

# **Status of the General Fund**

**Presented to the  
Government Finance  
Committee**

**April 23, 2014**



**Pam Sharp, Director  
Office of Management and Budget**

**GENERAL FUND STATUS STATEMENT  
2013-15 BIENNIUM  
MARCH 31, 2014**

|  |                      |   |
|--|----------------------|---|
| Beginning balance:   |                      |   |
| Beginning unobligated balance - July 1, 2013                   | \$1,396,059,186      |   |
| Balance obligated for unspent emergency authority              | 165,874,199          |   |
| Balance obligated for authorized carryover of appropriations   | <u>89,503,462</u>    |   |
| Total beginning balance  |                      | \$1,651,436,847                           |
| Revenues:  |                      |   |
| Revenues collected to date                                     | \$2,175,870,244      |   |
| Remaining forecasted revenues                                  | <u>3,445,603,487</u> |   |
| Total revenues   |                      | <u>5,621,473,732</u>                      |
| Total available  |                      | \$7,272,910,579                           |
| Expenditures:  |                      |   |
| Legislative appropriations - One time                          | (\$2,433,567,701)    |   |
| Legislative appropriations - Ongoing                           | (4,429,019,653)      |   |
| Authorized carryover from previous biennium                    | (89,503,462)         |   |
| 2013-15 authority used in 2011-13 pursuant to emergency clause | <u>163,812,041</u>   |   |
| Total authorized expenditures                                  |                      | <u>(6,788,278,775)</u>                    |
| Estimated ending balance - June 30, 2015                       |                      | <u><u>\$484,631,804</u></u> <sup>\1</sup> |

\1 NDCC Section 54-27.2-02 provides that any end of biennium balance in excess of \$65.0 million must be transferred to the budget stabilization fund, up to a cap of 9.5 percent of general fund appropriations.

**SELECTED SPECIAL FUNDS  
MARCH 31, 2014 FUND BALANCES**

| <b>Fund</b>  | <b>Balance</b>  |
|--|-----------------|
| Budget stabilization fund  | \$583,545,799   |
| Legacy fund  | \$1,925,223,172 |
| Foundation aid stabilization fund                                    | \$433,407,614   |
| Property tax relief fund   | \$657,000,000   |
| Strategic investment and improvements fund (\$881,297,769 obligated) | \$1,018,897,650 |

**STATEMENT OF GENERAL FUND REVENUES AND FORECASTS**  
**Compared to the Legislative Forecast**  
**2013-15 Biennium**  
**March 2014**

| Revenues and Transfers              | Fiscal Month              |                    |                   |              | Biennium To Date          |                      |                    |             |
|-------------------------------------|---------------------------|--------------------|-------------------|--------------|---------------------------|----------------------|--------------------|-------------|
|                                     | May 2013<br>Leg. Forecast | Actual             | Variance          | Percent      | May 2013<br>Leg. Forecast | Actual               | Variance           | Percent     |
| Sales Tax                           | 62,962,000                | 79,507,510         | 16,545,510        | 26.3%        | 885,642,000               | 914,127,077          | 28,485,077         | 3.2%        |
| Motor Vehicle Excise Tax            | 13,286,000                | 11,113,373         | (2,172,627)       | -16.4%       | 111,814,000               | 99,978,418           | (11,835,582)       | -10.6%      |
| Individual Income Tax               | 9,435,000                 | 10,425,363         | 990,363           | 10.5%        | 231,027,000               | 316,187,868          | 85,160,868         | 36.9%       |
| Corporate Income Tax                | 20,048,000                | 28,604,315         | 8,556,315         | 42.7%        | 91,720,000                | 130,083,295          | 38,363,295         | 41.8%       |
| Insurance Premium Tax               | 4,854,560                 | 6,273,655          | 1,419,095         | 29.2%        | 25,172,210                | 30,837,652           | 5,665,442          | 22.5%       |
| Financial Institutions Tax          |                           | 16                 | 16                | 100.0%       |                           | (4,901,914)          | (4,901,914)        | -100.0%     |
| Oil & Gas Production Tax*           | 15,833,749                | 15,833,749         |                   | 0.0%         | 112,766,937               | 112,766,937          |                    | 0.0%        |
| Oil Extraction Tax*                 | 41,555,409                | 41,555,409         |                   | 0.0%         | 144,622,221               | 144,622,221          |                    | 0.0%        |
| Gaming Tax                          | 28,900                    | 26,977             | (1,923)           | -6.7%        | 3,150,020                 | 2,675,997            | (474,023)          | -15.0%      |
| Lottery                             |                           |                    |                   |              |                           |                      |                    |             |
| Cigarette & Tobacco Tax             | 1,927,000                 | 2,099,073          | 172,073           | 8.9%         | 21,563,000                | 22,290,095           | 727,095            | 3.4%        |
| Wholesale Liquor Tax                | 661,000                   | 687,010            | 26,010            | 3.9%         | 6,839,000                 | 6,897,372            | 58,372             | 0.9%        |
| Coal Conversion Tax                 | 1,756,000                 | 1,611,817          | (144,183)         | -8.2%        | 12,963,000                | 11,889,051           | (1,073,949)        | -8.3%       |
| Mineral Leasing Fees                | 791,667                   | 2,137,938          | 1,346,271         | 170.1%       | 7,125,003                 | 12,183,273           | 5,058,270          | 71.0%       |
| Departmental Collections            | 2,962,137                 | 4,097,257          | 1,135,120         | 38.3%        | 29,838,978                | 31,762,897           | 1,923,919          | 6.4%        |
| Interest Income                     | 492,560                   | 202,218            | (290,342)         | -58.9%       | 4,529,680                 | 1,834,241            | (2,695,439)        | -59.5%      |
| State Mill & Elevator-Transfer      |                           |                    |                   |              |                           |                      |                    |             |
| Major Special Fund Transfers        |                           |                    |                   |              | 341,790,000               | 341,790,000          |                    | 0.0%        |
| Other Transfers                     |                           |                    |                   |              | 666,510                   | 845,764              | 179,254            | 26.9%       |
| <b>Total Revenues and Transfers</b> | <b>176,593,982</b>        | <b>204,175,679</b> | <b>27,581,697</b> | <b>15.6%</b> | <b>2,031,229,559</b>      | <b>2,175,870,244</b> | <b>144,640,686</b> | <b>7.1%</b> |

\* The general fund cap for oil and gas taxes contains two tiers. The first tier of \$200.0 million was reached in October 2013. The next \$341.8 million was deposited into the property tax relief fund. The second tier of \$100.0 million began flowing to the general fund in March 2014, two months earlier than anticipated. Although actual collections exceed the monthly forecast, for the purposes of this report, oil tax forecast amounts are shown as being equal to actual collections. Exceeding the forecast in a single month only accelerates the time frame during which the general fund will receive its share of oil taxes, but does not increase the general fund share above the statutory cap.

Total production and extraction tax collections of \$249.8 million were distributed in March 2014. The property tax relief fund reached its cap of \$341.8 million and will not received any additional allocations this biennium. Through March, \$581.2 million has been deposited into the legacy fund; for a total of \$1.9 billion.

**STATEMENT OF GENERAL FUND REVENUES AND FORECASTS**  
**Compared to the Previous Biennium Revenues**  
**2013-15 Biennium**  
**March 2014**

| Revenues and Transfers              | Fiscal Month       |                    |                   |              | Biennium To Date     |                      |                    |              |
|-------------------------------------|--------------------|--------------------|-------------------|--------------|----------------------|----------------------|--------------------|--------------|
|                                     | March<br>2012      | March<br>2014      | Variance          | Percent      | 2011-13              | 2013-15              | Variance           | Percent      |
| Sales Tax                           | 66,966,285         | 79,507,510         | 12,541,225        | 18.7%        | 761,215,376          | 914,127,077          | 152,911,701        | 20.1%        |
| Motor Vehicle Excise Tax            | 10,818,472         | 11,113,373         | 294,901           | 2.7%         | 87,907,646           | 99,978,418           | 12,070,772         | 13.7%        |
| Individual Income Tax               | 12,664,603         | 10,425,363         | (2,239,240)       | -17.7%       | 243,016,782          | 316,187,868          | 73,171,086         | 30.1%        |
| Corporate Income Tax                | 13,802,328         | 28,604,315         | 14,801,987        | 107.2%       | 85,528,941           | 130,083,295          | 44,554,354         | 52.1%        |
| Insurance Premium Tax               | 5,483,594          | 6,273,655          | 790,061           | 14.4%        | 28,433,899           | 30,837,652           | 2,403,753          | 8.5%         |
| Financial Institutions Tax          | 1,952,416          | 16                 | (1,952,400)       | -100.0%      | 1,825,721            | (4,901,914)          | (6,727,635)        | -368.5%      |
| Oil & Gas Production Tax*           |                    | 15,833,749         | 15,833,749        | 100.0%       | 99,799,206           | 112,766,937          | 12,967,731         | 13.0%        |
| Oil Extraction Tax*                 |                    | 41,555,409         | 41,555,409        | 100.0%       | 100,200,794          | 144,622,221          | 44,421,427         | 44.3%        |
| Gaming Tax                          | 39,375             | 26,977             | (12,398)          | -31.5%       | 4,291,293            | 2,675,997            | (1,615,296)        | -37.6%       |
| Lottery                             |                    |                    |                   |              |                      |                      |                    |              |
| Cigarette & Tobacco Tax             | 1,976,137          | 2,099,073          | 122,936           | 6.2%         | 19,762,373           | 22,290,095           | 2,527,723          | 12.8%        |
| Wholesale Liquor Tax                | 680,808            | 687,010            | 6,202             | 0.9%         | 6,232,401            | 6,897,372            | 664,971            | 10.7%        |
| Coal Conversion Tax                 | 1,684,212          | 1,611,817          | (72,395)          | -4.3%        | 13,024,207           | 11,889,051           | (1,135,155)        | -8.7%        |
| Mineral Leasing Fees                | (9,024,099)        | 2,137,938          | 11,162,037        | 123.7%       | 19,671,144           | 12,183,273           | (7,487,871)        | -38.1%       |
| Departmental Collections            | 2,821,738          | 4,097,257          | 1,275,518         | 45.2%        | 29,149,652           | 31,762,897           | 2,613,246          | 9.0%         |
| Interest Income                     | 467,561            | 202,218            | (265,343)         | -56.8%       | 4,304,666            | 1,834,241            | (2,470,424)        | -57.4%       |
| State Mill & Elevator-Transfer      |                    |                    |                   |              |                      |                      |                    |              |
| Major Special Fund Transfers        |                    |                    |                   |              | 295,000,000          | 341,790,000          | 46,790,000         | 15.9%        |
| Other Transfers                     | 9,675              |                    | (9,675)           | -100.0%      | 579,281              | 845,764              | 266,484            | 46.0%        |
| <b>Total Revenues and Transfers</b> | <b>110,343,104</b> | <b>204,175,679</b> | <b>93,832,575</b> | <b>85.0%</b> | <b>1,799,943,378</b> | <b>2,175,870,244</b> | <b>375,926,866</b> | <b>20.9%</b> |

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