forecast for the 2021-23 biennium.

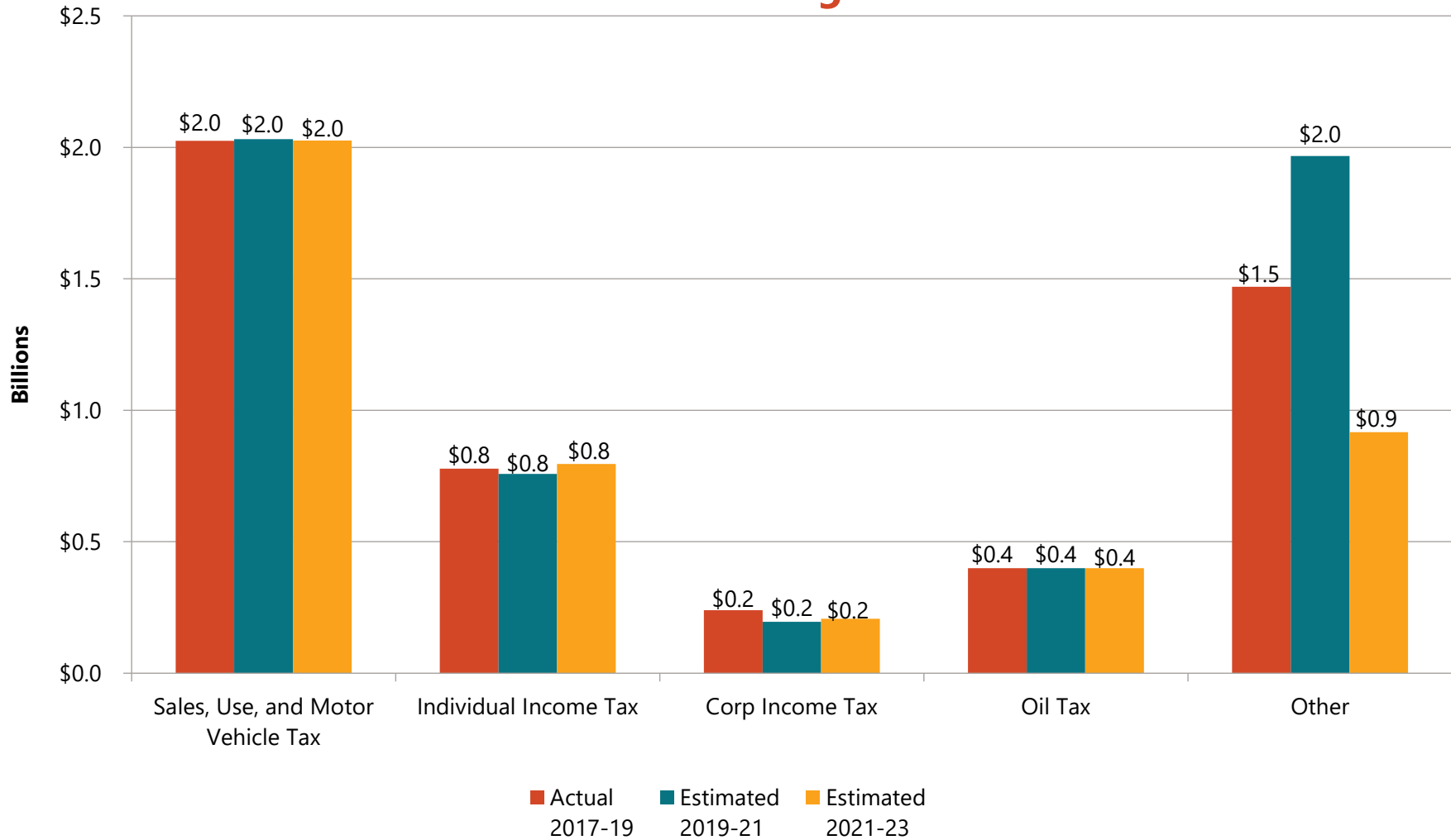
^{\4} NDCC Section 54-27.2-01 requires a transfer of the ending General Fund balance in excess of \$65.0 million to the Budget Stabilization Fund, sufficient to bring the balance of the Budget Stabilization Fund to 15.0 percent of appropriations.

^{\5} Section 13 of 2021 HB1015 appropriates a \$100.0 million transfer to be made from the General Fund to the Highway Fund before June 30, 2021.

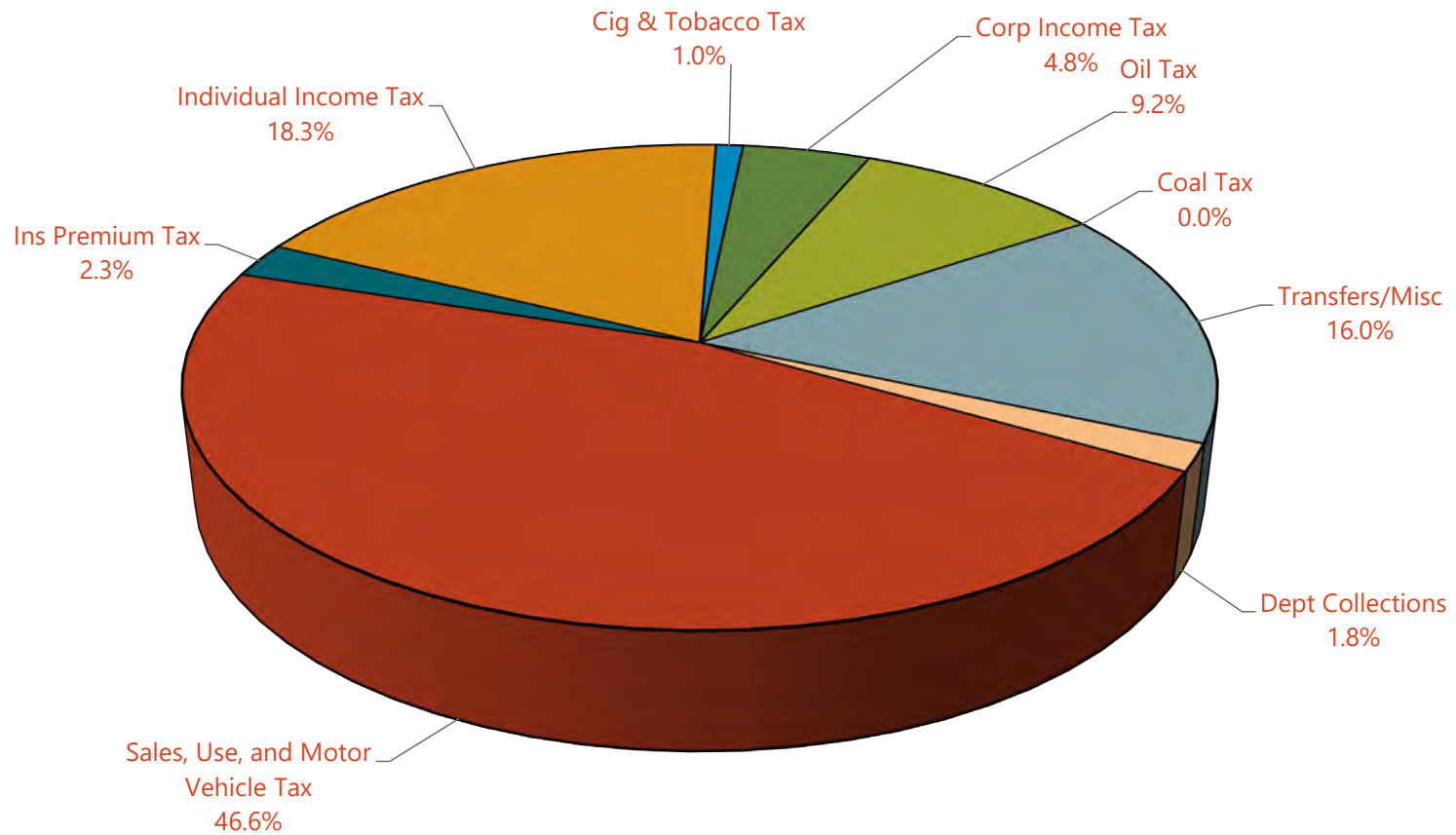
STATE OF NORTH DAKOTA
COMPARISON OF GENERAL FUND REVENUE BY MAJOR SOURCE
2013-15 THROUGH 2021-23

REVENUE SOURCE	Actual 2013-15	Actual 2015-17	Actual 2017-19	Revised Forecast 2019-21	Legislative Forecast 2021-23
Tax Revenue:					
Sales and Use Taxes	\$2,478,246,782	\$1,717,867,835	\$1,786,479,717	\$1,785,000,000	\$1,765,334,000
Motor Vehicle Excise Tax	277,152,752	221,784,456	239,039,038	246,000,000	260,864,000
Individual Income Tax	1,050,062,577	666,659,666	778,054,900	758,000,000	796,000,000
Corporate Income Tax	435,243,053	166,806,392	240,106,623	196,000,000	207,000,000
Insurance Premium Tax	92,526,177	110,725,700	115,544,049	94,520,219	101,573,801
Financial Institutions Tax	(4,985,620)	1,309,357	0	0	0
Oil and Gas Production Tax	146,071,108	127,164,784	212,147,128	237,855,277	200,000,000
Oil Extraction Tax	153,928,892	172,835,217	187,852,872	162,144,723	200,000,000
Gaming Tax	7,195,937	6,722,714	9,156,498	26,804,238	9,753,592
Cigarette and Tobacco Tax	60,262,693	56,398,692	52,381,863	49,032,505	43,775,200
Wholesale Liquor Tax	18,704,869	17,897,488	17,768,453	17,972,734	16,932,000
Coal Conversion Tax	40,767,149	43,669,236	44,572,708	42,398,724	0
Mineral Leasing Fees	41,348,389	29,039,291	42,197,590	36,410,368	35,000,000
Departmental Collections	83,270,753	83,175,546	81,466,893	79,914,882	78,075,658
Interest Income	38,103,283	15,547,723	11,319,365	44,244,338	50,000,000
Total Tax Revenue	\$4,917,898,794	\$3,437,604,097	\$3,818,087,697	\$3,776,298,008	\$3,764,308,251
Transfers:					
Bank of North Dakota Profits	\$0	\$100,000,000	\$140,000,000	\$140,000,000	\$140,000,000
Legacy Fund	0	0	455,263,216	671,630,000	0
State Mill Profits	6,817,200	9,051,496	17,677,472	10,923,841	15,500,000
Lottery	13,300,000	15,780,000	15,900,000	10,222,500	14,600,000
Gas Tax Administration	1,777,360	2,030,496	2,016,120	1,991,418	1,873,744
Other Transfers*	862,004,153	1,384,739,324	464,504,157	776,932,923	410,000,000
Total Transfers	\$883,898,713	\$1,511,601,316	\$1,095,360,965	\$1,611,700,682	\$581,973,744
TOTAL REVENUE	\$5,801,797,507	\$4,949,205,413	\$4,913,448,662	\$5,387,998,690	\$4,346,281,995
* Other Transfers Include:					
	2013-15	2015-17	2017-19	2019-21	2021-23
Strategic Investment and Improvements Fund	\$520,000,000	\$155,000,000	\$248,000,000	\$764,400,000	\$410,000,000
Tax Relief Fund	341,790,000	657,000,000	183,000,000	8,600,000	0
Budget Stabilization Fund	0	572,485,454	0	0	0
Miscellaneous Transfers	214,153	253,870	33,504,157	3,932,923	0
	\$862,004,153	\$1,384,739,324	\$464,504,157	\$776,932,923	\$410,000,000

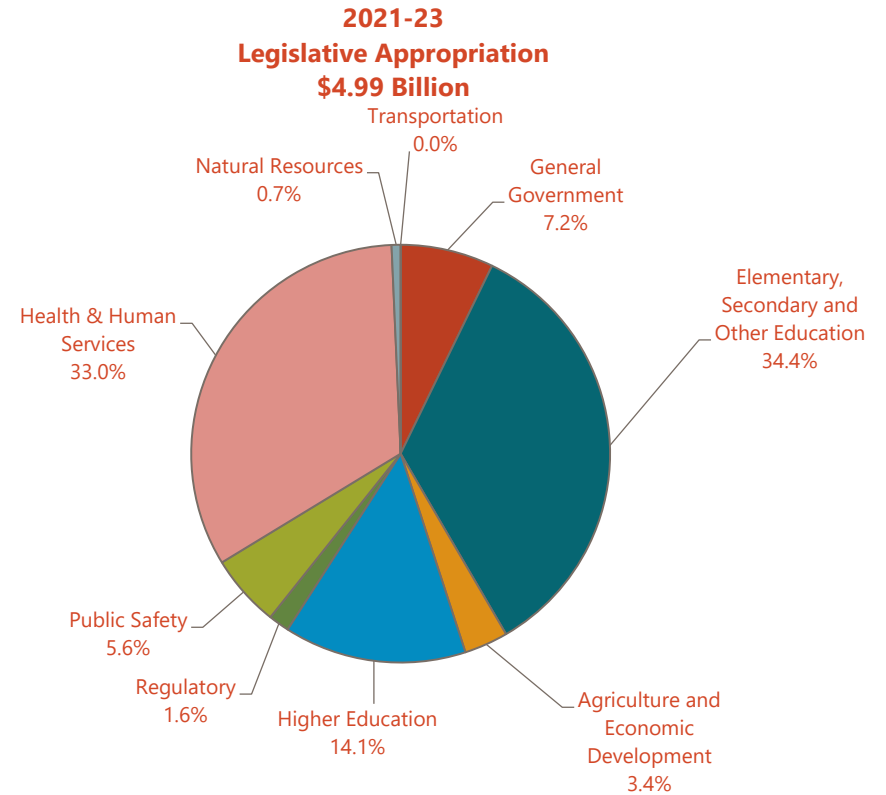
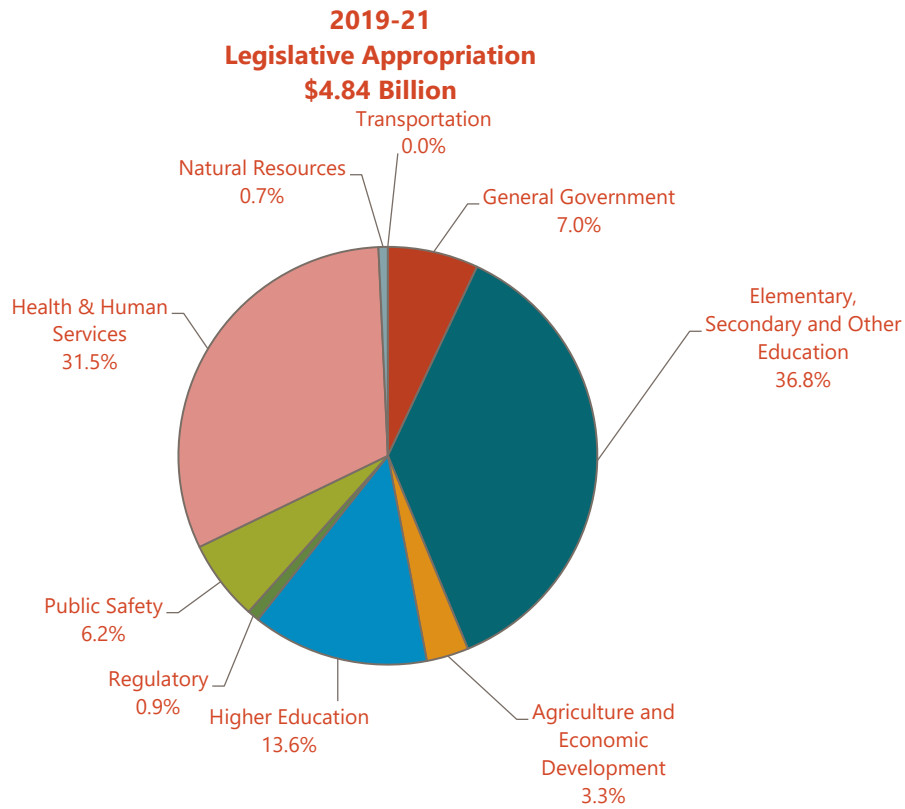
Comparison of General Fund Revenue by Major Source 2017-19 Through 2021-23



2021-23
General Fund Revenue by Major Source
\$4.35 Billion

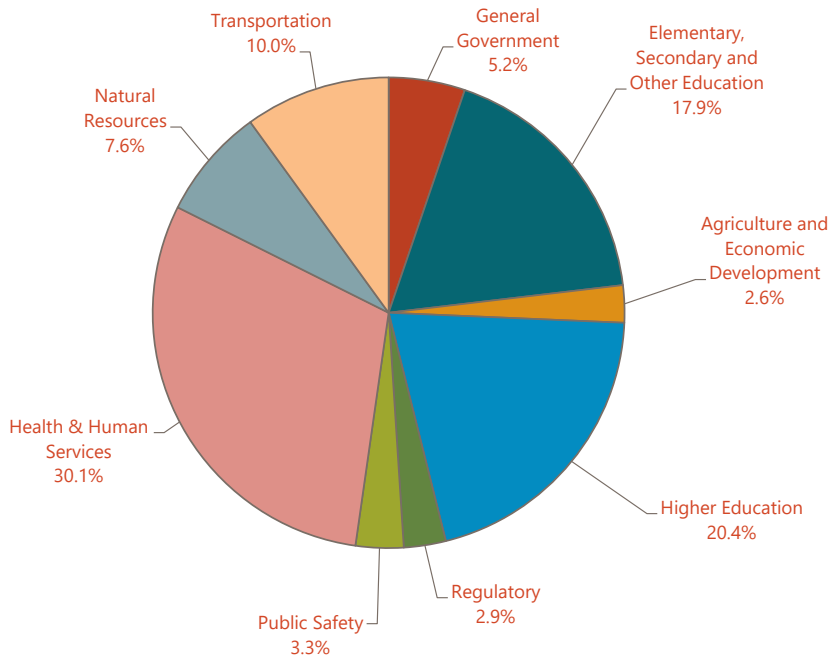


General Fund Budget 2019-21 and 2021-23

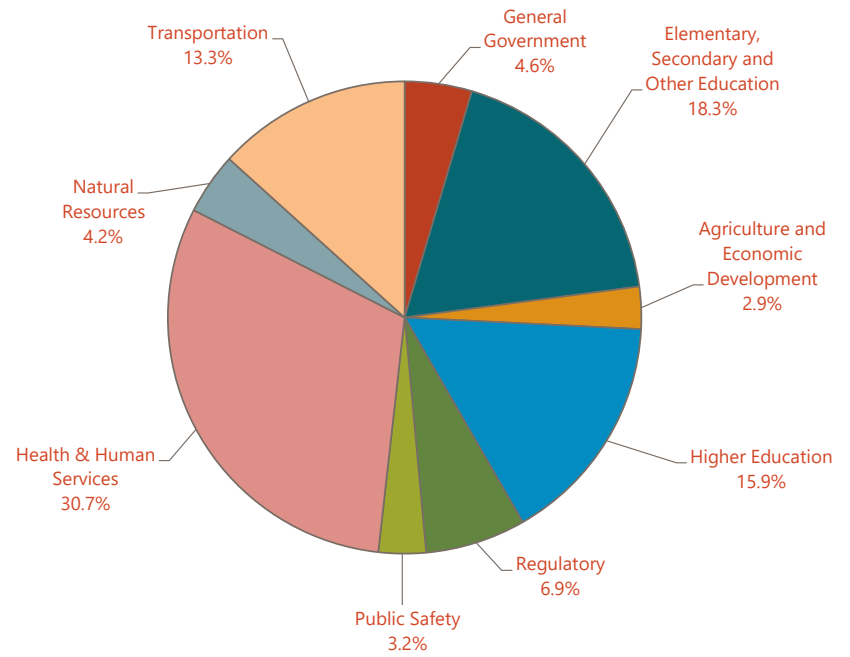


Total Funds Budget 2019-21 and 2021-23

2019-21
Legislative Appropriation
\$14.69 Billion



2021-23
Legislative Appropriation
\$16.94 Billion



**Bonding Fund
Status Statement**

	2017-19 Actual	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$3,639,454	\$3,714,292 \1	\$3,911,292
Revenue:			
Premiums	\$0 \2	\$0 \2	\$0 \2
Investment Revenue	242,848	290,000	300,000
Claims Restitution	20,889	30,000	50,000
Other Revenue	2,661	2,000	7,000
Total Revenues	\$266,398	\$322,000	\$357,000
Expenditures:			
Claims Liabilities/Payments/Write-offs	(\$125,121) \3	(\$103,000) \3	(\$150,000) \3
Claims Related Expenses	0	0	(35,000)
Investment Expense	(7,140)	(10,000)	(10,000)
Administration	(59,299)	(12,000)	(52,000)
Total Expenditures	(\$191,560)	(\$125,000)	(\$247,000)
Ending Fund Balance	\$3,714,292 \1	\$3,911,292	\$4,021,292

\1 From June 30, 2019, Annual Comprehensive Financial Report (ACFR).

\2 There have been no premiums assessed or payments received in this fund since 1953. Pursuant to NDCC Section 26.1-21.09, premiums must be assessed if the fund balance falls below \$2.0 million.

\3 Claims liabilities reflect recorded liabilities for filed claims. Actual liability is determined after a review and audit of the loss. Adjustments are made to reflect claim liabilities written off and no longer carried as a potential liability.

Notes:

The Bonding Fund was created in 1915 and is maintained for bond coverage of public employees. The Bonding Fund is managed by the Insurance Commissioner. The amount of coverage provided to each state agency, department, industry, and institution is determined by the commissioner, based upon the amount of money and property handled and the opportunity for default. Section 26.1-21-09 provides that premiums for bond coverage are to be determined by the Insurance Commissioner but can be waived if the Bonding Fund balance is in excess of \$2.0 million.

Budget Stabilization Fund
Status Statement

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$38,308,669	\$666,415,898 ^{\2}	\$748,943,600
Revenue:			
Retention of Earnings to Increase Balance	\$5,096,375	\$11,687,319	\$30,000,000
Oil and Gas Tax Allocations	75,000,000	48,431,258 ^{\3}	0 ^{\3}
Transfer from General Fund	548,010,854	22,409,125 ^{\4}	0
Total Revenue	<u>\$628,107,229</u>	<u>\$82,527,702</u>	<u>\$30,000,000</u>
Transfers:			
Transfers to General Fund	<u>\$0</u>	<u>\$0</u>	<u>(\$30,000,000)</u>
Ending Fund Balance	\$666,415,898	\$748,943,600	\$748,943,600

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 2017 House Bill 1152 provides for an allocation of oil and gas tax revenues of up to \$75.0 million, to the Budget Stabilization Fund each biennium, but not in an amount that would bring the balance of the fund above the limit in Section 54-27.2-01.

\4 Estimated transfer from the General Fund based on actual General Fund revenue collections through April 30, 2021, recommended appropriation levels and provisions included in Section 54-27.2-01.

Notes:

The Budget Stabilization Fund is a statutory fund created in 1987. Section 54-27.2-02 provides that any end of biennium balance in the General Fund in excess of \$65.0 million be transferred to the Budget Stabilization Fund, subject to the provisions of Section 54-27.2-01.

Pursuant to Section 54-27.2-01, the fund is limited to no more than 15 percent of current biennium appropriations. Any deposits or interest that would otherwise be deposited or retained in the fund must instead be deposited in the General Fund once the maximum balance is reached.

Section 54-27.2-03 provides guidelines on transfers from the Budget Stabilization Fund to the General Fund with the first transfer allowable only after General Fund allotments totaling at least 3 percent have been made.

Capital Building Trust Fund
Status Statement

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$5,089,876	\$6,548,609 ^{\2}	\$3,134,176
Revenue:			
Rent, Royalties and Bonuses	\$4,031,140	\$2,044,434	\$1,230,000
Governor's Residence Fundraising	387,000	0	0
Investment Income	294,183	233,938	22,663
Total Revenue	<u>\$4,712,323</u>	<u>\$2,278,372</u> ^{\3}	<u>\$1,252,663</u>
Expenditures/Transfers:			
Capitol Grounds Continuing Approp	(\$175,000) ^{\4}	(\$250,000) ^{\5}	(\$250,000) ^{\5}
Capitol Grounds Planning Meetings	(25,000)	(25,000)	(25,000)
Facilities Management Projects	(2,975,000)	0	(1,368,800) ^{\6}
Facilities Management Extraordinary Repairs	0	(1,900,000)	(500,000)
Capitol South Entrance Project	0	(2,000,000)	0
Leg. Assem. Signage and Voting System Upgrade	0	(140,000)	0
Supreme Court Law Library Remodel	0	(970,000)	0
Facilities Management-Special Assessments	0	(320,000)	(300,000)
ADA Improvements (2021 SB2146 & Sect 6 of HB1012)	0	0	(775,000)
Administrative Expense	(72,009)	(60,836)	(60,000)
Income Payments to Counties	(6,581)	(26,969)	(27,000)
Total Expenditures	<u>(\$3,253,590)</u>	<u>(\$5,692,805)</u>	<u>(\$3,305,800)</u>
Ending Fund Balance	\$6,548,609	\$3,134,176	\$1,081,039

\1 Final revenues and expenditures per Board of University School Lands report.

\2 Actual July 1, 2019 balance.

\3 Based on actual revenues through April 30, 2021 and estimated revenues for the remainder of the biennium.

\4 Section 48-10-02 provides a continuing appropriation to the Capitol Grounds Planning Commission to spend up to \$175,000 per biennium of income and interest of the Capitol Building Trust Fund. The amount that may be spent may not exceed 50 percent of the unencumbered balance of the fund on the first day of the biennium.

\5 Section 20 of 2019 SB2015 amends NDCC 48-10-02 and increases the amount that the Capitol Grounds Planning Commission can spend from \$175,000 to \$250,000 per biennium.

\6 Section 20 of 2021 HB1015 appropriates \$350,000 for a facility consolidation study, \$518,800 for a building automation project and \$500,000 for wayfinding signage.

**Community Health Trust Fund
Status Statement**

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$609,221	\$17,789,734 ^{\2}	\$23,736,457
Revenue:			
Transfers from the Tobacco Settlement Trust	\$39,080,513	\$44,093,128	\$36,000,000
Transfer Tobacco Prevention and Control Trust Fund	0	0	2,041,826 ^{\5}
Total Revenues	<u>\$39,080,513</u>	<u>\$44,093,128</u>	<u>\$38,041,826</u>
Expenditures:			
<i>Health Department:</i>			
Dental Loan Repayment Program	\$0	(\$324,000)	(\$360,000)
Behavior Loan Repayment Program	0	(200,000)	(234,500)
Tobacco Prevention and Control	(3,200,000)	(3,200,000) ^{\3,\4}	(5,043,000)
Women's Way Program	(329,500)	(322,405) ^{\3}	(329,500)
Cancer Programs	0	0	(580,324)
Behavioral Risk Factor State Survey (BRFSS)	(370,500)	(200,000) ^{\3}	(200,000)
Domestic Violence Prevention	0	0	(300,000)
LPH State Aid	0	0	(525,000)
Tobacco Prevention Grants (Local Public Health)	0	(6,500,000)	(6,250,000)
LPH Pandemic Response	0	0	(4,515,296)
Statewide Health Strategies	0	0	(1,500,000)
Forensic Examiner Contract	0	0	(1,000,000)
<i>Department of Human Services:</i>			
Medical Services	(18,000,000)	(27,400,000) ^{\3}	(31,500,000)
Total Expenditures	<u>(\$21,900,000)</u>	<u>(\$38,146,405)</u>	<u>(\$52,337,620)</u>
Ending Fund Balance	\$17,789,734	\$23,736,457	\$9,440,663

\1 Final revenue and expenditures per state accounting system reports dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 Estimated expenditures for the 2019-21 biennium projected by the Department of Health and Department of Human Services.

\4 Approved by voters in 2008, Measure #3 provides that 80 percent of the tobacco settlement revenue allocated to the Community Health Trust Fund must be spent on tobacco related programs. 2017, Senate Bill 2004 eliminates the 80 percent requirement.

\5 NDCC 54-27-25 is amended which removes Tobacco Prevention and Control Trust Fund and requires transfer of the Fund balance to Community Health Trust Fund on July 1, 2021.

Notes:

The Community Health Trust Fund originated in 1999. The purpose of the fund is to provide for public health programs, including those emphasizing prevention or reduction of tobacco usage in this state. The revenue source for the Community Health Trust Fund is the Tobacco Settlement Trust Fund (NDCC Section 54-27-25). Prior to the 2019 session, all tobacco settlement monies received by the state were transferred into the Tobacco Settlement Trust Fund. Monies in the fund were transferred, within 30 days of deposit:

- 10 percent to the Community Health Trust Fund
- 45 percent to the Common Schools Trust Fund
- 45 percent to the Water Development Trust Fund

In November 2008, voters approved Measure No. 3, which creates a Tobacco Prevention and Control Trust Fund that will receive all tobacco settlement strategic contribution payments to the state. After 2017, no additional strategic contribution payments are anticipated.

2015 Senate Bill 2003 amended NDCC Section 57-27-25 to allow expenses related to the enforcement of the Master Settlement Agreement to be paid from the fund. Revenue appropriated to the Attorney General is removed prior to the 10 percent distribution to the Community Health Trust Fund.

2017 Senate Bill 2004 eliminated the requirement that 80 percent of the revenue be spent on tobacco related programs. House Bill 1012

2019 Senate Bill 2012 eliminated the transfer to the Common Schools Trust Fund and the Water Development Trust Fund. Instead, all revenue from the Tobacco Settlement Trust Fund will be deposited into the Community Health Trust Fund and monies in the fund may be appropriated for community-based public health program and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in the state.

The Community Health Trust Fund is administered by the Department of Health, which may use monies in the fund subject to legislative appropriation.

**Disaster Relief Fund
Status Statement**

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$36,687,549	\$21,987,295 ^{\2}	\$14,525,843
Revenue:			
Transfers from Oil and Gas Taxes	\$0 ^{\3}	\$0 ^{\4}	\$20,000,000 ^{\5}
Interest Earnings	73,130	68,000	65,000
Miscellaneous Reimbursements	698,535	24,577	75,000
Total Revenues	\$771,665	\$92,577	\$20,140,000
Expenditures:			
2009 Flood Disaster	(\$57,462)	\$0	\$0
2010 Flood	(1,199,702)	0	0
2011 Flood	(2,923,747)	(2,360,435)	0
Road Grade Raising Projects (2013 HB1016)	(18,620)	0	0
Double Ditch Historic Site Repairs (2015 SB2018)	(1,694,478)	0	0
2013 Red River Valley Flood Disaster	(912,451)	0	0
2013 Snow Storm	(628,258)	(113)	0
2014 Summer Flooding	(72,201)	(100,126)	0
2017 Summer Flooding	0	(357,983)	(99,163)
2019 Extraordinary Snowfall (2019 SB2016)	(7,965,000)	0	0
2019 Flood Mitigation Programs	0	(2,484,612)	(2,979,989)
2020 Flood	0	(1,300,760)	(872,020)
Non-oil Producing Counties (2021 HB1015, Section 4)	0	0	(8,200,000)
DAPL Interest (2021 HB1025)	0	(750,000)	0
2021 Wildfires (2021 HB1016)	0	0	(2,500,000)
Emergency township road repairs (2021 SB2012, Section 4)	0	0	(750,000)
Grant to Reimburse FEMA	0	(200,000)	0
Total Expenditures	(\$15,471,919)	(\$7,554,029) ^{\6}	(\$15,401,172)
Ending Fund Balance	\$21,987,295	\$14,525,843	\$19,264,671

\1 Final revenues and expenditures per state accounting system reports.

\2 Actual July 1, 2019 balance.

\3 Section 2 of 2017 HB1152 amends NDCC 57-51.1-07.5 and states that \$20.0 million is to be transferred to the Disaster Relief Fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20.0 million.

\4 Section 9 of 2019 SB2016 amends NDCC 57-51.1-07.5 and states that \$15.0 million is to be transferred to the Disaster Relief Fund, but not in an amount that would bring the unobligated balance in the fund to more than \$15.0 million.

\5 Section 35 of 2021 HB1015 amends NDCC 57-51.1-07.5 and states that \$20.0 million is to be transferred to the Disaster Relief Fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20.0 million.

\6 Based on actual expenditures through March 31, 2021 and agency estimated expenditures through June 30, 2021.

Notes:

NDCC Section 37-17.1-27 establishes the Disaster Relief Fund. Money is available pursuant to legislative appropriation to defray expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential-declared disasters in the state. Expenditures from the fund also require approval by the Emergency Commission and Budget Section. Interest and other fund earnings must be deposited in the fund.

**Fire and Tornado Fund
Status Statement**

	2017-19 Actual	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$20,780,126	\$22,007,551 \1	\$20,679,289
Revenue:			
Premium Revenue	\$4,837,160	\$11,257,462	\$11,200,000
Investment Revenue	2,604,814	2,071,277	5,000,000
Claims Recovery	81,291 \2	175 \2	1,000,000
Boiler Inspection Fees	688,246	1,099,332	0 \3
Total Revenues	<u>\$8,211,511</u>	<u>\$14,428,246</u>	<u>\$17,200,000</u>
Expenditures:			
Insurance Claims	(\$4,441,907)	(\$5,306,588)	(\$5,300,000)
Claims Related Payments	(271,561)	(8,353,037)	(8,400,000)
Administration/Investment Expenses	(2,168,580)	(1,966,883)	(2,213,026) \3
Fire Marshal Inspection Fees	(102,038)	(130,000)	(130,000)
Total Expenditures	<u>(\$6,984,086)</u>	<u>(\$15,756,508)</u>	<u>(\$16,043,026)</u>
Ending Fund Balance	\$22,007,551 \1	\$20,679,289	\$21,836,263

\1 From June 30, 2019, Annual Comprehensive Financial Report (ACFR).

\2 Claims recovery reflects amounts recovered through re-insurance purchased to cover claims that exceed a specific amount per incident.

\3 HB1024 of the 66th legislative session transfers the boiler inspection program to the Department of Environmental Quality beginning July 1, 2019. Boiler inspection fees for fiscal year 2020 will be deposited into the Fire and Tornado Fund. After fiscal year 2020 boiler inspection fees will be deposited into a Department of Environmental Quality special fund. Expenditures for the boiler inspection program will continue to be paid out of the Fire and Tornado Fund for the 2019-21 biennium.

Notes:

The Fire and Tornado Fund originated in 1919. The fund is maintained to insure the state and its political subdivisions against loss to public buildings and fixtures. NDCC Section 26.1-22-14 requires that if the Fire and Tornado Fund balance is less than \$12.0 million, the Insurance Commissioner must increase assessments.

Foundation Aid Stabilization Fund
Status Statement

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$621,854,625	\$422,117,621 \2	\$382,087,621
Revenue:			
Oil Extraction Tax Allocations	\$178,752,284	\$149,970,000 \3	\$158,690,000 \4
Transfers:			
Transfer to State School Aid	(\$295,000,000)	(\$110,000,000) \5	(\$143,454,500) \6
Transfer to Department of Public Instruction	(6,520,317)	(5,000,000) \7	0
Transfer to Career and Tech Ed	(1,968,971)	0	0
Transfer to School Construction Assistance Revolving Loan Fund	(75,000,000)	(75,000,000) \8	0
Total Transfers	<u>(\$378,489,288)</u>	<u>(\$190,000,000)</u>	<u>(\$143,454,500)</u>
Ending Fund Balance	<u>\$422,117,621</u>	<u>\$382,087,621</u>	<u>\$397,323,121</u>
15% to be Retained in Fund Balance	<u>\$269,168,800 \9</u>	<u>\$214,831,704 \9</u>	<u>\$257,328,921 \9</u>
Ending Fund Balance Available	\$152,948,821	\$167,255,917	\$139,994,200

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 Based on actual revenues through April 30, 2021, and estimated revenues for the remainder of the biennium.

\4 Revenue estimates based on the May 2021 legislative revenue forecast, which assumes ND oil prices averaging \$50 per barrel and production at 1.1 million barrels per day for fiscal year 2022 and \$50 per barrel and production at 1.0 million barrels per day for fiscal year 2023.

- \5 Section 4 of 2019 SB2013 appropriates \$110.0 million as on-going funding for state school aid.
- \6 Section 4 of 2021 HB1013 appropriates \$143.5 million for state school aid.
- \7 Section 20 and 21 of 2019 SB2265 appropriates funding to the Department of Public Instruction; \$3.0 million is for rapid enrollment grants and \$800,000 is for music education grants. Section 4 of 2019 SB2013 appropriates \$1,200,000 to the Department of Public Instruction to rewrite the state automated reporting system (STARS). These appropriations are all considered one-time.
- \8 Section 1 of 2019 SB2214 provides for a transfer to the school construction assistance revolving loan fund.
- \9 The 15.0 percent to be retained in the fund is calculated based on the General Fund appropriation for state school aid for the most recently completed biennium.

Notes:

The Foundation Aid Stabilization Fund was created in 1994 upon voter approval of Article X, Section 24 of the Constitution of North Dakota. This section was amended with the approval of Measure 2 (from 2015 SCR4003) in the 2016 general election so that oil extraction taxes are to be allocated as follows:

- 10 percent to the Common Schools Trust Fund
- 10 percent to the Foundation Aid Stabilization Fund

The measure also states that 15 percent of the General Fund appropriation for state aid to school districts for the most recently completed biennium must be retained in the fund. Any amount over the 15.0 percent may be appropriated for education-related purposes, as provided by law.

Section 24 also provides that interest from the Foundation Aid Stabilization Fund must be transferred to the General Fund; the principal can only be spent upon order of the Governor to offset foundation aid reductions made by executive action due to a revenue shortfall. NDCC Section 54-44.1-12 provides that in the case of an allotment, all agencies that receive monies from a fund must be allotted on a uniform basis. The exception is that appropriations for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the Foundation Aid Stabilization Fund. Section 6 of 2017 SB2272 amends this section of code to include the General Fund portion of appropriation to Career and Technical Education for grants to school districts.

**Health Care Trust Fund
Status Statement**

	2017-19 Actual	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$833,144	\$189,101 \1	\$219,713
Revenue:			
Investment Earnings	\$1,544	\$1,600	\$1,500
Principal and Interest Repayments	1,126,481	1,029,012	950,000
Total Revenues	\$1,128,025	\$1,030,612	\$951,500
Expenditures:			
Bed Layaway Program - DHS	(\$546,786)	\$0	\$0
Increased Nursing Home per Bed Limit	(139,405)	0	0
Increased Nursing Home Operating Margin	(1,000,000)	(1,000,000)	(1,000,000)
Nurse Aid Registry - Health Department	(85,877)	0	0
Total Expenditures	(\$1,772,068)	(\$1,000,000)	(\$1,000,000)
Ending Fund Balance	\$189,101	\$219,713	\$171,213

\1 Actual July 1, 2019 balance.

Notes:

The Health Care Trust Fund was established by the 1999 legislative assembly to provide grants and loans to nursing facilities. Additional uses of moneys have been approved in subsequent bienniums. Revenue for the fund was originally generated through nursing facilities funding pool payments to government nursing facilities based on the difference between Medicare and Medicaid rates for nursing care. This funding stream was known as the Intergovernmental Transfer Program (IGT). The federal government passed regulations phasing out the IGT program and the final pool payment was made to the state in July 2004. Current revenues to the fund consist of loan repayments and investment earnings.

**Highway Tax Distribution Fund
Status Statement**

	2017-19 Actual ^{\1}	2019-21 Projected ^{\2}	2021-23 Appropriated
Beginning Fund Balance	\$0	\$0	\$0
Revenue:			
Motor Vehicle Fuel Tax	\$201,041,980	\$172,977,000	\$200,700,000
Special Fuel Taxes	189,721,093	171,775,000	186,200,000
Motor Vehicle Registration Fees	185,911,450	175,747,000	186,400,000
Total Revenues	<u>\$576,674,523</u>	<u>\$520,499,000</u>	<u>\$573,300,000</u> ^{\3}
Transfers:			
State Highway Fund Allocation	(\$342,323,652)	(\$307,777,584)	(\$338,958,495)
Counties Allocation	(123,118,911)	(110,458,000)	(121,600,000)
Cities Allocation	(69,542,851)	(62,760,000)	(69,000,000)
Townships Allocation	(15,077,877)	(13,556,000)	(14,900,000)
Transit Allocation	(8,376,598)	(7,531,000)	(8,300,000)
Highway Patrol	(6,912,904)	(7,204,043)	(9,346,781)
Motorboat Safety Account	(309,528)	(260,405)	(200,000)
State Snowmobile Fund	(165,462)	(162,950)	(200,000)
Hwy-Rail Grade Crossing Safety Projects Fund	(570,000)	(589,018)	(594,724)
Administrative Assistance to Transferees	(5,500,000)	(5,500,000)	(5,500,000)
Ethanol Production Incentive	(4,776,740)	(4,700,000)	(4,700,000)
Total Transfers	<u>(\$576,674,523)</u>	<u>(\$520,499,000)</u>	<u>(\$573,300,000)</u>
Ending Fund Balance	\$0	\$0	\$0

\1 Final revenues and expenditures per Department of Transportation.

\2 Revenues and expenditures based on actual collections through April 30, 2021, and estimates for the remaining months of the 2019-21 biennium.

\3 Revenue notes:

- Motor fuel tax amounts are net of amounts withheld for the refund reserve and the Motor Fuels Operating Fund. Motor fuel tax amounts include amounts collected for penalties, interest, and license and permit fees (57-43.1-28);
- Special fuel taxes include amounts collected for penalties, and interest, and license and permit fees (57-43.2-19);
- Up to \$297,362/year from special fuels excise taxes collected on sales of diesel fuel to a railroad must be transferred by the State Treasurer to the Rail Safety Fund, through June 30, 2025 (57-43.2-19);
- Motor vehicle registrations are net of amounts withheld to pay fuel tax refunds for the International Fuel Tax Agreement (IFTA) member states, and the Motor Vehicle Operating Fund. Motor vehicle registrations exclude the fees collected by the Motor Vehicle Division but paid to other funds, such as the Motor Vehicle Excise Tax Fund, the State Aid Distribution Fund, the Motorcycle Safety Education Fund (39-28-05), Abandoned Motor Vehicle Disposal Fund (39-26-12), Veterans Cemetery Maintenance Fund (39-04-10.10), All-Terrain Vehicle Fund (39-29-01.1), and the Employment of People with Disabilities Fund (39-01-15).
- On July first of each year, the State Treasurer transfers from the Highway Tax Distribution Fund to the motorboat program and safety account an amount equal to \$2.50 multiplied by the number of motorboats licensed with the Game and Fish Department (20.1-02-16.6);
- Annually, an amount equal to the tax collected on 40 gallons of motor vehicle fuel multiplied by the number of snowmobiles registered must be transferred from the Highway Distribution Fund to the State Snowmobile Fund (39-24-05); and
- The State Treasurer transfers annually from the Highway Tax Distribution Fund to the Ethanol Incentive Fund an amount equal to 40 percent of all sums collected for the registration of farm vehicles (39-04-39).

Notes:

The Highway Tax Distribution Fund is a statutory fund established by NDCC Section 54-27-19. The fund receives moneys from motor vehicle registrations and fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes. The first \$5.5 million deposited in the fund is transferred to the Highway Fund to provide administrative assistance to transferees. Appropriations for the Highway Patrol, ethanol production incentives, Highway-Rail Grade Crossing Safety Projects Fund, Motorboat Safety, and State Snowmobile Fund are deducted before remaining moneys are allocated pursuant to the following formula:

- 61.3 percent to the Highway Fund for use by the state DOT;
- 2.7 percent to Township Highway Fund for allocation to townships pursuant to Section 54-27-19.1;
- 1.5 percent to the Public Transportation Fund to be allocated pursuant to Section 39-04.2-04; and
- 34.5 percent to cities and counties, allocated pursuant to the distribution formula provided in Section 54-27-19.

**Legacy Fund
Status Statement**

	2017-19 Actual	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$4,630,254,963	\$6,093,018,603	\$8,057,044,923
Revenue:			
Transfers from Oil and Gas Taxes	\$1,248,613,198	\$959,140,000 \3	\$971,340,000 \3
Realized Investment Earnings	502,243,356 \1	828,417,592 \4	661,582,014 \7
Unrealized Investment Earnings	167,170,302	912,468,728 \4	358,110,610 \7
Total Revenues	\$1,918,026,856	\$2,700,026,320	\$1,991,032,624
Expenditures:			
Legislative Transfer to General Fund	(\$455,263,216) \2	(\$671,630,000)	\$0
Transfer to Common School Trust Fund	0	(64,370,000) \5	0
Transfer to Legacy Earnings Fund	0	0	(661,582,014) \8
Total Estimated Expenditures	(\$455,263,216)	(\$736,000,000) \6	(\$661,582,014)
Ending Fund Balance	\$6,093,018,603	\$8,057,044,923	\$9,386,495,533

- \1 NDCC Section 21-10-12 defines the earnings for the Legacy Fund to mean net income in accordance with generally accepted accounting principles excluding any unrealized gains or losses.
- \2 The realized earnings transferred to the General Fund are based on earnings realized through 5/31/19. The earnings that were realized in June will be part of the 2019-21 biennium transfer.
- \3 Revenue estimate based on actuals through April 30, 2021, and the May 2021 revised oil tax revenue forecast for the 2019-21 biennium and the May 2021 legislative oil tax revenue forecast for the 2021-23 biennium.
- \4 Projected earnings available, estimated by the Retirement and Investment Office as of April 30, 2021 statements.
- \5 Per Section 2 of 2019 SB2362 if the actual Legacy Fund earnings exceed the estimate made by the 66th Legislative Assembly by at least \$64.4 million, \$64.4 million is to be transferred to the Common Schools Trust Fund.
- \6 The revised Legislative estimate for Legacy Fund earnings is \$736.0 million per Section 14 of 2021 HB1015.
- \7 Total investment earnings for the 21-23 biennium were estimated by using a 5.8 percent annual rate of return and 3.8 percent was used to determine the realized earnings portion.
- \8 Section 4 of 2021 HB1380 establishes the Legacy Earnings Fund and requires the realized earnings that are to be transferred to the General Fund in accordance with Section 26 of Article X of the North Dakota Constitution are to be immediately transferred to the Legacy Earnings Fund.

Notes:

House Concurrent Resolution 3054 was adopted by the 2009 legislature and approved by the voters in November 2010. This measure establishes the North Dakota Legacy Fund as a constitutional trust fund. Thirty percent of all revenue collected by the state from oil and gas production and extraction taxes is transferred to the fund. Interest and investment earnings were retained in the fund until June 30, 2017, after which time they are transferred to the General Fund once each biennium. For the 2011-13 through 2015-17 bienniums, interest earnings were added to the fund principal.

**ND Outdoor Heritage Fund
Status Statement**

	2017-19 Actual	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$7,996,518 \1	\$4,948,114 \1	\$3,866,164
Revenue:			
Oil and Gas Gross Production Tax	\$10,799,177	\$15,000,000 \2	\$15,000,000 \2
Interest Income	73,576	100,000	90,000
Refunds	1,049,705	1,705,094	0
Total Estimated Revenues	<u>\$11,922,458</u>	<u>\$16,805,094</u>	<u>\$15,090,000</u>
Expenditures:			
Grant Awards/Available for Commitment	(\$14,872,054)	(\$17,712,044) \3	(\$16,000,000) \3
Administrative Expenses	(98,808)	(175,000)	(175,000)
Total Estimated Expenditures	<u>(\$14,970,862)</u>	<u>(\$17,887,044)</u>	<u>(\$16,175,000)</u>
Ending Fund Balance	\$4,948,114	\$3,866,164	\$2,781,164

\1 The amount shown is based on grants awarded to date, not amounts spent, as some grant awards are paid out over several years.

\2 NDCC Section 57-51-15 establishes a maximum allocation of \$20.0 million per year and \$40.0 million for the 2015-17 biennium. The 2017 legislative assembly, in SB 2013, limited the allocation to \$10.0 million per biennium for the 2017-19 biennium only. The 2019 legislative assembly, in HB 1014, limited the allocation to \$7.5 million per year for the 2019-21. The 2021 legislative assembly continued the \$7.5 million per year for 2021-23.

\3 All moneys in the fund are appropriated on a continuing basis, pursuant to NDCC Section 54-17.8-02. Grant commitments include some projects that will draw down funds over a 10-year period. The amount shown reflects the estimated amount available for grants and not the amount expended.

Notes:

The 2013 legislature, through passage of HB 1278, established the North Dakota Outdoor Heritage Fund. The bill creates chapter 54-17.8 of the NDCC, which establishes an advisory board to administer the fund, provides a continuing appropriation for the fund, and establishes allowable uses of the fund. Moneys in the fund can be used for grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations to:

- Provide access to private and public lands for sportsmen;
- Improve and maintain water quality, soil conditions, and support stewardship practices to enhance farming and ranching;
- Develop wildlife and fish habitat; and
- Conserve natural areas for recreation through the establishment and development of parks and other recreation. areas.

Funds may not be used for:

- Litigation;
- Lobbying; or
- Activities that would interfere with coal mining; sand, scoria and gravel extraction, oil and gas operations, or other energy facility or infrastructure
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside North Dakota or projects that are beyond the scope of defined activities that fulfill the proposes of this chapter.

**Resources Trust Fund
Status Statement**

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$306,411,028	\$326,742,619 ^{\2}	\$343,043,424
Revenue:			
Repayments and Reimbursements	\$11,756,066	\$13,568,805	\$13,126,800
Oil Extraction Tax Collections	357,504,568	307,440,000	325,310,000 ^{\5}
Bond Proceeds from Repayment of Loans	0	0	74,500,000 ^{\6}
Transfer from Infrastructure Revolving Loan Fund	8,440,473	2,500,000	0
Interest	2,283,951	1,992,000	1,500,000
Total Revenues	<u>\$379,985,058</u>	<u>\$325,500,805 ^{\3}</u>	<u>\$414,436,800</u>
Expenditures and Transfers:			
Water Commission Expenditures	(\$356,166,811)	(\$305,000,000) ^{\4}	(\$658,066,315)
Mouse River Flood Control Project	0	0	(74,500,000) ^{\6}
Transfer to Renewable Energy Development Fund	(3,000,000)	(3,000,000) ^{\7}	(3,000,000) ^{\7}
Transfer to Energy Conservation Grant Fund	(486,656)	(1,200,000) ^{\7}	(1,200,000) ^{\7}
Total Expenditures and Transfers	<u>(\$359,653,467)</u>	<u>(\$309,200,000)</u>	<u>(\$736,766,315)</u>
Ending Fund Balance - Unrestricted	\$326,742,619	\$343,043,424	\$20,713,909

^{\1} Final revenues and expenditures per state accounting system reports.

^{\2} Actual July 1, 2019 balance.

^{\3} Preliminary revenue estimates through June 30, 2021, based on the March 2021 legislative revenue forecast.

^{\4} Estimated agency expenditures for the 2019-21 biennium.

^{\5} The March 2021 legislative forecast assumes an average price of \$50.00 per barrel for the first year of the biennium and \$50.00 for the second year. Production is expected to decrease from 1.1 million barrels per day throughout the first year of the biennium to 1.0 million barrels per day throughout the second year.

2021 SB 2328 provides an oil extraction tax credit for the use of an onsite flaring mitigation system, effective for the 2021-23 biennium. The fiscal impact of this credit could not be determined.

^{\6} 2021 HBI 1431 allocates \$74.5 million of bond proceeds deposited into the Resources Trust Fund for the repayment of outstanding loans of the Western Area Water Supply Authority. This bill also provides an appropriation of \$74.5 million from the Resources Trust Fund to the State Water Commission for the Mouse River flood control project.

^{\7} 2013 SB 2014 provided that 5.0 percent of oil extraction taxes deposited in the Resources Trust Fund, up to \$3.0 million per biennium, must be transferred quarterly to the Renewable Energy Development Fund. This bill also provided that 0.5 percent of the amount deposited in the Resources Trust Fund, up to \$1.2 million per biennium, must be transferred quarterly to the Energy Conservation Grant Fund. 2017 HB 1020 reduced the percentage for deposit in the Renewable Energy Fund from 5.0 percent to 3.0 percent and for the 2017-19 biennium only reduced the deposit in the Energy Conservation Grant Fund from \$1.2 million to \$200,000. 2019 SB 2362 restored the maximum allocation to the Energy Conservation Grant Fund from \$200,000 to \$1.2 million.

Notes:

The Resources Trust Fund was created pursuant to passage of Measure No. 6 in the November 1980 general election. Measure No. 6 established a 6.5 percent oil extraction tax, 10 percent of which was distributed to the Resources Trust Fund. Measure No. 2, a constitutional amendment approved in the June 1990 primary election, establishes the Resources Trust Fund as a constitutional trust fund and provides that the principal and income of the fund may be spent pursuant to legislative appropriations for constructing water related projects, including rural water systems, and funding energy conservation programs. The Legislative Assembly, in 2015 HB 1476, reduced the oil extraction tax rate to 5.0 percent.

NDCC Section 57-51.1-07 provides that the Resources Trust Fund is available for legislative appropriation to the State Water Commission for planning and constructing water-related projects and to the Industrial Commission for energy conversion and waste products utilization programs and studies. The 1995 Legislative Assembly amended Section 57-51.1-07 to provide that 20.0 percent of oil extraction tax collections will be deposited in the Resources Trust Fund.

**State Aid Distribution Fund
Status Statement**

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$0	\$0	\$0
Revenue:			
Sales Tax Revenue	\$171,135,048	\$170,093,100	\$168,219,122
Motor Vehicle Excise Tax Revenue	22,819,305	23,441,402	24,857,796
Total Revenues	<u>\$193,954,353</u>	<u>\$193,534,502</u> ^{\2}	<u>\$193,076,918</u> ^{\2}
Expenditures:			
Distributions to Cities and Counties	<u>(\$193,954,353)</u>	<u>(\$193,534,502)</u>	<u>(\$193,076,918)</u>
Ending Fund Balance	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2019.

\2 Estimated revenues based on actual collections through April 30, 2021, and the March 2021 revised forecast for the 2019-21 biennium and the May 2021 legislative revenue forecast for the 2021-23 biennium.

Notes:

NDCC Section 57-39.2-26.1 provides for the deposit of a portion of sales, use, and motor vehicle excise tax collections into the State Aid Distribution Fund. The 2013 legislature, through the passage of Senate Bill 2325, changed the allocation of tax collections between the General Fund and the State Aid Distribution Fund. Through fiscal year 2018 the amount deposited into the State Aid Distribution Fund was equal to 40.0 percent of an amount determined by multiplying 1.0 percent, divided by the general sales tax rate, times the net sales, use, and motor vehicle excise tax collections. The calculation resulted in 8.0 percent of all sales and motor vehicle excise taxes being distributed through the State Aid Distribution Fund to cities and counties. For fiscal year 2015 and subsequent fiscal years, the State Aid Distribution Fund share is increased from 40.0 percent to 43.5 percent, multiplied by the quotient of 1.0 percent divided by the general sales tax rate of 5.0 percent. The result of the new formula is the allocation of 8.7 percent of all sales and motor vehicle excise tax collections to the State Aid Distribution Fund for distribution to cities and counties based on the formula provided in Section 57-39.2-26.1.

**Strategic Investment and Improvements Fund
Status Statement**

	2017-19 Actual	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$372,661,563	\$1,134,326,018	\$802,003,719
Revenue:			
Mineral Royalties, Rents, Bonuses	\$236,145,019	\$154,917,455	\$118,000,000
Oil and Gas Taxes	780,137,706	361,240,000 \1	400,000,000 \1
Mineral Leases	0	2,166,893	1,200,000
Transfer from Political Subdivision Allocation	7,660,518	0	0
Investment Income	25,506,174	28,032,358	28,000,000
Total Revenue	<u>\$1,049,449,417</u>	<u>\$546,356,706</u>	<u>\$547,200,000</u>
Expenditures:			
Transfer to General Fund	(\$248,000,000)	(\$764,400,000)	(\$410,000,000)
Appropriations	(38,086,561)	(84,790,048)	(91,112,304) \2
Transfer to Infrastructure Fund	0	(25,137,707) \3	0
Mineral Revenue Repayments	0	(1,208,354)	0
Administrative Expenses	(1,698,401)	(3,142,896)	(4,000,000)
Total Expenditures and Transfers	<u>(\$287,784,962)</u>	<u>(\$878,679,005)</u>	<u>(\$505,112,304)</u>
Ending Fund Balance Before Commitments	\$1,134,326,018	\$802,003,719	\$844,091,415
Less Fund Balance Commitments			
Potential Title Disputes	(\$229,325,049)	(\$228,116,695)	(\$228,116,695)
Loan Guarantee Reserve	0	(50,000,000)	(80,000,000)
Total Assigned Fund Balance	<u>(\$229,325,049)</u>	<u>(\$278,116,695)</u>	<u>(\$308,116,695)</u>
Ending Unobligated Fund Balance	\$905,000,969	\$523,887,024	\$535,974,720

\1 Preliminary revenue estimates are based on actuals through June 30, 2019, and the March 2021 revised revenue forecast for the 2019-21 biennium. The amount shown for the 2021-23 biennium reflects the March 2021 legislative revenue forecast.

\2 2021-23 appropriations and transfers include:

HB 1003 \$3.0 million to Attorney General - Litigation Pool

HB 1009 \$5.0 million to Agriculture Commissioner - Grasslands grazing grant program

HB 1010 \$200,000 to Insurance Commissioner - Study of lignite coal industry insurance

HB 1015 \$4.3 million to Office of Management and Budget - Information technology projects and transfer to other funds

HB 1016 \$1.0 million to Adjutant General - National Guard deferred maintenance projects

HB 1141 \$15.0 million transfer to Innovation Loan Fund to support technology advancement

SB 2003 \$21.9 million to North Dakota University System and Institutions for capital building fund and campus building projects

SB 2014 \$9.5 million to Industrial Commission for oil and gas research fund

SB 2018 \$29.0 million to Department of Commerce for unmanned aircraft system program and other grant programs

SB 2020 \$2.3 million to Transportation Institute and Research Centers for remote sensing infrastructure and a greenhouse

SB 2230 Increases the fuel production facility loan guarantee from \$50.0 million to \$80.0 million

\3 Section 16 of 2019 HB 1014 provides for a contingent transfer of up to \$40.0 million from the SIIF to the Infrastructure Revolving Loan Fund during the 2019-21 biennium of any 2017-19 biennium oil and gas tax revenues deposited in the SIIF exceeding \$755.0 million.

Notes:

The Strategic Investment and Improvements Fund was created by the 2011 legislature to replace the Lands and Minerals Trust Fund. In addition to income from the sale, lease, and management of certain state owned lands and mineral interests previously allocated to the Lands and Minerals Trust Fund, the Strategic Investment and Improvements Fund receives a portion of state oil and gas taxes.

**Tax Relief Fund
Status Statement**

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$300,000,000	\$182,300,000 ^{\2}	\$200,199,146
Revenue:			
Allocation of Oil Tax Revenue	\$200,000,000	\$200,000,000	\$200,000,000
Refund of Prior Biennium County Expenses	0	199,146	0
Total Revenues	<u>\$200,000,000</u>	<u>\$200,199,146</u>	<u>\$200,000,000</u>
Expenditures:			
Transfer to Social Services Fund	(\$134,700,000)	\$0	\$0
Transfer to Non-Oil-Producing Counties	0	0	(11,800,000) ^{\3}
Transfer to Human Service Finance Fund	0	(173,700,000)	(187,223,092) ^{\4}
Transfer to General Fund	(183,000,000)	(8,600,000)	0
Total Expenditures	<u>(\$317,700,000)</u>	<u>(\$182,300,000)</u>	<u>(\$199,023,092)</u>
Ending Fund Balance	\$182,300,000	\$200,199,146	\$201,176,054

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 Section 4 of 2021 House Bill 1015 provides for a transfer from the Tax Relief Fund to non-oil producing counties for the maintenance and improvement of township paved and unpaved roads and bridges for the 2021-23 biennium.

\4 Section 18 of 2021 House Bill 1015 provides for a transfer from the Tax Relief Fund to the Human Service Finance Fund for the state-paid economic assistance and social services for the 2021-23 biennium.

Notes:

The Property Tax Relief Fund was created by the 2009 Legislative Assembly to set aside funding for the continuation of the property tax relief initiative enacted during the 2009 legislative session. NDCC Section 57-51.1-07.5 provided that the first \$200.0 million of the state share of oil and gas taxes be allocated to the general fund each biennium. The next \$341.8 million was allocated to the Property Tax Relief Fund.

The 2015 Legislative Assembly changed the name of the fund to the Tax Relief Fund and decreased the amount of the state share of oil and gas tax revenue deposited into the fund from \$341.8 million to \$300.0 million each biennium.

The 2017 Legislative Assembly decreased the amount of the state share of oil and gas tax revenue deposited into the fund from \$300.0 million to \$200.0 million each biennium. The 2019 and 2021 sessions continued the \$200.0 million.

Tobacco Prevention and Control Trust Fund

Status Statement

	2017-19 Actual ^{1/}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$58,216,128	\$9,058,624 ^{2/}	\$2,041,826
Revenue:			
Tobacco Settlement Revenues	\$0	\$0	\$0
Investment Income	909,442	1,512,502 ^{3/}	0
Total Revenues	\$909,442	\$1,512,502	\$0
Expenditures:			
Adjustment for TPC Executive Committee	(\$10)	\$0	\$0
<i>Department of Health:</i>			
Local Public Health Units	(2,000,000)	(525,000)	0
Cancer Programs	(462,865)	(484,300)	0
Stroke and Cardiac Care	(494,234)	0	0
Physician Loan Repayment	(400,333)	0	0
Behavioral Health Loan Repayment	(214,600)	0	0
Tobacco Program Grant	(8,453,525)	0	0
Domestic Violence Grant	(262,220)	(300,000)	0
Microbiology Lab Capital Improvements	0	(1,220,000)	0
<i>Department of Human Services:</i>			
Medicaid Expansion	(13,300,000)	0	0
Medicaid Cost and Caseload	(22,175,000)	(6,000,000)	0
Increased Funding for Basic Care	(450,000)	0	0
Tobacco Prevention Related Activities	(75,000)	0	0
Behavioral Health	(1,779,159)	0	0
Transfer to Community Health Trust Fund	0	0	(2,041,826) ^{4/}
Total Expenditures and Transfers	(\$50,066,946)	(\$8,529,300)	(\$2,041,826)
Ending Fund Balance	\$9,058,624	\$2,041,826	\$0

\1 Final revenue and expenditures per state accounting system reports dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 Estimated revenues based on actuals through April 30, 2021.

\4 NDCC 54-27-25 is amended which removes Tobacco Prevention and Control Trust Fund and requires transfer of the Fund balance to Community Health Trust Fund on July 1, 2021.

Notes:

In November 2008, voters approved Measure No. 3, which created a Tobacco Prevention and Control Trust Fund. All tobacco settlement strategic contribution payments received by the state will be deposited in the fund. After 2017, no additional strategic contribution payments will be received.

2009 House Bill 1015, based on the intent of Measure No. 3, creates the Tobacco Prevention and Control Committee as a state agency. Section 35, appropriates funding for the 2009-11 biennium. Section 36, provides retroactive funding for expenditures that occurred during the period of January 1, 2009, through June 30, 2009. Section 39 changes language in the measure concerning the ability to spend funding from the Water Development Trust Fund. The legislature required that Water Development Trust Fund moneys may only be spent pursuant to legislative appropriation.

2017 Senate Bill 2024 repealed NDCC 23-42 and eliminated the Tobacco Prevention and Control Program. House Bill 1015, Section 15 provided that the Office Management and Budget administers this fund.

2021 Senate Bill 2004, Section 7 requires transfer of remaining balance of the fund into the Community Health Trust Fund on July 1, 2021.

**Tobacco Settlement Trust Fund
Status Statement**

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$0	\$0 ^{\2}	\$0
Revenue:			
Unspent Authority from Previous Biennium - Attorney General	\$158,922	\$155,286	\$0
Fiscal Year 1 payments	53,096,556	21,280,388 ^{\3}	18,000,000 ^{\4}
Fiscal Year 2 payments	20,977,434	22,657,454 ^{\3}	18,000,000 ^{\4}
Total Revenues	<u>\$74,232,912</u>	<u>\$44,093,128</u>	<u>\$36,000,000</u>
Transfers:			
Attorney General (SB 2003) Tobacco Settlement Agreement Costs	(\$200,000) ^{\5}	\$0 ^{\6}	\$0
Transfer to Community Health Trust Fund	(40,718,102)	(44,093,128)	(36,000,000) ^{\6}
Transfer to Water Development Trust Fund	(33,314,810)	0	0 ^{\6}
Transfer to Common Schools Trust Fund	0	0	0 ^{\6}
Total Expenditures and Transfers	<u>(\$74,232,912)</u>	<u>(\$44,093,128)</u>	<u>(\$36,000,000)</u>
Ending Fund Balance	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 Actual revenues received in fiscal years 2020 and 2021.

\4 Estimated revenues based on average actual receipts during the prior biennia.

\5 2015 Senate Bill 2003 amended NDCC Section 57-27-25 to allow expenses related to the enforcement of the Master Settlement Agreement to be paid from the fund.

\6 2019 Senate Bill 2012 eliminated the appropriation to the Attorney General and the transfers to the Common Schools Trust Fund and the Water Development Trust Fund. Instead, all revenue from the Tobacco Settlement Trust Fund will be deposited into the Community Health Trust Fund and monies in the fund may be appropriated for community-based public health program and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in the state.

Notes:

NDCC Section 54-27-25, enacted in 1999, establishes the Tobacco Settlement Trust Fund. The fund is to be used for the deposit of tobacco settlement dollars obtained by the state under the master settlement agreement and consent agreement adopted by the east central judicial district court. All moneys received by the state pursuant to the judgment and for enforcement of the judgment, except amounts relating to the strategic contribution payments, must be deposited in the Tobacco Settlement Trust Fund. Prior to July 1, 2017, the principal of the Tobacco Settlement Trust Fund were allocated as follows:

- 10 percent to the Community Health Trust Fund
- 45 percent to the Common Schools Trust Fund
- 45 percent to the Water Development Trust Fund

All transfers out of the fund must be made within 30 days of receipt of the tobacco settlement moneys.

In November 2008, voters approved Measure No. 3, which created a Tobacco Prevention and Control Trust Fund. All tobacco settlement strategic contribution payments received by the state will be deposited directly into that fund and are not reflected on this statement.

The 2015 Legislative Assembly amended NDCC Section 57-27-25 to allow payment of expenses related to enforcement of the Master Settlement Agreement from the principal and interest of the fund. Any remaining funds will continue to be distributed as initially established.

The 2017 Legislative Assembly, in House Bill 1012, amended NDCC Section 54-27-25 to increase the distribution to the Community Health Trust Fund to 55.0 percent and to eliminate the distribution to the Common Schools Trust Fund for the 2017-19 biennium.

The 2019 Legislative Assembly, in Senate Bill 1012, amended NDCC Section 54-27-25 to remove the appropriation to the Attorney General and the transfers to the Common Schools Trust Fund and the Water Development Fund. All revenues from the Tobacco Settlement Trust Fund will be deposited in the Community Health Trust Fund.

Tuition Apportionment Fund
Status Statement

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$1,745,971	\$1,874,599 ^{\2}	\$1,454,348
Revenue:			
Fines for Violation of State Laws	\$11,941,235	\$10,579,749 ^{\3}	\$12,000,000
Transfer from DPI Operating Fund	4,282,905	0	0
Transfers from Common Schools Trust Fund	288,264,000	366,764,000 ^{\4}	421,020,000 ^{\4}
Total Revenues	<u>\$304,488,140</u>	<u>\$377,343,749</u>	<u>\$433,020,000</u>
Expenditures:			
Tuition Fund Distributions to Schools	(\$304,359,512)	(\$377,764,000) ^{\5}	(\$433,020,000) ^{\6}
Ending Fund Balance	\$1,874,599	\$1,454,348	\$1,454,348

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 Preliminary June 30, 2021 fine proceeds based on actuals through April 30, 2021 and projected May and June revenues.

\4 Common Schools Trust Fund distribution estimates provided by Department of Trust Lands.

\5 Section 3 of 2019 Senate Bill 2013 appropriates State Tuition Fund moneys in excess of \$377.7 million, if they become available during the 2019-21 biennium. Tuition Fund moneys are budgeted through the DPI fund.

\6 Section 3 of 2021 House Bill 1013 appropriates State Tuition Fund moneys in excess of \$433.0 million, if they become available during the 2021-23 biennium. Tuition Fund moneys are budgeted through the DPI fund.

Notes:

The Common Schools Trust Fund is a constitutional trust fund established in 1889. Article IX, Section 2, of the Constitution of North Dakota provides that state distributions to schools shall include the interest and income of the Common Schools Trust Fund, as well as all fines for violation of state laws. These amounts are deposited in the State Tuition Fund, pursuant to NDCC Section 15.1-28-01. Beginning with the 2007-09 biennium, tuition apportionment payments have been included in state school aid distributions to school districts.

**Water Development Trust Fund
Status Statement**

	2017-19 Actual ^{\1}	2019-21 Projected	2021-23 Appropriated
Beginning Fund Balance	\$29,099,773	\$14,219,653 \2	\$0
Revenue:			
Transfers from Tobacco Settlement Trust Fund	\$33,314,810	\$0 \3	\$0
Expenditures:			
Bank of North Dakota Loan Repayment	(\$41,461,248)	\$0	\$0
Water Commission Expenditures	(6,733,682)	(14,219,653) \4	0
Total Estimated Expenditures	(\$48,194,930)	(\$14,219,653)	\$0
Ending Fund Balance	\$14,219,653	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports.

\2 Actual July 1, 2019 balance.

\3 2019 Senate Bill 2012 eliminated the appropriation to the Attorney General and the transfers to the Common Schools Trust Fund and the Water Development Trust Fund. Instead, all revenue from the Tobacco Settlement Trust Fund will be deposited into the Community Health Trust Fund and monies in the fund may be appropriated for community-based public health program and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in the state.

\4 Estimated expenditures for the 2019-21 biennium, as projected by the State Water Commission.

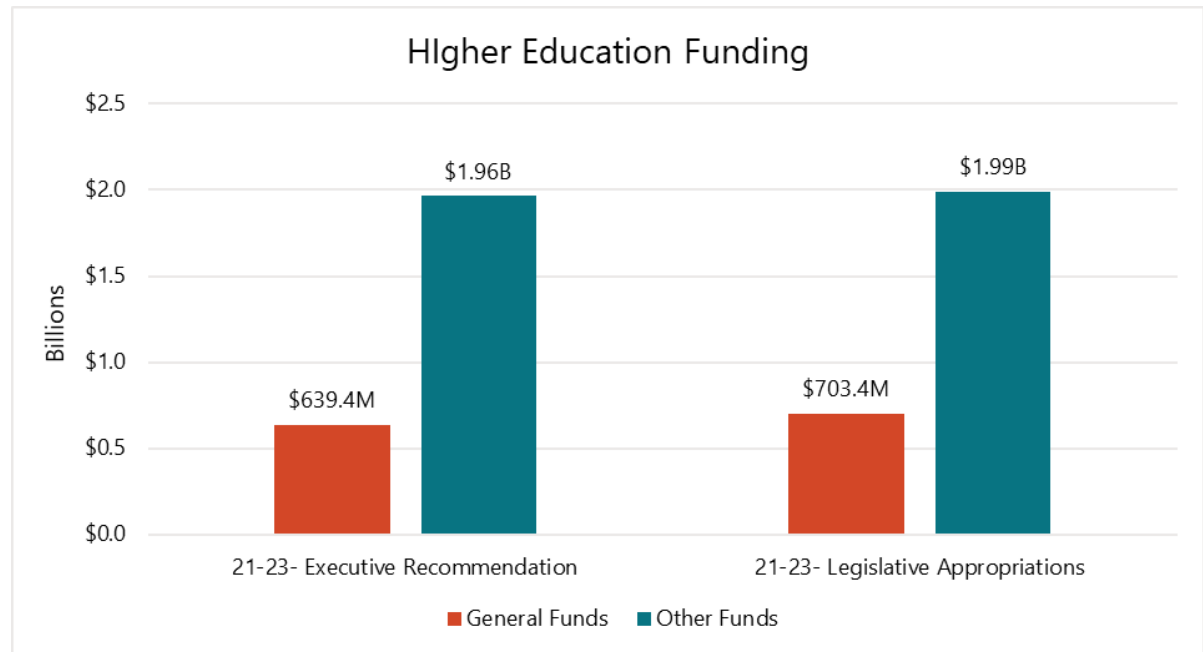
Notes:

The Water Development Trust Fund was established by the Legislative Assembly in 1999, upon enactment of NDCC Section 54-27-25. NDCC Section 54-27-25 established the Tobacco Settlement Trust Fund, in which is deposited state proceeds received pursuant to the tobacco master settlement agreement. Prior to the 2019-21 biennium, monies in the Tobacco Settlement Trust Fund were allocated 45.0 percent to the Water Development Trust Fund, 45.0 percent to the Common Schools Trust Fund, and 10.0 percent to the Community Health Trust Fund. Monies in the Water Development Trust Fund were to be used for the long-term water development and management needs of the state.

The 2019 Legislative Assembly, in Senate Bill 2012, amended NDCC Section 54-27-25 to remove the appropriation to the Attorney General and the transfers to the Common Schools Trust Fund and the Water Development Fund. All revenues from the Tobacco Settlement Trust Fund will be deposited in the Community Health Trust Fund.

Higher Education

The North Dakota University System is comprised of the following: two research universities, including a medical school; two master’s institutions; two baccalaureate institutions; five community colleges; the North Dakota Forest Service; and the University System Office. The 2021-23 NDUS total appropriation is \$2.69 billion, of which \$703.4 million is from the General Fund. The legislative assembly approved appropriation is \$91.0 million more than the executive recommendation.



The legislature continued the Higher Education Funding Formula and incorporated changes as recommended by the interim Higher Education Funding Formula review committee.

The funding formula enacted during the 2013 legislative session provides a fixed rate per completed student credit hour to each institution for their operations. The changes made to the funding formula resulted in a \$15.3 million increase of general funds to the institutions.

The Legislative Assembly approved \$11.2 million to continue the North Dakota Higher Education Challenge Grant matching program, which is less than the \$20.0 million included in the executive recommendation. This program is designed to foster public and private partnerships and ignite a philanthropic spirit to support higher education. The State Board of Higher Education shall award \$1 in matching grants for every \$2 in eligible, private donations for the purpose of advancement of higher education academics.

The higher education funding formula for the 2021-23 biennium continues to include funding for extraordinary repairs (Tier I). Approximately \$11.1 million was included for extraordinary repairs and must be matched 2:1 by each institution.

The 67th legislative assembly continued the capital building funding pool that was established in the 66th legislative session. The pool consists of two different tiers: Tier II and Tier III. The total funds allocated to Tier II is \$10.0 million and the total funds allocated to Tier III is \$9.0 million, both from the Strategic Investment and Improvement Fund (SIIF).

For the 2021-23 biennium, \$64.9 million is slated to be invested for capital projects across the higher education system.

The list of capital projects is as follows:

- UND: \$5.0 million from Federal Coronavirus Capital Projects fund -reconstruction of apron at Grand Forks airport
- NDSU: \$50.0 million from bonding - Agriculture Products Development Center
- DSU: \$4.0 million from Federal Coronavirus Capital Projects fund - Pulver Hall
- LRSC: \$363,000 from SIIF - Precision Agriculture Center
- DCB: \$4.0 million – (\$2.5M SIIF/\$1.5M other funds) – Old Main Renovation
- MaSU: \$1.6 million from General Fund – Natural Gas Boiler project

Department of Public Instruction

The following table summarizes the major state funded grant programs administered by the Department of Public Instruction:

SCHOOL AID AND OTHER GRANTS APPROPRIATED TO THE DEPT. OF PUBLIC INSTRUCTION

	2019-21 Appropriation	2021-23 Recommendation	2021-23 Appropriation	2021-23 Appropriation Change From 2019-21
School Aid				
Appropriation				
Integrated Formula Payment	\$2,098,202,429	\$2,061,534,705	\$2,131,825,000	\$33,622,571
Total appropriation	\$2,098,202,429	\$2,061,534,705	\$2,131,825,000	\$33,622,571
Funding				
General Fund	\$1,610,438,429	\$1,486,204,733	\$1,555,350,500	(\$55,087,929)
Foundation Aid Stabilization Fund	110,000,000	142,309,972	143,454,500	33,454,500
Tuition Fund	377,764,000	433,020,000	433,020,000	55,256,000
Total Funding	\$2,098,202,429	\$2,061,534,705	\$2,131,825,000	\$33,622,571
Other Grants				
Appropriation				
Rapid Enrollment Grants	\$3,000,000 /1	\$0	\$0	(\$3,000,000)
Transportation	56,500,000	56,500,000	58,100,000	1,600,000
Special Education Contracts	24,000,000	27,000,000	27,000,000	3,000,000
Powerschool	5,500,000	5,250,000	5,250,000	(250,000)
Adult Basic Education	4,400,000	4,400,000	5,000,000 /3	600,000
Teacher Support Program	2,125,764	4,806,899	2,125,764 /3	0
School Food and Nutrition	1,380,000	1,380,000	1,380,000 /3	0
North Central Council for School Television	238,000	202,300	202,300 /3	(35,700)
ND Museum of Art	360,000	306,000	425,000 /3	65,000
Displaced Homemaker Program	225,000	225,000	225,000	0
Northern Plains Writing Project	25,000	21,250	25,000 /3	0
Red River Valley Writing Project	25,000	21,250	25,000 /3	0

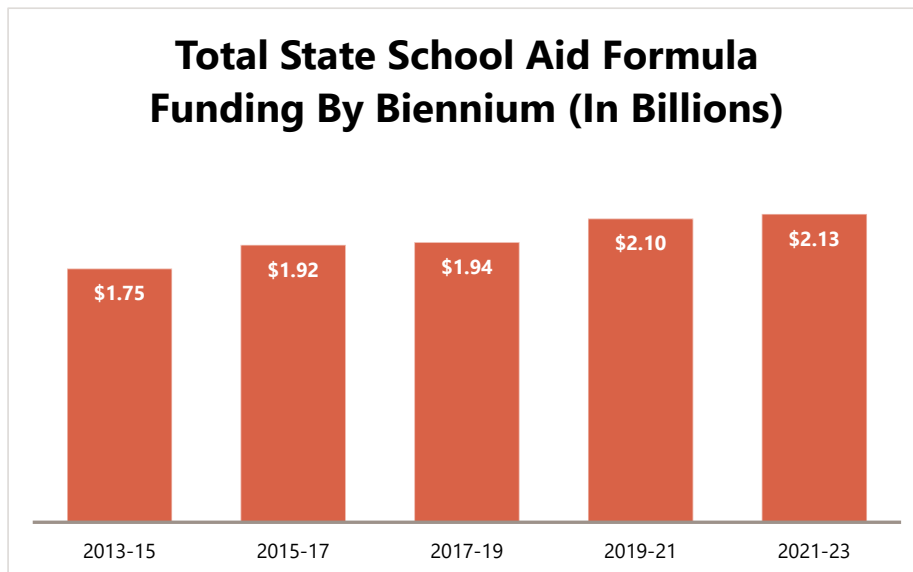
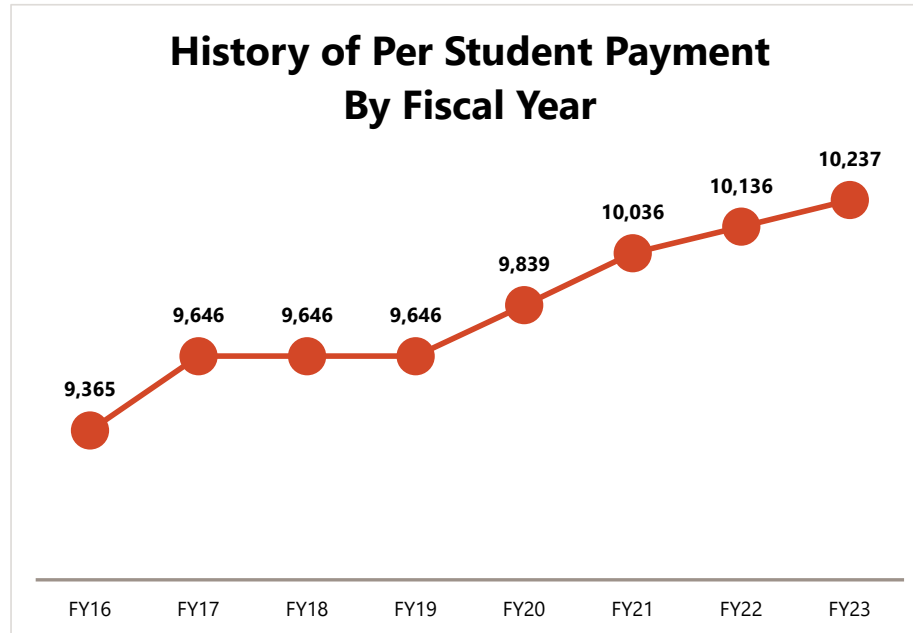
SCHOOL AID AND OTHER GRANTS APPROPRIATED TO THE DEPT. OF PUBLIC INSTRUCTION

	2019-21 Appropriation	2021-23 Recommendation	2021-23 Appropriation	2021-23 Appropriation Change From 2019-21
We the People	\$50,000	\$42,500	\$70,000 /3	\$20,000
ESPB National Board Certification	108,000	108,000	176,290 /3	68,290
Cultural Heritage Grants	40,000	34,000	34,000 /3	(6,000)
Leadership Professional Development	200,000	200,000	0	(200,000)
Free Breakfast Grants	200,000	200,000	200,000	0
Gateway to Science	0	0	13,500,000 /3	13,500,000
Grants - Pool	1,500,000 /2	900,000 /2	900,000 /3	(600,000)
Total Appropriation	\$99,876,764	\$101,597,199	\$114,638,354	\$14,761,590
Funding				
General Fund	\$96,651,764	\$101,372,199	\$90,526,290	(\$6,125,474)
Special Funds	3,225,000	225,000	24,112,064	20,887,064
Total Funding	\$99,876,764	\$101,597,199	\$114,638,354	\$14,761,590
Grand Total - State Grants				
General Fund	\$1,707,090,193	\$1,587,576,932	\$1,645,876,790	(\$61,213,403)
Special Funds	380,989,000	433,245,000	457,132,064	76,143,064
Total Funding	\$2,088,079,193	\$2,020,821,932	\$2,103,008,854	\$14,929,661

/1 These items are funded as one-time using the Foundation Aid Stabilization Fund.

/2 Programs that are part of the grant funding pool: Continuing Ed Grants for Pre-K, Grants for Pre-K space, Continuing Education Grants, Curriculum Alignment Grants, and Leveraging the Senior Year.

/3 These grants are funded using turnback from the 19-21 biennium Integrated Formula line.



HEALTH AND HUMAN SERVICES***Department of Health***

The Department of Health promotes healthy behaviors throughout the state, oversees medical emergency preparedness, regulates food and lodging, healthcare facilities, medical marijuana and provides state forensic examination services. The legislature approved an appropriation of \$268.7 million including \$44.1 million from the General Fund.

COVID and pandemic response funding included in the bill includes \$13.7 million of which \$9.2 million is one-time funding. Additionally, HB1395 includes federal funding to the Department of Health of \$87.3 million for COVID response.

As recommended by the governor, funding of \$3.0 million was added for Statewide Health Strategies. This initiative will further the work of the governor and the Health Strategies Planning Group with innovative approaches to build policies, systems and infrastructure needed to both support a more robust response to public health crises such as COVID-19, and to transform North Dakota into the healthiest state in the nation.

The legislature also approved a one-time appropriation of \$910,000, with \$781,231 from the General Fund for forensic examiner office upgrades to equipment and the electronic medical records system. In addition, the department received a one-time appropriation for the vital records system technology upgrades of \$275,000 using fees collected by the office.

Department of Human Services

The Department of Human Services (DHS) is a cabinet agency with the Executive Director appointed by the Governor, who along with the Executive Policy Directors' of Family Stability & Community Inclusion, Behavior Health, Medical Services, the Director of Field Services, Chief Operating Officer and Chief Administrative Officer directly oversee the operation of five organizational components; Administration & Support, Behavior Health & Field Services, Medical Services, Program and Policy and County Social Service Funding. Direct delivery of services to individuals and families is provided through the eight regional human service centers. The centers provide an array of outpatient services including behavior health services, emergency behavior health services, outreach, developmental disabilities case management, other human services, and vocational rehabilitation services. Regional representatives at the human service centers also provide supervision and direction to county agencies in the provision of social services. Inpatient treatment services for substance abuse

disorders and mental illness, institutional secure services for sexual offenders, and contracted residential substance abuse disorder treatment are provided by the North Dakota State Hospital in Jamestown. The Life Skills and Transition Center (LSTC) in Grafton provides residential services, health and support services, including behavior analyst services for persons with intellectual disabilities residing on site and in communities.

The legislature appropriated \$4.77 billion for DHS, with \$1.58 billion appropriated from the General Fund. The budget includes continued property tax relief of \$187.2 million by funding the human service zone costs from the pilot program in the 2017-19 biennium.

The budget approved by the legislature provides valuable services to North Dakotans, especially the state's most vulnerable populations including seniors and disabled individuals.

- Medicaid Grants – includes a funding increase to support cost and utilization changes for traditional Medicaid services, services for individuals with developmental disabilities, services for individuals living in nursing homes and home and community-based care.
- Medicaid Expansion – continues funding the expansion program which provides important health care coverage to about 20,000 qualifying citizens and remains a payment source for critical access hospitals and other providers. The funding included in the bill is \$703.3 million of which \$80.9 is from the General Fund. The only change to the Medicaid Expansion program was to remove the 19- and 20-year olds from the managed care contract and administer this population within the Department of Human Services. Additionally, the sunset date was removed from the Medicaid Expansion Program.
- Behavior Health investments will continue in the 2021-23 budget and included a \$9.0 million general fund increase for the Substance Use Disorder treatment voucher program for a total of \$16.9 million for the program. Within this increase is a \$2.0 million set aside for two grants for licensed substance abuse treatment programs in underserved areas of the state. Each grant has a term of five years. In addition, the department shall establish and maintain a behavior health bed management system to improve utilization of bed capacity across the state.
- Continued emphasis on Home and Community Based Service Programs that provide opportunities for choices, education and options for eligible older individuals and individuals with disabilities to receive care in the least restrictive environment.
- Included a one-time appropriation for nursing facility payment reform of \$7.2 million. DHS worked with the ND Long Term Care Association for over a year to propose a new payment methodology. These funds will help the transition by providing a hold harmless provision to any facilities that will exceed the new rate limit.
- Investments in technology projects of \$67.6 million which includes an updated Child Welfare Information Technology System (CCWIPS), MMIS Modernization Project, and additional funding for continuation of the MMIS tech stack upgrade.

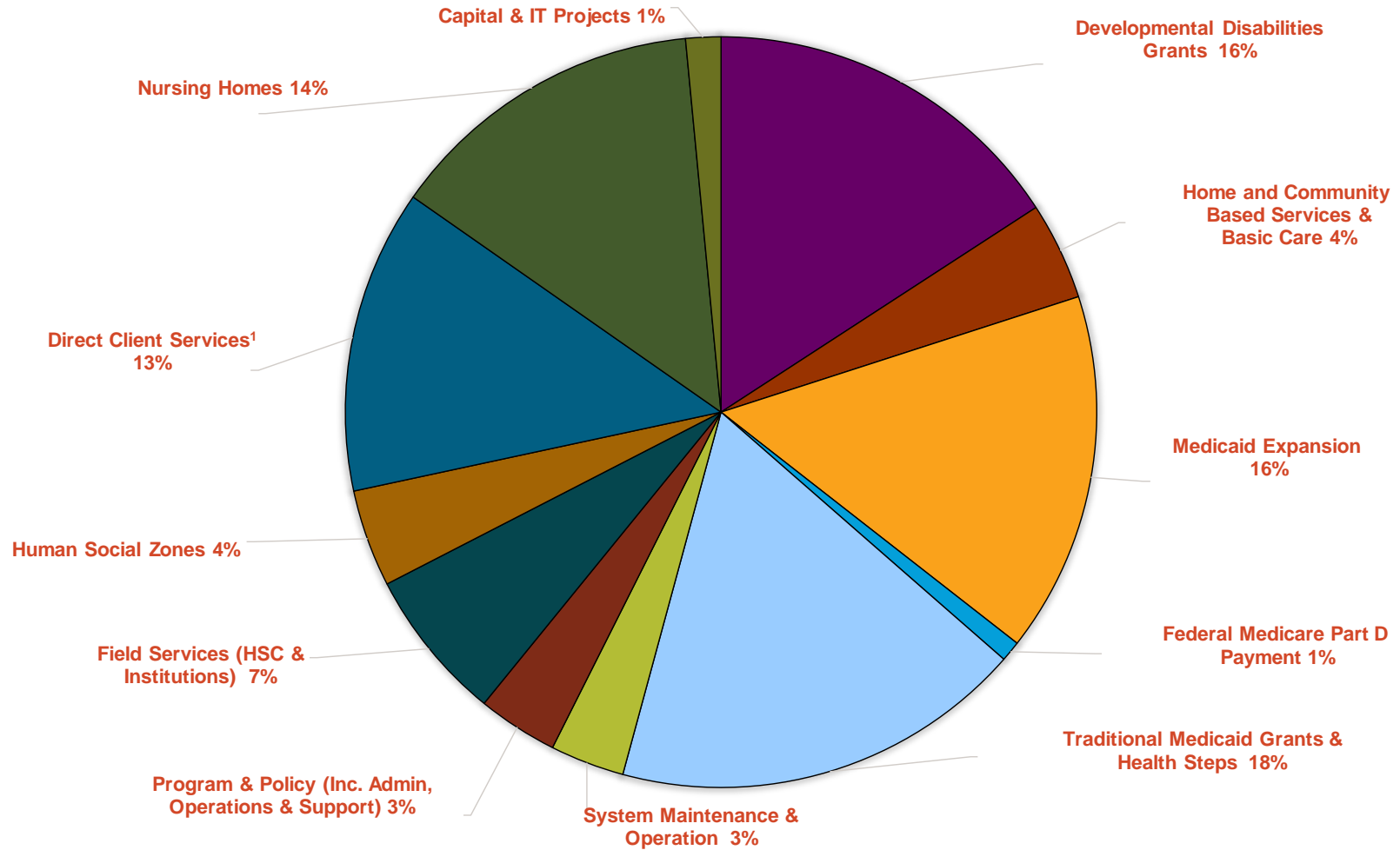
- Capital project one-time funding of \$724,000 for projects at the Southeast Human Service Center.
- Includes funding for provider increases at 2 percent for the first year of the biennium and .25 percent for the second year of the biennium with legislative intent to examine the second-year increase during a future special session.

The studies included in House Bill 1012 that the Department of Human Services is required to complete:

- Early and periodic screening, diagnostic, and treatment program (EPSDT) – requires DHS to conduct a study of the EPSDT program and include data on the number, ages, and geographic locations of children receiving services; the capacity of the program to ensure all children that are identified can receive services; and any program deficits along with recommendations to ensure or expand services. A report is required to legislative management before October 1, 2022.
- Revised payment methodology for basic care facilities – requires DHS in collaboration with basic care providers and other representatives of the basic care industry develop a report for payment methodology revisions for basic care facilities. The recommendation must include methods of reimbursement for basic care facility costs and the feasibility of standardizing payments for basic care facilities in the same peer group. A report to legislative management is required before October 1, 2022.
- Statewide acute psychiatric and residential care needs – legislative management shall study the need for total number of acute care beds needed in the state and to develop recommendations for private provider contracts. In addition, the study will look at the future use of facilities at the state hospital campus and may develop conceptual drawings for recommendations for a new state hospital.

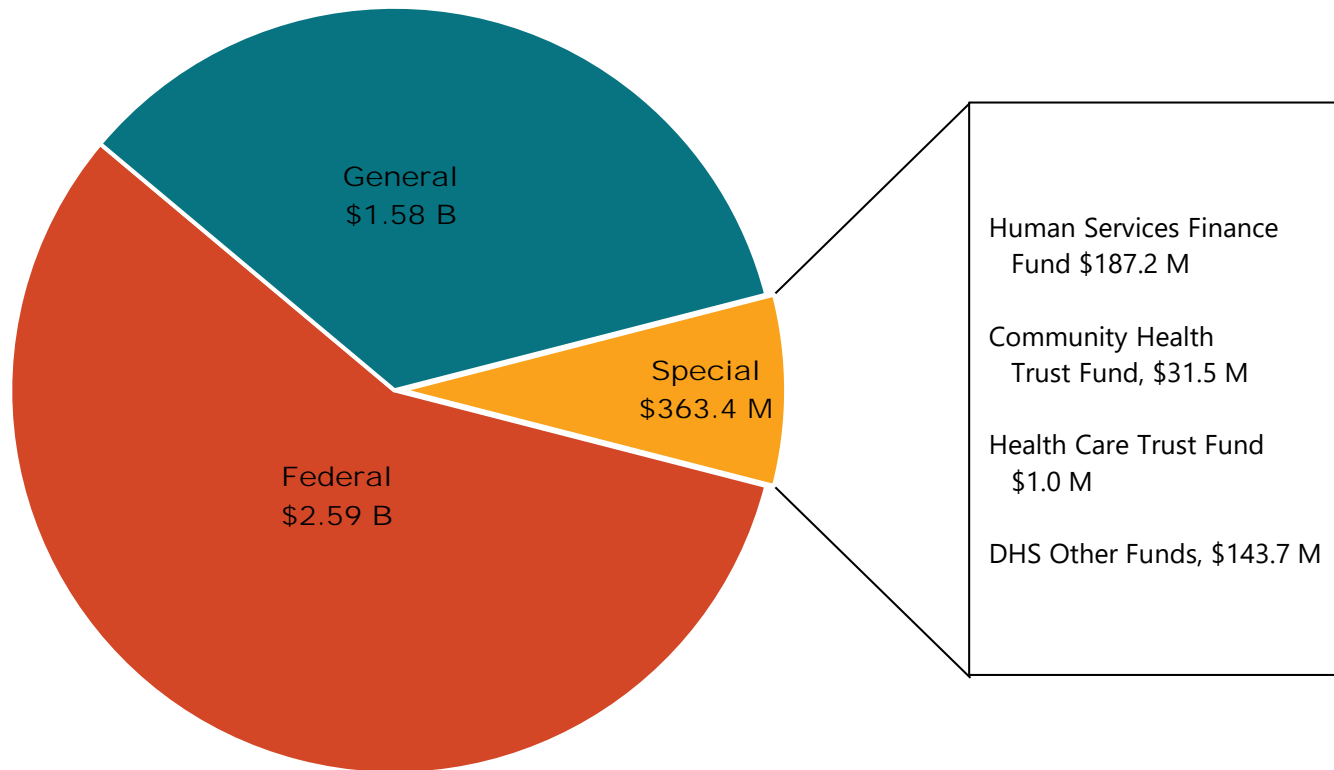
House Bill 1247 requires the Health Department and Department of Human Services to merge into one agency called the Department of Health and Human Services. This transition will occur during the interim and has an effective date of September 1, 2022. The individual budgets for each department will be maintained and reported separately during the 2021-23 biennium. The newly merged agency will submit a joint budget request for the 2023-25 biennium.

2021-2023 Department of Human Services, HB1012
Legislatively Approved Budget, Total \$4.53 Billion



¹ Direct Client Services includes Economic Assistance Programs, Regional Child Support Units, grants and service contracts for Child Welfare, Aging, Behavior Health, Vocational Rehabilitation, Medical Services and Developmental Disability.

**2021-2023 Department of Human Services, HB1012
Legislatively Approved Budget Funding Sources, Total \$4.53 Billion**



STATE OF NORTH DAKOTA

EXPENDITURE HIGHLIGHTS

Bank of North Dakota

The Bank of North Dakota (BND) is located in Bismarck, ND and is the only state-owned bank in the nation. Its mission, established by legislative action in 1919, is to serve as the development bank for agriculture, commerce, and industry in North Dakota. In this role, BND acts as a funding resource in partnership with other financial institutions, economic development groups and guarantee agencies.

The 2021 Legislative Assembly authorized the transfer of \$241.0 million of the Bank of North Dakota profits. The Bank's estimated capital structure for the 2019-21 and 2021-23 bienniums is as follows:

	2019-21 Biennium	2021-23 Biennium
Beginning Capital	\$948,373,000	\$962,925,000
Estimated Profits	310,200,000	240,000,000
Estimated Transfers:		
Transfer to the General Fund – 2019 HB1014, 2021 SB2014	(140,000,000)	(140,000,000)
Transfer to Economic Development Programs ^{\1} – 2019 HB1014, 2021 SB2014	(52,000,000)	(40,000,000)
Transfer to Interest Rate Buydowns on School Construction Loans – 2021 SB2014	0	0
Infrastructure Revolving Loan Fund – 2015 HB1443	(40,648,000)	(52,000,000)
Transfer to UND, NDSU for Campus Network Upgrades - 2019 HB1003	(3,000,000)	0
Transfer to NDUS for TIER II Pool and Matching Funds - 2019 HB1003	(17,000,000)	0
Transfer to NDUS for Skilled Workforce Program – 2019 HB1171, 2021 SB2272	(6,000,000)	(4,500,000)
Transfer to NDUS for Tuition Scholarship Program – 2021 HB1375	0	(1,500,000)
Transfer to Innovation Loan Fund - 2019 HB1333	(15,000,000)	0
Transfer to Statewide Interoperability Radio Network Fund – 2019 HB1435	(20,000,000)	0
Transfer to Agriculture Commissioner for APUC – 2019 SB2009, 2021 HB1009	(2,000,000)	(3,000,000)
Estimated Ending Capital	\$962,925,000	\$961,925,000
^{\1} Transfers to Economic Development Programs include:		
PACE Fund	\$26,000,000	\$26,000,000
Ag PACE Fund	4,000,000	5,000,000
Biofuels PACE Fund	1,000,000	1,000,000
Beginning Farmer Revolving Loan Fund	6,000,000	8,000,000
North Dakota Development Fund	15,000,000	0

State Water Commission

The State Water Commission (SWC) is the state agency charged with regulating and developing the state's water resources. Regulatory functions include water rights, drainage, floodplain management, and dam safety. The SWC is also responsible for large state water development projects, such as flood control and water supply projects. In addition, the SWC provides cost-share assistance for many local projects including dams, dikes, drains, and water supplies. 2021 House Bill 1353 changes the agency name of the State Water Commission to the Department of Water Resources, by establishing the Department of Water Resources and the powers and duties of the director of the Department of Water Resources. 2021 House Bill 1353 also provides changes to the powers and duties of the state engineer.

The Governor's recommended budget for the State Water Commission was \$709.0 million, including \$311.8 million for project carryover, with \$580.3 million from the Resources Trust Fund. The Legislative Assembly appropriated \$540.8 million to the State Water Commission, which does not include project carryover of \$317.4 million, and which does include \$125.0 million for water supply, \$59.6 million for rural water supply, \$48.0 million for flood control, \$14.2 million for general water projects, \$148.5 million for state-owned water projects, \$6.0 million for discretionary water projects, and \$74.5 million for Mouse River area flood control from bonding proceeds in 2021 House Bill 1431. The Legislative Assembly provided a \$50.0 million line of credit at the Bank of North Dakota that can be used for the Northwest Area Water Supply (NAWS) project during the 2021-23 biennium. In addition, the Legislative Assembly appropriated \$435.5 million from bonding proceeds for the Fargo diversion project in 2021 House Bill 1431.

Department of Transportation

The Department of Transportation (DOT) oversees the development of surface transportation in the state including highways, rail service, and transit services. To address the need to make repairs and improvements to infrastructure at the state and local level, the executive budget recommended \$1.16 billion in federal and matching funds. The Legislative Assembly approved \$1.51 billion in federal and matching funds as follows:

Roadway and Bridge Construction Funding*	Total** (in millions)
State	\$1,130.0
City	220.0
County	115.5
Township	30.0
Metropolitan Planning Organizations (MPO)	4.5
Recreational Trails	2.8
Department of Commerce	5.0
Total 2021-23 Biennium	\$1,507.8

*These totals do not include Missile Road, Rail Loan, Safety or Transit funding. The totals include competitive highway bridge grant and resiliency build grant.**Split to city and county at normal percentages.

CAPITAL ASSETS

The capital budget summarizes the 2021-23 biennium legislative appropriation for state investments in capital assets. The term "capital assets" refers to:

- Capital projects.
- Extraordinary repairs.
- Other capital payments, including payments on outstanding bonds.
- Equipment over \$5,000.
- Information technology (IT) equipment and software over \$5,000.

For the 2021-23 biennium, the legislature approved a total of \$1.97 billion for capital asset expenditures, \$48.6 million from the General Fund and \$1.92 billion from special and federal funds.

The 2021-23 appropriation includes the following:

	Millions
Capital Projects	\$113.6
Extraordinary Repairs	35.1
Other Capital Payments	1,737.5
Equipment over \$5,000	60.6
IT Equipment and Software over \$5,000	22.3
Total Capital Assets	\$1,969.1

The 2021-23 biennium appropriations for capital assets are summarized on the following pages.

Capital Assets Appropriations by Category – 2021-23

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
108 Secretary of State	\$0	\$0	\$0	\$0	\$450,600	\$450,600
General Fund						
Federal Funds					450,600	450,600
Special Funds						
110 Office of Management and Budget	\$0	\$500,000	\$564,515	\$0	\$3,251,304	\$4,315,819
General Fund			564,515			564,515
Federal Funds						
Special Funds		500,000			3,251,304	3,751,304
112 Information Technology	\$0	\$0	\$0	\$250,000	\$10,470,175	\$10,720,175
General Fund					400,000	400,000
Federal Funds						
Special Funds				250,000	10,070,175	10,320,175
125 Office of the Attorney General	\$0	\$0	\$648,055	\$1,111,706	\$0	\$1,759,761
General Fund			648,055			648,055
Federal Funds				1,111,706		1,111,706
Special Funds						
127 Office of State Tax Commissioner	\$0	\$0	\$0	\$0	\$6,000	\$6,000
General Fund					6,000	6,000
Federal Funds						
Special Funds						
150 Legislative Assembly	\$0	\$0	\$0	\$0	\$6,000	\$6,000
General Fund					6,000	6,000
Federal Funds						
Special Funds						
160 Legislative Council	\$0	\$0	\$0	\$6,000	\$0	\$6,000
General Fund				6,000		6,000
Federal Funds						
Special Funds						
180 Judicial Branch	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
General Fund					2,000,000	2,000,000
Federal Funds						
Special Funds						

Capital Assets Appropriations by Category – 2021-23

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
215 ND University System	\$0	\$0	\$13,385,264	\$0	\$2,172,612	\$15,557,876
General Fund			13,385,264		2,172,612	15,557,876
Federal Funds						
Special Funds						
227 Bismarck State College	\$0	\$417,673	\$1,067,172	\$1,363,409	\$0	\$2,848,254
General Fund		417,673				417,673
Federal Funds						
Special Funds			1,067,172	1,363,409		2,430,581
228 Lake Region State College	\$363,000	\$155,367	\$677,375	\$207,300	\$0	\$1,403,042
General Fund		155,367		207,300		362,667
Federal Funds						
Special Funds	363,000		677,375			1,040,375
229 Williston State College	\$0	\$197,801	\$1,702,114	\$0	\$0	\$1,899,915
General Fund		197,801				197,801
Federal Funds						
Special Funds			1,702,114			1,702,114
230 University of North Dakota	\$5,000,000	\$4,411,566	\$10,431,176	\$4,123,469	\$0	\$23,966,211
General Fund		4,411,566				4,411,566
Federal Funds	5,000,000					5,000,000
Special Funds			10,431,176	4,123,469		14,554,645
235 North Dakota State University	\$50,000,000	\$8,196,732	\$5,149,596	\$0	\$0	\$63,346,328
General Fund		2,732,244				2,732,244
Federal Funds						
Special Funds	50,000,000	5,464,488	5,149,596			60,614,084
238 ND State College of Science	\$0	\$1,012,379	\$1,000,695	\$0	\$0	\$2,013,074
General Fund		1,012,379				1,012,379
Federal Funds						
Special Funds			1,000,695			1,000,695
239 Dickinson State University	\$4,000,000	\$409,078	\$768,862	\$0	\$0	\$5,177,940
General Fund		409,078				409,078
Federal Funds						
Special Funds	4,000,000		768,862			4,768,862

Capital Assets Appropriations by Category – 2021-23

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
240 Mayville State University	\$1,600,000	\$358,992	\$790,158	\$0	\$0	\$2,749,150
General Fund	1,600,000	358,992				1,958,992
Federal Funds						
Special Funds			790,158			790,158
241 Minot State University	\$0	\$899,620	\$1,072,801	\$200,000	\$0	\$2,172,421
General Fund		899,620				899,620
Federal Funds						
Special Funds			1,072,801	200,000		1,272,801
242 Valley City State University	\$0	\$408,319	\$863,759	\$47,504	\$0	\$1,319,582
General Fund		408,319		47,504		455,823
Federal Funds						
Special Funds			863,759			863,759
243 Dakota College at Bottineau	\$4,000,000	\$114,007	\$606,064	\$0	\$0	\$4,720,071
General Fund		114,007				114,007
Federal Funds						
Special Funds	4,000,000		606,064			4,606,064
244 North Dakota Forest Service	\$0	\$62,480	\$0	\$56,248	\$0	\$118,728
General Fund		62,480		56,248		118,728
Federal Funds						
Special Funds						
252 School for the Deaf	\$0	\$816,178	\$0	\$40,000	\$0	\$856,178
General Fund						
Federal Funds		300,000				300,000
Special Funds		516,178		40,000		556,178
253 ND Vision Services	\$0	\$403,000	\$0	\$11,500	\$0	\$414,500
General Fund						
Federal Funds		86,000				86,000
Special Funds		317,000		11,500		328,500
301 ND Department of Health	\$0	\$136,500	\$221,393	\$1,938,500	\$350,000	\$2,646,393
General Fund		30,650	183,882	500,000	221,231	935,763
Federal Funds			37,511	1,093,500	128,769	1,259,780
Special Funds		105,850		345,000		450,850

Capital Assets Appropriations by Category – 2021-23

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
303 Department of Environmental Quality	\$0	\$24,000	\$119,972	\$1,093,200	\$10,000	\$1,247,172
General Fund		4,800	59,581			64,381
Federal Funds		19,200	60,391	421,700		501,291
Special Funds				671,500	10,000	681,500
313 Veterans Home	\$0	\$331,500	\$407,271	\$16,700	\$0	\$755,471
General Fund						
Federal Funds						
Special Funds		331,500	407,271	16,700		755,471
321 Department of Veterans' Affairs	\$0	\$0	\$0	\$18,800	\$0	\$18,800
General Fund				18,800		18,800
Federal Funds						
Special Funds						
325 Department of Human Services	\$724,000	\$2,009,605	\$0	\$278,855	\$75,000	\$3,087,460
General Fund	724,000	2,009,605		269,834	74,193	3,077,632
Federal Funds				9,021	807	9,828
Special Funds						
380 Job Service	\$0	\$0	\$20,000	\$0	\$0	\$20,000
General Fund						
Federal Funds			20,000			20,000
Special Funds						
401 Insurance Department	\$100,000	\$0	\$0	\$0	\$0	\$100,000
General Fund			0			
Federal Funds						
Special Funds	100,000					100,000
405 Industrial Commission	\$0	\$0	\$0	\$106,206	\$0	\$106,206
General Fund				106,206		106,206
Federal Funds						
Special Funds						
408 Public Service Commission	\$0	\$0	\$0	\$120,000	\$25,000	\$145,000
General Fund				5,400	25,000	30,400
Federal Funds				114,600		114,600
Special Funds						

Capital Assets Appropriations by Category – 2021-23

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
471 Bank of North Dakota	\$0	\$0	\$0	\$250,000	\$1,260,000	\$1,510,000
General Fund						
Federal Funds						
Special Funds				250,000	1,260,000	1,510,000
473 ND Housing Finance	\$0	\$0	\$0	\$0	\$150,000	\$150,000
General Fund						
Federal Funds					100,000	100,000
Special Funds					50,000	50,000
485 Workforce Safety and Insurance	\$0	\$514,000	\$0	\$0	\$0	\$514,000
General Fund						
Federal Funds						
Special Funds		514,000				514,000
504 Highway Patrol	\$0	\$3,000,000	\$0	\$0	\$0	\$3,000,000
General Fund						
Federal Funds						
Special Funds		3,000,000				3,000,000
530 Dept of Corrections and Rehabilitation	\$500,000	\$0	\$572,535	\$1,396,988	\$0	\$2,469,523
General Fund			564,354	115,000		679,354
Federal Funds						
Special Funds	500,000		8,181	1,281,988		1,790,169
540 Adjutant General	\$22,950,000	\$0	\$224,046	\$0	\$0	\$23,174,046
General Fund	1,750,000		224,046			1,974,046
Federal Funds	21,200,000					21,200,000
Special Funds						
602 Department of Agriculture	\$0	\$0	\$0	\$15,000	\$0	\$15,000
General Fund				10,000		10,000
Federal Funds						
Special Funds				5,000		5,000
628 Branch Research Centers	\$0	\$0	\$126,901	\$4,345,000	\$0	\$4,471,901
General Fund			126,901	4,345,000		4,471,901
Federal Funds						
Special Funds						

Capital Assets Appropriations by Category – 2021-23

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
630 NDSU Extension Service	\$0	\$0	\$0	\$460,000	\$0	\$460,000
General Fund				460,000		460,000
Federal Funds						
Special Funds						
638 Northern Crops Institute	\$0	\$0	\$0	\$100,000	\$0	\$100,000
General Fund				100,000		100,000
Federal Funds						
Special Funds						
640 NDSU Main Research Center	\$2,073,000	\$1,840,465	\$356,547	\$4,893,000	\$0	\$9,163,012
General Fund		1,840,465	356,547	893,000		3,090,012
Federal Funds						
Special Funds	2,073,000			4,000,000		6,073,000
649 Agronomy Seed Farm	\$0	\$0	\$0	\$300,000	\$0	\$300,000
General Fund						
Federal Funds						
Special Funds				300,000		300,000
701 Historical Society	\$0	\$4,200,000	\$1,179,015	\$72,000	\$0	\$5,451,015
General Fund			1,179,015	72,000		1,251,015
Federal Funds		4,200,000				4,200,000
Special Funds						
720 Game and Fish Department	\$800,000	\$3,586,170	\$2,014,292	\$704,000	\$0	\$7,104,462
General Fund						
Federal Funds		1,560,377	1,174,200	418,500		3,153,077
Special Funds	800,000	2,025,793	840,092	285,500		3,951,385
750 Parks and Recreation Department	\$10,900,000	\$1,141,920	\$66,165	\$303,200	\$0	\$12,411,285
General Fund			66,165			66,165
Federal Funds	10,900,000					10,900,000
Special Funds		1,141,920		303,200		1,445,120
770 State Water Commission	\$0	\$0	\$148,233,487	\$184,450	\$49,500	\$148,467,437
General Fund						
Federal Funds			44,133,487			44,133,487
Special Funds			104,100,000	184,450	49,500	104,333,950

Capital Assets Appropriations by Category – 2021-23

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment & Software Over \$5000	Total
801 Department of Transportation	\$10,600,000	\$0	\$1,545,250,633	\$36,580,661	\$2,000,050	1,594,431,344
General Fund						
Federal Funds			1,179,292,826	151,664	2,000,050	1,181,444,540
Special Funds	10,600,000		365,957,807	36,428,997		412,986,804
Total All Agencies	\$ 113,610,000	\$ 35,147,352	\$ 1,737,519,863	\$ 60,593,696	\$ 22,276,241	\$ 1,969,147,152
General Fund	4,074,000	15,065,046	17,358,325	7,212,292	4,905,036	48,614,699
Federal Funds	37,100,000	6,165,577	1,224,718,415	3,320,691	2,680,226	1,273,984,909
Special Funds	72,436,000	13,916,729	495,443,123	50,060,713	14,690,979	646,547,544

Capital Projects

Capital projects are expenditures for land, new construction, additions, renovations, restorations and demolitions of buildings and infrastructure. The 2021-23 appropriation for capital projects is \$113.6 million, including \$4.1 million from the General Fund and \$109.5 million from special and federal funds.

For each approved capital project, the appropriated amount, project description and anticipated operating and staffing costs for the upcoming biennium are provided on the following pages.

Capital Projects Appropriations – 2021-23

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds
228 Lake Region State College	Precision Agriculture Center	\$363,000	\$0	\$0	\$363,000
230 University of North Dakota	Reconstruction of apron at Grand Forks airport	\$5,000,000	\$0	\$5,000,000	\$0
235 North Dakota State University	NDSU Agriculture Products Development Center	\$50,000,000	\$0	\$0	\$50,000,000
239 Dickinson State University	DSU Pulver Hall	\$4,000,000	\$0	\$0	\$4,000,000
240 Mayville State University	Natural Gas Boiler Project	\$1,600,000	\$1,600,000	\$0	\$0
243 Dakota College at Bottineau	Old Main Renovation	\$4,000,000	\$0	\$0	\$4,000,000
325 Dept of Human Services	Capital Projects - HSC	\$724,000	\$724,000	\$0	\$0
401 Insurance Department	Office renovation	\$100,000	\$0	\$0	\$100,000
530 Dept of Corrections and Rehabilitation	RRI Storage Warehouse	\$500,000	\$0	\$0	\$500,000
540 Adjutant General	Dickinson Readiness Center	15,500,000	0	15,500,000	0
	Federal Construction	5,700,000	0	5,700,000	0
	Camp Grafton Expansion	1,750,000	1,750,000	0	0
	Total	\$22,950,000	\$1,750,000	\$21,200,000	\$0
640 NDSU Main Research Center	Carrington Feedlot Expansion & Research Support Facility	775,000	0	0	775,000
	Langdon Greenhouse	473,000	0	0	473,000
	Hettinger Storage Shed	300,000	0	0	300,000
	Central Grasslands Director Residence	325,000	0	0	325,000
	Central Grasslands Livestock Facilities	200,000	0	0	200,000
	Total	\$2,073,000	\$0	\$0	\$2,073,000
720 Game and Fish Department	Land Acquisitions	\$800,000	\$0	\$0	\$800,000
750 Parks and Recreation Department	Parks Capital Projects	7,900,000	0	7,900,000	0
	Peace Garden Capital Projects	3,000,000	0	3,000,000	0
	Total	\$10,900,000	\$0	\$10,900,000	\$0
801 Department of Transportation	Land and Buildings	5,600,000	0	0	5,600,000
	Beyond Visual Line of Sight Unmanned Aircraft System Infrastructure	5,000,000	0	0	5,000,000
	Total	\$10,600,000	\$0	\$0	\$10,600,000
		\$113,610,000	\$4,074,000	\$37,100,000	\$72,436,000

CAPITAL PROJECTS DESCRIPTIONS**228 – Lake Region State College**Precision Agriculture Center

The 67th Legislative Assembly authorized \$363,000 for the precision agriculture center which was first authorized during the 66th Legislative Assembly. The new center will replace the current off-campus leased facility.

230 – University of North DakotaAirport Apron

This \$5.0 million from federal coronavirus capital project fund authorization allows for the purpose of reconstruction of the university's apron at the Grand Forks airport.

235 – North Dakota State UniversityAgriculture Products Development Center

This project will construct a new building for Ag Products research and education and transfer the functions currently within Harris Hall to the new building. The project was initially authorized in the 66th Legislative Assembly. House Bill 1431 provides \$50.0 million of bond authorization for this project in 2021-23.

239 – Dickinson State UniversityPulver Hall

This \$4.0 million from federal coronavirus capital project fund authorization allows for the renovation of Pulver Hall.

240 – Mayville State UniversityNatural Gas Boiler Project

This \$1.6 million from General Fund allows for the completion of natural gas boiler project.

243 – Dakota College at BottineauOld Main Renovation

This project would renovate the existing Old Main building. The project includes authorization of \$2.5 million from Strategic Investment and Improvement Fund and \$1.5 million from other or local funds.

325 – Department of Human ServicesSoutheast Human Service Center

This project is for carpet replacement and heat pump replacement at the southeast human service center building in Fargo.

401 – Insurance CommissionerOffice Remodel

This project will create hoteling offices for employees who are teleworking to have a workspace when they need to work in the office.

530 – Department of Corrections and RehabilitationRoughrider Industries Warehouse

Funding appropriated to build a raw materials warehouse for Roughrider Industries on the North Dakota State Penitentiary Campus. This special funded project will allow for the purchase

of material in larger quantities which will lower manufacturing input costs.

540 – Adjutant GeneralFederal Construction

This authority request represents the historical expenditures for the Army Guard Contracts line. The spending authority includes \$5.7 million of federal funding. The National Guard Bureau has not yet approved funding or specific projects for the 2021-23 biennium. Any increase in operating and maintenance costs will be paid within the agency's budget.

Camp Grafton Expansion Project

This project will allow for the purchase or long-term lease of up to 6,000 acres of land south of Camp Grafton. If land is purchased it cannot be more than 1,600 acres with the remainder being leased.

National Guard Readiness Center

This project will construct a new 45,388 square foot readiness center in Dickinson. The facility is needed in order to meet the current Army space requirements to support and train 81 soldiers, 43 military vehicles and trailers, plus other authorized equipment. The readiness center will support training, readiness, administrative and logistical requirements. The construction is federally funded.

640 – NDSU Main Research CenterFeedlot Expansion and Research Support Facility

Special fund appropriation of \$775,000 from SIFF has been authorized for a feedlot expansion and construction of a multi-use research support facility at the livestock unit at Carrington Research Extension Center.

Greenhouse

Special fund appropriation of \$473,000 from SIFF has been authorized to build a research greenhouse at Langdon Research Extension Center.

Storage Shed

Special fund appropriation of \$300,000 from SIFF has been authorized to build an equipment storage shed at Hettinger Research Extension Center.

Director Residence

Special fund appropriation of \$325,000 from SIFF has been authorized to construct a new on-site residence for the director at the Central Grasslands Research Extension Center.

Livestock Facilities

Special fund appropriation of \$200,000 from SIFF has been authorized to construct new livestock working facilities at Central Grasslands Research Extension Center.

720 – Game and Fish DepartmentLand Acquisitions

This project will provide authority for the purchase of small tracts near wildlife management areas, or similar opportunities that come up during the biennium. The project includes \$800,000 from special funds.

750 – Department of Parks and RecreationVarious Capital Projects at ND State Parks

This \$7.9 million from federal coronavirus capital project fund authorization allows for capital projects and additional extraordinary repairs in the Parks System at various locations. The projects will be prioritized based on highest needs.

International Peace Garden

This \$3.0 million from federal coronavirus capital project fund authorization will repay a Bank of North Dakota loan for projects and extraordinary repairs at the Peace Gardens.

801 – Department of TransportationLand and Buildings

This project includes lab construction in various locations. The locations are based on highest needs and priorities. The project includes \$5.6 million from special funds. Increases in operating and maintenance will be paid within the agency's budget.

Beyond Visual Line of Sight Unmanned Aircraft System Program

This project includes infrastructure construction for the beyond visual line of sight unmanned aircraft system program. This project includes \$5.0 million from special funds.

LARGE IT PROJECTS

The large information technology (IT) projects budget summarizes the 2021-23 biennium legislative appropriation for state investments in large IT projects. "Large IT project" refers to any project that exceeds a \$500,000 budget. Information Technology means the use of hardware, software, services, and supporting infrastructure to manage and deliver information using voice, data, and/or video. IT project appropriations may include funding for items other than IT equipment or software. Examples of other costs may be:

- Salary and benefits for staff performing IT duties
- Operating costs associated with IT
- Services provided by vendors or contractors

For the 2021-23 biennium, the legislature approved a total of \$111.2 million for large IT projects, \$22.9 million from the General Fund and \$88.3 million from special and federal funds.

The 2021-23 biennium appropriations for large IT projects are summarized on the following pages.

Large IT Projects Appropriations – 2021-23

Agency/Project	Total	General	Federal	Special
110 Office of Management and Budget				
Budget System	\$ 1,230,100	\$ -	\$ -	\$ 1,230,100
eProcurement Software	2,021,204	-	-	2,021,204
Total Office of Management and Budget	\$ 3,251,304	\$ -	\$ -	\$ 3,251,304
180 Supreme Court				
Juvenile Case Management System	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
Total Retirement and Investment Office	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -
226 Department of Trust Lands				
Land Management System - Additional Funding	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
Total Department of Trust Lands	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
303 Department of Environmental Quality				
LIMS System	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -
325 Department of Human Services				
FRAME/CCWIPS	\$ 30,000,000	\$ 15,000,000	\$ 15,000,000	\$ -
MMIS Modernization	35,000,000	4,326,686	30,673,314	-
MMIS Tech Stack Upgrade	2,400,000	600,000	1,800,000	-
Total Department of Human Services	\$ 67,400,000	\$ 19,926,686	\$ 47,473,314	\$ -
380 Job Service North Dakota				
Unemployment Insurance (UI) Modernization Project	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
Total Job Service North Dakota	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
405 Industrial Commission				
RBDMS Upgrade	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
Total Industrial Commission	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000

Large IT Projects Appropriations – 2021-23

Agency/Project	Project	Cost	General	Federal	Special
485 Workforce Safety and Insurance					
CAPS - Claims & Policy Replacement System	\$ 7,500,000		\$ -	\$ -	\$ 7,500,000
myWSI Extranet Enhancement Project	3,050,000		-	-	3,050,000
Total Workforce Safety and Insurance	\$ 10,550,000		\$ -	\$ -	\$ 10,550,000
801 Department of Transportation					
Construction & Materials Management System	\$ 9,660,000		\$ -	\$ -	\$ 9,660,000
Automate Vehicle Location Hardware and Software Expense	3,771,000		-	2,500,050	1,270,950
Traffic Counting Program Modernization	3,000,000		-	-	3,000,000
Traffic Data Estimating and Analysis Replacement	500,000		-	-	500,000
NDDOT Website Drupal Uplift and Enhancements	500,000		-	-	500,000
Total Department of Transportation	\$ 17,431,000		\$ -	\$ 2,500,050	\$ 14,930,950
Total All Agencies	\$ 111,232,304		\$ 22,926,686	\$ 52,973,364	\$ 35,332,254

Other Capital Payments Appropriations – 2021-23

Agency	Project Description	Total	General Fund	Federal Funds	Special Funds
110 Office of Management and Budget	Capital Bond Payments	\$564,515	\$564,515	\$0	\$0
125 Office of Attorney General	Capital Bond Payments	\$648,055	\$648,055	\$0	\$0
215 ND University System	Capital Bond Payments	\$13,385,264	\$13,385,264	\$0	\$0
227 Bismarck State College	Special Assessments	\$141,479	\$0	\$0	\$141,479
	Tier II and Tier III - Capital Building Fund \1	\$925,693	\$0	\$0	\$925,693
Total Bismarck State College		\$1,067,172	\$0	\$0	\$1,067,172
228 Lake Region State College	Tier II and Tier III - Capital Building Fund \1	\$677,375	\$0	\$0	\$677,375
229 Williston State College	Special Assessments	\$1,064,167	\$0	\$0	\$1,064,167
	Tier II and Tier III - Capital Building Fund \1	\$637,947	\$0	\$0	\$637,947
Total Williston State College		\$1,702,114	\$0	\$0	\$1,702,114
230 University of North Dakota	Capital Bond Payments	\$3,819,375	\$0	\$0	\$3,819,375
	Tier II and Tier III - Capital Building Fund \1	\$6,611,801	\$0	\$0	\$6,611,801
Total University of North Dakota		\$10,431,176	\$0	\$0	\$10,431,176
235 North Dakota State University	Tier II and Tier III - Capital Building Fund \1	\$5,149,596	\$0	\$0	\$5,149,596
238 ND State College of Science	Tier II and Tier III - Capital Building Fund \1	\$1,000,695	\$0	\$0	\$1,000,695
239 Dickinson State University	Tier II and Tier III - Capital Building Fund \1	\$768,862	\$0	\$0	\$768,862
240 Mayville State University	Special Assessments	\$50,129	\$0	\$0	\$50,129
	Tier II and Tier III - Capital Building Fund \1	\$740,029	\$0	\$0	\$740,029
Total Mayville State University		\$790,158	\$0	\$0	\$790,158
241 Minot State University	Tier II and Tier III - Capital Building Fund \1	\$1,072,801	\$0	\$0	\$1,072,801
242 Valley City State University	Special Assessments	\$54,622	\$0	\$0	\$54,622
	Tier II and Tier III - Capital Building Fund \1	\$809,137	\$0	\$0	\$809,137
Total Valley City State University		\$863,759	\$0	\$0	\$863,759
243 Dakota College at Bottineau	Tier II and Tier III - Capital Building Fund \1	\$606,064	\$0	\$0	\$606,064
301 ND Department of Health	Capital Bond Payments	221,393	183,882	37,511	0
303 Dept of Environmental Quality	Capital Bond Payments	\$119,972	59,581	60,391	0
313 Veterans Home	Capital Bond Payments	\$407,271	\$0	\$0	\$407,271
380 Job Service North Dakota	Special Assessments	\$20,000	\$0	\$20,000	\$0
530 Dept of Corrections and Rehabilitation	Capital Bond Payments	\$500,535	\$492,354	\$0	\$8,181
	City of Bismarck Special Assessment	\$72,000	\$72,000	\$0	\$0
Total Dept of Corrections and Rehabilitation		\$572,535	\$564,354	\$0	\$8,181
540 Adjutant General	Special Assessments & Payment in Lieu	\$224,046	\$224,046	\$0	\$0
628 Branch Research Centers	Capital Bond Payments - CGREC	48,322	48,322	0	0
	Capital Bond Payments - NCREC	78,579	78,579	0	0
Total Branch Research Centers		\$126,901	\$126,901	\$0	\$0
640 NDSU Main Research Center	Capital Bond Payments	\$356,547	\$356,547	\$0	\$0
701 Historical Society	Capital Bond Payments	\$1,179,015	\$1,179,015	\$0	\$0
720 Game and Fish Department	Fisheries	548,692	0	75,000	473,692
	Payment in Lieu of Taxes	1,465,600	0	1,099,200	366,400
Total Game and Fish Department		\$2,014,292	\$0	\$1,174,200	\$840,092
750 Parks and Recreation Department	Bond Payments	\$66,165	\$66,165	0	0
770 Water Commission	NAWS and SWPP	\$148,233,487	\$0	\$44,133,487	\$104,100,000
801 Department of Transportation	Other Capital Payments	\$1,545,250,633	\$0	\$1,179,292,826	\$365,957,807
		\$1,737,519,863	\$17,358,325	\$1,224,718,415	\$495,443,123

\1 House Bill 1003, Sections 29, 30 and 31 passed during the 66th Legislative Assembly established a capital building fund for institutions under the control of the state board of higher education to utilize for extraordinary repairs, deferred maintenance and specific capital projects.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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For the Biennium Beginning

July 1, 2019

Christopher P. Morill

Executive Director