64TH LEGISLATIVE ASSEMBLY
STATE BUDGET ACTIONS
FOR THE 2015-17 BIENNIUM

(Including Supplemental and Statistical Information Regarding the State Budget)

LEGISLATIVE COUNCIL
STATE CAPITOL
BISMARCK, NORTH DAKOTA
JUNE 2015

This report contains information on actions by the 2015 Legislative Assembly affecting the 2015-17 biennium state budget, including the 2015 Legislative Assembly's changes to base budget levels for the July 1, 2015, through June 30, 2017, biennium (2015-17). The 2015-17 appropriations for state agencies and institutions are also compared to 2013-15 appropriations.

In preparing this analysis, the Legislative Council staff reviewed 2015 appropriation acts, the "purposes of amendments" contained in the House and Senate journals, and other available fiscal records.

Also included are selected special funds analyses, an analysis of full-time equivalent (FTE) positions, graphs and other information regarding general fund revenues and appropriations, and information regarding historic comparisons of state spending.

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EXECUTIVE SUMMARY

GENERAL FUND BUDGET SUMMARY

Estimated unobligated general fund balance - July 1, 2015	$598,664,078[1]
Add estimated 2015-17 general fund revenues and transfers	5,638,508,192
Total resources available	$6,237,172,270
Less 2015-17 general fund appropriations	6,026,162,678
Estimated general fund balance - June 30, 2015	$211,009,592[2]

[1]This amount reflects $6,284,026 of 2013-15 deficiency appropriations, and $52,579,373 of estimated 2013-15 unspent general fund appropriation authority.

[2]In addition, the budget stabilization fund is projected to have a June 30, 2017, balance of $583,545,799.

TOTAL APPROPRIATIONS SUMMARY

	2013-15 Legislative Appropriations	Increase (Decrease)	2015-17 Legislative Appropriations
General fund	$6,879,671,380	($853,508,702)	$6,026,162,678
Estimated income	7,275,054,956	899,179,160	8,174,234,116
Total all funds	$14,154,726,336	$45,670,458	$14,200,396,794

2015-17 GENERAL FUND REVENUES

1. Provided for **general fund revenues** of $6.24 billion, $859 million, or 12.1 percent, less than the 2013-15 biennium revenues as included in the March 2015 legislative revenue forecast.
2. Anticipated state agency **general fund turnback** of $52.58 million at the end of the 2013-15 biennium.
3. Provided for **tax relief/reduction** as follows:
   a. Individual income tax rates were reduced by 10 percent resulting in an estimated decrease of $87 million in individual income tax collections during the 2015-17 biennium.
   b. Corporate income tax rates were reduced by 5 percent resulting in an estimated decrease of $21 million in corporate income tax collections during the 2015-17 biennium.
   c. $30 million of income tax credits for contributions to the housing incentive fund during the 2015-17 biennium.
4. Major areas of **revenue growth** (as compared to the revised revenue forecast for the 2013-15 biennium) include:
   a. Sales and use taxes increasing by $369.46 million, or 14.8 percent.
   b. Motor vehicle excise tax collections increasing by $30.76 million, or 10.8 percent.
5. Major areas of **revenue decline** (as compared to the revised revenue forecast for the 2013-15 biennium) include:
   a. Individual income tax collections decreasing by $166.77 million, or 17.9 percent (reflects income tax reductions noted above).
   b. Corporate income tax collections decreasing by $90.84 million, or 19.7 percent (reflects income tax reductions noted above).
   c. Mineral leasing fees are estimated to decrease by $18.95 million, or 49.1 percent.
6. Provided for **Mill and Elevator** transfers based on 50 percent of the mill profits. The anticipated transfer for the 2015-17 biennium is $13,775,000, an increase of $6,957,800 from the 2013-15 biennium estimated transfers.
7. Transferred $657 million from the **tax relief fund**, which is an increase of $315.21 million from the amount transferred from the fund for the 2013-15 biennium.
8. Anticipated **oil prices** to average $46.32 per barrel in the first year of the 2015-17 biennium and $51.06 per barrel in the second year. Based on prices reported by Flint Hills Resources, the average oil price in April 2015 for North Dakota crude oil was $38.33 per barrel.
9. **Oil production** is anticipated to remain constant at 1.1 million barrels per day for the 2015-17 biennium. Average production in March 2015 was 1.19 million barrels per day.
10. **General fund oil tax revenues** are $300 million, the same as the 2013-15 biennium. The Legislative Assembly adjusted the provisions of North Dakota Century Code Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues, designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:
    a. The first $200 million is deposited in the general fund;
    b. The next $300 million is deposited in the tax relief fund;
    c. The next $100 million is deposited in the general fund;
    d. The next $100 million is deposited in the strategic investment and improvements fund;
    e. The next $22 million is deposited in the state disaster relief fund unless the deposits would bring the unobligated balance in the fund to more than $25 million; and
    f. Any additional revenues are divided to deposit 70 percent in the strategic investment and improvements fund and 30 percent in the political subdivision allocation fund.

    The Legislative Assembly also amended Section 15-08.1-08 to remove the provision that if the unobligated balance in the strategic investment and improvements fund at the end of any month exceeds $300 million, 25 percent of any revenues received for deposit in the fund in the subsequent month must be deposited instead into the legacy fund.

PROPERTY TAX RELIEF

1. Appropriated $250 million from the general fund to the State Treasurer's office to continue the state-paid property tax relief credit program. The program provides a state-paid credit against property taxes and mobile home taxes in the amount of 12 percent of the taxes levied by all taxing districts on the property.
2. Appropriated $27.68 million from the general fund to the Tax Department for the homestead tax credit program ($20 million) and the disabled veterans property tax credit program ($7.68 million).
3. Appropriated $23.2 million from the general fund to pay the counties' share of certain human services programs, including $19.3 million for child welfare programs, the service payments to elderly and disabled (SPED) program, and technology costs and $3.9 million for emergency human services levies.

2015-17 GENERAL FUND APPROPRIATIONS

1. Provided general fund appropriations of $6.03 billion, $853.51 million, or 12.4 percent, less than the 2013-15 adjusted legislative appropriations.
2. Major general fund appropriations changes relate to:
   a. Department of Transportation - ($827.6 million).
   b. Department of Public Instruction - $92.4 million.
   c. State Treasurer - ($51.3 million).
   d. Higher Education - ($14.1 million).
   e. Department of Human Services - $161.1 million.
   f. Office of Management and Budget - ($318.2 million).
   g. Attorney General - $16.5 million.
   h. Parks and Recreations Department - $13.3 million.
   i. Department of Corrections and Rehabilitation - $33.3 million.
   j. Housing Finance Agency - ($15.4 million).

2015-17 SPECIAL FUNDS APPROPRIATIONS

1. Provided special funds (estimated income) appropriations of $8.17 billion, $889.18 million, or 12.4 percent more than the 2013-15 adjusted legislative appropriations.
2. Major special funds appropriations increases include:
   a. Department of Human Services - $380.4 million.
   b. State Water Commission - $299.9 million.
   c. Department of Public Instruction - $71.6 million.
   d. Main Research Center - $25 million.

2015-17 ONGOING AND ONE-TIME RESOURCES AND APPROPRIATIONS

1. Projected "ongoing" general fund taxes and fees of $4.98 billion for the 2015-17 biennium, an increase of $143 million, or 3 percent, from the estimated ongoing general fund taxes and fees of $4.84 billion for the 2013-15 biennium.
2. Provided $4,852,498,820 of ongoing general fund appropriations and $1,173,663,858 of "one-time" general fund appropriations for the 2015-17 biennium.
3. Retained an estimated $794.5 million at the end of the 2015-17 biennium, including $211 million in the general fund and $583.5 million in the budget stabilization fund.

HIGHER EDUCATION

1. Increased ongoing **general fund** support by $57.8 million and decreased one-time general fund support by $71.8 million as follows:

	2013-15 Legislative Appropriations	2015-17 Legislative Appropriations	Increase (Decrease)	
Ongoing general fund appropriations	$679,271,846	$737,027,599	$57,755,753	8.5%
One-time general fund appropriations	231,360,648	159,547,268	(71,813,380)	(31.0%)
Total	$910,632,494	$896,574,867	($14,057,627)	(1.5%)

2. Decreased support from **special funds** by $112,971,531, or 63.5 percent. Special funds support relates primarily to major capital projects funded from local sources or through the issuance of revenue bonds.
3. Increased the authorized number of **FTE positions** by 125.61, from 2,304.74 to 2,430.35 to reflect the number of FTE positions supported by the general fund.
4. Added funding of $40,201,487 from the general fund for **base funding formula adjustments** based on the higher education student credit-hour funding formula. The formula provides equalization payments to campuses based on a student credit-hour funding level.
5. Added funding of $13,583,565 for institution **base credit rate adjustments** of 1.5 percent during each year of the 2015-17 biennium. The funding is for cost-to-continue items, operating inflation, salary increases, and health insurance increases.

6. Provided one-time funding of $21 million from the general fund and $2.5 million from the student loan trust fund to continue the **higher education challenge fund** to provide matching grants for academic enhancements to North Dakota University System institutions. For every private $2 donated to an institution, a match of $1 may be provided from the fund.
7. Increased funding for the **student financial assistance grant program** by $4,388,597 to provide total program funding of $25,634,276 from the general fund. The additional funding is to increase the maximum grant award amount from $1,650 to $1,950 per year.

ELEMENTARY AND SECONDARY EDUCATION

1. Provided funding of $2,005,740,000, of which $1,786,606,000 is from the general fund and $219,134,000 is from the state tuition fund, for state school aid, including **integrated formula payments, transportation aid, special education contracts,** and **grants for rapid enrollment growth**. This level of funding represents an increase of $170 million, including increases of $91.2 million from the general fund and $78.8 million from the state tuition fund, from the 2013-15 biennium legislative appropriation of $1,835,700,000. In 2013 the Legislative Assembly approved a change in the kindergarten through grade 12 state school aid funding formula. The formula provides the state will determine an adequate base level of support necessary to educate students, and this base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. For the 2015-17 biennium, the integrated payment rates are $9,365 during the first year of the biennium and $9,646 for the second year of the biennium. The Legislative Assembly provided funding for integrated formula payments totaling $1.917 billion, of which $1,697,506,000 is from the general fund and $219,134,000 is from the state tuition fund, an increase of $164.5 million from integrated formula payments funding of $1.752 billion provided during the 2013-15 biennium. The Legislative Assembly provided transportation aid totaling $57 million from the general fund, an increase of $3.5 million from transportation aid funding of $53.5 million provided during the 2013-15 biennium.
2. Provided funding from the general fund for the following grants:
   a. **Governor's School program** - $460,000 (the same as the 2013-15 biennium).
   b. **National writing projects** - $193,000 (increase of $20,000 from the 2013-15 biennium).
   c. **North Dakota Museum of Art** - $435,000 (increase of $20,000 from the 2013-15 biennium).
   d. **North Dakota LEAD Center** - $267,500 (increase of $7,500 from the 2013-15 biennium).
   e. **Teacher center network** - $360,000 (the same as the 2013-15 biennium).
   f. **School food services** - $1,380,000 (the same as the 2013-15 biennium).
   g. **Adult education grants** - $4,110,411 (increase of $1,000,000 from the 2013-15 biennium).
   h. **North Central Council for School Television** - $535,000 (the same as the 2013-15 biennium).
   i. **Global Bridges (Atlantik-Brucke) exchange program** - $250,000 (increase of $100,000 from the 2013-15 biennium).
   j. **North Dakota young entrepreneur education program** - $100,000 (decrease of $20,000 from the 2013-15 biennium).
   k. **"We the People" program** - $25,000 (increase of $5,000 from the 2013-15 biennium).
   l. **Teacher, principal, and instructional coach mentoring program** - $2.7 million (increase of $400,000 from the 2013-15 biennium).
   m. **Continuing education grants** - $150,000 (the same as the 2013-15 biennium).
   n. **Curriculum alignment grants** - $100,000 (the same as the 2013-15 biennium).
   o. **Preschool continuing education grants program** - $150,000 (the same as the 2013-15 biennium).
   p. **Prekindergarten space grant program** - $125,000 (the same as the 2013-15 biennium).
   q. **Gearing Up for Kindergarten** - $675,000 (the same as the 2013-15 biennium).
   r. **Pathfinders Parent Project** - $120,000 (decrease of $11,106 from the 2013-15 biennium).
   s. **Cardiopulmonary resuscitation training grants** - $450,000 (the same as the 2013-15 biennium).
   t. **Teacher and principal evaluation system grants** - $240,000.
   u. **Free breakfast program** - $205,000.
   v. **English language learner grants** - $1,000,000.
   w. **Civics education grant** - $200,000.
   x. **Medicaid matching grants** - $323,611.
3. Provided funding from the general fund for **national board certification** - $120,000 (the same as the 2013-15 biennium).
4. Provided $6 million from the general fund for **PowerSchool** in a separate line of the department's appropriation and removed the PowerSchool factor from the state school aid formula.

HUMAN SERVICES

1. Provided total general fund appropriations for the Department of Human Services of $1,332.2 billion, $165.7 million, or 12.4 percent, more than the $1,171.1 billion appropriated for the 2013-15 biennium. Of the $165.7 million increase, $11.8 million relates to additional state matching funds required due to changes in the state's federal medical assistance percentage (FMAP).
   a. The schedule below presents recent and projected FMAPs for North Dakota:

Federal Fiscal Year	FMAP	Enhanced FMAP
2009	63.15%	69.95%
2010	63.01%	69.95%
2011	60.35% (fourth quarter)	69.95% (first quarter) 66.95% (second quarter) 64.95% (third quarter)
2012	55.40%	N/A
2013	52.27%	N/A
2014	50.00%	N/A
2015	50.00%	N/A
2016	50.00% (estimate)	N/A
2017	50.00% (estimate)	N/A

2. Provided $67.4 million, of which $36 million is from the general fund, to provide 3 percent annual **inflationary increases** for human service providers. The 2013 Legislative Assembly approved a 3 percent annual increase for the 2013-15 biennium for human service providers, excluding physicians.
3. Provided $439.7 million, of which $42.8 million is from the general fund for **cost, caseload, and utilization changes** in programs authorized by the 2015 Legislative Assembly.
4. Provided $19.3 million from the general fund to pay the **counties' share of costs** relating to child welfare programs, SPED program, and technology costs beginning January 1, 2016.
5. Provided $3.9 million from the general fund for grants to counties that have imposed an **emergency human services levy**.
6. Provided $14 million from the general fund for the modernization of the department's **eligibility computer systems**.

CAPITAL CONSTRUCTION

1. Includes a total of $3.29 billion for the following capital projects:
   a. $257 million for major capital projects.
   b. $43 million for extraordinary repairs.
   c. $16.1 million for bond payments.
   d. $2.83 billion for transportation-related projects.
   e. $144.3 million for other projects.

The funding sources for capital projects are:

	General Fund	Special Funds
Major capital projects	$119,582,886	$137,749,216
Extraordinary repairs	33,472,423	9,533,932
Bond payments	13,538,310	2,554,153
Transportation related projects	120,000,000	2,707,798,751
Other projects	354,876	143,951,464
Total	$286,948,495	$3,001,587,516

2. Includes a total of $180.7 million of contingent funding for the following capital projects:
   a. $88.85 million for major capital projects, including $46 million for the North Dakota State University Dunbar Hall project, $25.9 million for the Valley City State University fine arts building project, and $17 million for the Bank of North Dakota's Financial Center project.
   b. $91.85 million for state highway projects and maintenance.
3. The Legislative Assembly did not provide for any major capital construction projects to be financed by bonding which would need to be repaid from the general fund.

STATE EMPLOYEES

1. Provided funding for **state employee salary increases**. Salary increases relating to performance are to range from 2 to 4 percent effective July 1, 2015, and 2 to 4 percent effective July 1, 2016. Salary increases are not to be given across the board. Employees whose documented performance levels do not meet standards are not eligible for any salary increase. Funding provided for these increases, excluding higher education, totals $55.8 million, of which $31.4 million is from the general fund.
2. The 2015-17 legislative appropriation for the University System included funding to provide for inflationary costs, including health insurance increases and salary increases.
3. Continued funding for the cost of **health insurance premiums** for state employees at $1,130.22 per month per employee, an increase of $148.53, or 15.1 percent, compared to the 2013-15 biennium premium of $981.69. Funding provided for this increase totals $34.2 million, of which $19.9 million is from the general fund.
4. Authorized a total of 11,821.88 **FTE positions**, 337.40 FTE positions more than the 2013-15 authorized level. The net increase, excluding higher education, is 211.79 FTE positions.

CORRECTIONS

1. Provided a total general fund appropriation for the Department of Corrections and Rehabilitation of $215.4 million, $33.3 million, or 18.3 percent more than the $182.1 million adjusted appropriation for the 2013-15 biennium.
2. Provided ongoing general fund appropriation for the Department of Corrections and Rehabilitation of $212.7 million, $35 million, or 19.7 percent more than the $177.8 million appropriated for the 2013-15 biennium.
3. Added 22 **new FTE positions**, including 16 parole and probation FTE positions, 1 juvenile corrections specialist FTE position, 1 Youth Correctional Center FTE position, 2 adult services treatment FTE positions, and 2 James River Correctional Center central receiving FTE positions.
4. Provided $32 million for **contract housing and programming**.
5. Provided $11.2 million from the general fund for **female inmate contract housing** (Dakota Women's Correctional and Rehabilitation Center).

INFORMATION TECHNOLOGY

1. Provided $92.2 million, of which $20.5 million is from the general fund, for state **agency information technology projects** for the 2015-17 biennium.
2. Provided **one-time funding** of $13.9 million of other funds to Job Service North Dakota for **unemployment insurance modernization**.
3. Provided **one-time funding** of $6 million from special funds to Workforce Safety and Insurance for a computer replacement project and $1 million for litigation related to a terminated information technology project.
4. Provided additional funding of $14 million from the general fund and $46.9 million from other funds to the Department of Human Services for the **eligibility systems computer modernization project**.
5. Provided **one-time funding** from the general fund of $3 million for completing the Secretary of State's **data processing system**.
6. Provided **one-time funding** from the general fund of $2 million to the judicial branch for implementing a redundant information technology site.

ECONOMIC DEVELOPMENT

1. Provided $2.6 million from the general fund for the **North Dakota Trade Office**, the same amount provided for the 2013-15 biennium.
2. Provided $2.25 million of one-time funding from the general fund for a **childcare facility grant program** for the purpose of providing grants of up to $187,500 to political subdivisions for new and expanded licensed childcare facilities and essential equipment associated with facilities.
3. Provided $4.5 million of one-time funding from the general fund for a **Research North Dakota** grant program to provide grants to research universities for research, development, and commercialization activities involving private sector partners.
4. Provided one-time funding of $2.7 million from the general fund for an **unmanned aerial system grant**.
5. Provided $1.5 million of one-time funding from the general fund for **base realignment grants** for providing matching grants of up to $500,000 each to assist in base retention efforts in three communities with Air Force bases--Minot Air Force Base, Grand Forks Air Force Base, and Fargo Air National Guard Base. The grant requires a dollar-for-dollar local match.
6. Provided a transfer of $1 million from the general fund to the **workforce enhancement fund** which enables two-year colleges to create or enhance training programs that address private sector employers' workforce needs.
7. Provided contingent **one-time funding** of $7.5 million from the strategic investment and improvements fund for grants for developing infrastructure for an enhanced use lease private sector business development project. The funding is contingent upon leases being entered into for the use of facilities at the project site.
8. Provided one-time funding of $3 million, including $2 million from the general fund and $1 million from the student loan trust fund to provide grants to tribal colleges in North Dakota.

CHILDCARE

1. Provided $32,320,535, of which $11,267,617 is from the general fund, to the Department of Human Services for **childcare assistance** programs:
   a. $31,706,038, of which $11,262,717 is from the general fund, $13,525,346 is from federal funds, and $6,917,975 is from retained funds for **grant assistance payments**;
   b. $350,860 from federal funds for payments to **temporary assistance for needy families**; and
   c. $4,900 from the general fund and $258,737 from federal funds for local **Head Start programs**.
2. Provided $10,717,394, of which $8,166,217 is from the general fund, for **workforce development and training**:
   a. $4.85 million from the general fund to the Department of Human Services for **grants to childcare providers** for workforce development pursuant to Section 50-11.1-14.1;
   b. $2,717,394, of which $166,217 is from the general fund and $2,551,177 is from federal funds to the Department of Human Services for contracts to provide **technical assistance**;
   c. $150,000 from the general fund to the Department of Public Instruction for **continuing education grants** for preschool teachers; and

d. $3 million from the general fund to the Department of Commerce for **early childhood education grants**.

3. Provided $2,375,000 from the general fund, for **childcare facilities**:
   a. $2.25 million from the general fund to the Department of Commerce for **childcare facility grants**;
   b. $125,000 from the general fund to the Department of Public Instruction for **grants to schools** for safety compliant space;

INFRASTRUCTURE

1. Provided $2,189.15 million, of which $643.12 million is from the general fund, for **road projects**. Funding from the general fund includes:
   a. $120 million for road projects in **non-oil-producing counties**; and
   b. $523.12 million for **state highway road projects** and maintenance.
2. Provided $91.85 million contingent funding, of which $66 million is from the general fund and $25.85 million from the strategic investment and improvements fund, for **state highway road projects** and maintenance.
3. Provided $55.5 million, including funding from the general fund ($1 million), the Aeronautics Commission fund ($6.5 million), and the oil and gas impact grant fund ($48 million) for **airport grants**.
4. Provided $40 million for **housing-related infrastructure**, including funding from income tax credits ($30 million), from Bank of North Dakota profits ($5 million), and contingent transfer from Bank profits ($5 million).
5. Provided $1,020.78 million for **water projects** from various sources, including a Bank of North Dakota line of credit ($200 million), the resources trust fund ($759.28 million), the water development trust fund ($27.5 million), and the state disaster relief fund ($34 million).
6. Provided $241.3 million for other infrastructure, including funding from the oil and gas impact grant fund ($91.3 million), from the strategic investment and improvements fund ($50 million), and from Bank of North Dakota profits ($100 million) as follows:
   a. $91.3 million from the oil and gas impact grant fund for **oil impact grants**, of which $6.8 million is not designated for specific purposes and $84.5 million is designated for allocations to certain entities, including school districts ($30 million); law enforcement agencies ($10 million); critical access hospitals ($10 million); certain eligible counties ($8 million); emergency medical services providers ($6 million); eligible political subdivisions ($5 million); nursing homes, basic care facilities, and hospice programs ($4 million); fire protection districts ($3 million); providers serving individuals with developmental disabilities ($2 million); domestic violence sexual assault organizations ($2 million); local district health units ($2 million); an eligible city ($1.7 million); and certain eligible cities ($800,000); and
   b. $150 million for the infrastructure revolving loan fund, of which $50 million is from the strategic investment and improvements fund and $100 million is from Bank of North Dakota profits.
7. Provided $1.1 billion in "surge funding" from the strategic investment and improvements fund for other infrastructure:
   a. $298 million for the 2013-15 biennium provided by the 2015 Legislative Assembly, of which $172 million is for distributions to hub cities and other eligible cities, $100 million for distributions to cities within the 10 largest oil-producing counties, $16 million for distributions to organized and unorganized townships within non-oil-producing counties, and $10 million for distributions to certain cities in eligible counties.
   b. $352 million for distributions to counties for road improvements, of which $240 million for oil-producing counties and $112 million for non-oil-producing counties.
   c. $450 million for statewide improvements to state highways.

TRANSPORTATION

1. Anticipated regular **federal highway construction funds** of $545.3 million with $134.1 million state and local matching funds for the 2015-17 biennium compared to $532.2 million with $125.8 million state and local matching funds for the 2013-15 biennium.
2. Anticipated funding for **federal emergency relief projects** of $42.4 million with $6.2 million state and local matching funds for the 2015-17 biennium compared to $116.8 million with $23.2 million state and local matching funds for the 2013-15 biennium.
3. Provided $971.1 million for statewide enhanced state highway investments, of which $521.1 million is from the general fund and $450 million is from the strategic investment and improvements fund.
4. Provided $240 million from the strategic investment and improvements for state highway projects in **areas affected by oil and gas development**.
5. Provided $24 million for distribution to **non-oil-producing counties** for township road and bridge projects of which $16 million is from the strategic investment and improvements fund to be distributed in the 2013-15 biennium and $8 million is from the general fund to the State Treasurer for distributions in February 2016.
6. Provided $224 million for **transportation funding distributions to non-oil-producing counties**, of which $112 million is from the general fund and $112 million is from the strategic investment and improvements fund.

7. Provided $20 million contingent funding from the general fund for **statewide road projects** if 2013-15 general fund revenues exceed projections by at least $20 million.
8. Provided $25.85 million contingent funding from the strategic investment and improvements fund, for **statewide road projects**, if 2015-17 general fund revenues exceed projections by at least $126 million.
9. Provided $46 million contingent funding from the general fund, for **statewide road projects**, if 2015-17 general fund revenues exceed projections by at least $250 million.
10. Provided a one-time general fund transfer of $2 million to the special roads fund for **improvements to roads that lead to recreational areas**.
11. Provided 1 **new FTE position** and $195,143 of special funds for an environmental scientist.

MILITARY-RELATED PROGRAMS

1. Provided $509,514 from the general fund for rental payments and project costs for **city-owned armories**.
2. Provided $2,517,500 from the general fund for the National Guard **tuition assistance program**.
3. Provided $1,903,743 from the general fund for the **reintegration program** to support National Guard members and their families.
4. Provided $500,000 from the general fund to continue the **veterans' bonus program**. In addition, an exemption was provided to allow the carryover of unexpended appropriations for the program into the 2015-17 biennium. Carryover money must be transferred to the Veterans' Cemetery trust fund.

DISASTER-RELATED FUNDING

1. Provided $1 million from the state disaster relief fund for contracted services to provide technical assistance and support to state and local government agencies with emergency management needs.
2. Provided $200,000 from the state disaster relief fund to the Department of Emergency Services to contract for services to coordinate disaster response organizations with state and political subdivision disaster response efforts, including all aspects of disaster recovery from preparedness training through cleanup for declared or undeclared disasters.
3. Provided funding of $30 million from the state disaster relief fund for Fargo interior flood protection.
4. Provided funding of $4 million from the state disaster relief fund for Bismarck area flood protection.
5. Provided funding of $2 million from the state disaster relief fund for Double Ditch Historic Site repairs.
6. Provided funding of $2 million from the state disaster relief fund for Rice Lake chronic flooding relief.
7. Provided $200,000 from the general fund to the Adjutant General for joint disaster training with state, federal, and local entities.

MAJOR SPECIAL FUND BALANCES

	Estimated June 30, 2017, Balance
Legacy fund	$4,325,859,817
Tax relief fund	$300,000,000
Strategic investment and improvements fund	$401,538,777
Budget stabilization fund	$583,545,799

SECTION B - GENERAL FUND REVENUES

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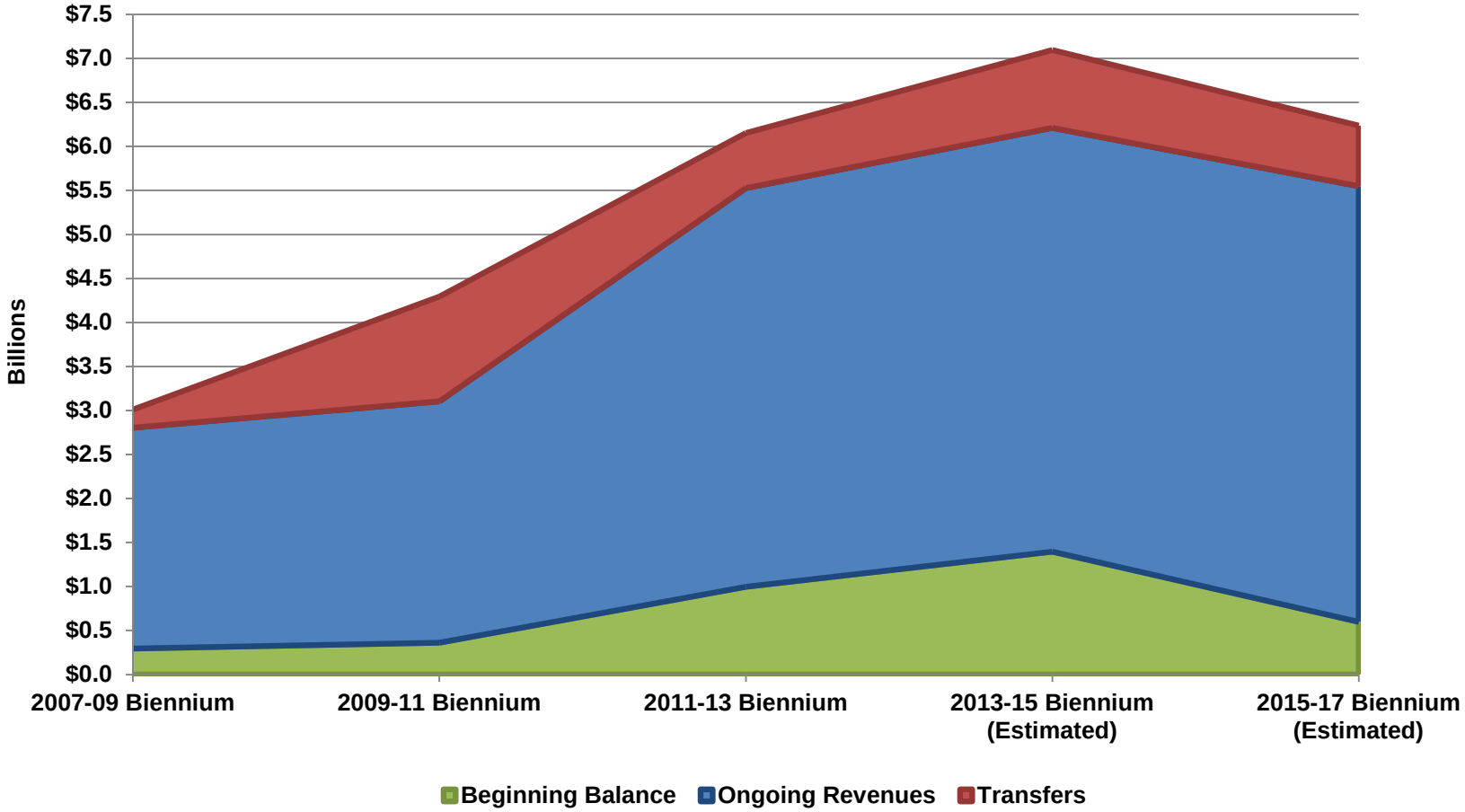
REVENUE SUMMARY

TOTAL GENERAL FUND REVENUES

Based on the 2015-17 biennium legislative revenue forecast, total 2015-17 biennium general fund revenues, including the estimated beginning balance, ongoing revenues, and transfers are estimated to be $6,237,172,270, which is $859,100,908, or 12.1 percent, less than total 2013-15 biennium estimated revenues of $7,096,273,178.

The following is a summary of revenues for the 2007-09 through 2015-17 bienniums:



	2007-09 Biennium	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium (Estimated)	2015-17 Biennium (Estimated)
Beginning balance	$295,541,176	$361,843,514	$996,832,711	$1,396,059,186	$598,664,078
Ongoing revenues	2,509,657,137	2,742,612,281	4,530,367,522	4,815,449,878	4,950,442,696
Transfers	205,606,243	1,190,082,508	625,487,038	884,764,114	688,065,496
Total	$3,010,804,556	$4,294,538,303	$6,152,687,271	$7,096,273,178	$6,237,172,270

GENERAL FUND BEGINNING BALANCE

The December 2014 base revenue forecast reflected a 2015-17 biennium estimated general fund beginning balance of $692,824,955. Based on the revised revenue forecast adopted by the Legislative Assembly in March 2015, the 2015-17 biennium estimated beginning balance decreased by $85,452,891 compared to the December 2014 base revenue forecast. Based on final legislative action, **the July 1, 2015, estimated beginning balance is $598,664,078**, which reflects a decrease of $94,160,877 compared to the December 2014 base revenue forecast.

The schedule below provides information on other legislative action affecting the July 1, 2015, beginning general fund balance.

Bill No.	Description	Amount
1003	Reduces carryover authority for the North Dakota University System related to the performance funding pool ($1 million) and capital assets ($750,000)	$1,750,000
1007	Provides carryover authority to the Veterans' Home related to an asbestos removal project	(84,500)
1014	Provides carryover authority to the Industrial Commission for litigation funding	(1,000,000)
1018	Provides carryover authority to the Department of Commerce for base realignment grants	(600,000)
1025	Provides carryover authority to the Department of Veterans' Affairs for service dog grants	(37,500)
1146	Insurance premium tax rate change related to out-of-state risk, which becomes effective on June 1, 2015	(3,333)
2006	Provides carryover authority to the Tax Department for the capital assets line item related to digital scanners	(16,000)
2013	Adjusts carryover authority provided to the Department of Public Instruction for safety grants	(500,000)
2019	Provides carryover authority to the Parks and Recreation Department for office space rental in the Pembina Gorge area and provides a deficiency appropriation to the Parks and Recreation Department for the operations of the Lewis and Clark Interpretive Center	(325,000)
2023	Deficiency appropriations to state agencies	(6,159,026)
2031	Provides carryover authority to Department of Public Instruction for course delivery ($1,252,627), a study ($200,000), a review of regional education associations ($50,000), and instructional materials ($100,000) and provides carryover authority to the Board for Career and Technical Education for autism spectrum disorder technology grants ($130,000)	(1,732,627)
Total		($8,707,986)

ONGOING GENERAL FUND REVENUE

The December 2014 base revenue forecast reflected 2015-17 biennium estimated ongoing general fund revenue of $5,524,129,375. Based on the revised revenue forecast adopted by the Legislative Assembly in March 2015, the 2015-17 biennium estimated ongoing revenue decreased by $417,111,660 compared to the December 2014 base revenue forecast. Based on final legislative action, **2015-17 biennium estimated ongoing general fund revenue is $4,981,508,192**, which reflects a decrease of $542,621,183 compared to the December 2014 base revenue forecast. Ongoing general fund revenue includes the transfers from the Mill and Elevator Association, the gas tax administration, and the lottery (See the "Transfers to General Fund" section).

Based on the March 2015 revised revenue forecast and final legislative action, estimated 2013-15 biennium ongoing revenue is $4,815,449,878. The estimated 2015-17 biennium ongoing general fund revenue of $4,981,508,192 reflects an increase of $166,058,314, or 3.4 percent, compared to the 2013-15 biennium revised estimated ongoing revenue.

Major areas of 2015-17 biennium **revenue growth** compared to the 2013-15 biennium revised revenue forecast include:

- Sales and use tax collections are estimated to increase by $369.46 million, or 14.8 percent.
- Motor vehicle excise tax collections are estimated to increase by $30.76 million, or 10.8 percent.

Major areas of 2015-17 biennium **revenue reduction** compared to the 2013-15 biennium revised revenue forecast include:

- Individual income tax collections are estimated to decrease by $166.77 million, or 17.9 percent.
- Corporate income taxes are estimated to decrease by $90.84 million, or 19.7 percent.
- Mineral leasing fees are estimated to decrease by $18.95 million, or 49.1 percent.

The 2015 Legislative Assembly approved the following bills, which have a major impact on revenues:

Sales and Use Taxes

- **House Bill No. 1020** transfers $1 million of farm machinery gross receipts tax collections to the agricultural research fund instead of depositing the revenue in the general fund.
- **House Bill No. 1434** authorizes additional alcohol sales on Sunday resulting in an estimated increase of $130,560 in sales and use tax collections.
- **Senate Bill No. 2143** increases the amount available to counties for matching grants from the senior citizen services and programs fund. This bill is anticipated to reduce sales and use tax collections deposited in the general fund by $183,000 during the 2015-17 biennium.

Motor Vehicle Excise Taxes

- **Senate Bill No. 2143** increases the amount available to counties for matching grants from the senior citizen services and programs fund. This bill is anticipated to reduce motor vehicle excise tax collections deposited in the general fund by $20,000 during the 2015-17 biennium.

Income Taxes

- **House Bill No. 1014** provides for $30 million of income tax credits for contributions to the housing incentive fund during the 2015-17 biennium, decreasing individual income tax collections by an estimated $15 million and decreasing corporate income tax collections by an estimated $15 million.
- **Senate Bill No. 2292** allows businesses to use an alternate method for apportioning income. The estimated impact of this bill is a decrease of $15 million to corporate income tax collections during the 2015-17 biennium.
- **Senate Bill No. 2329** provides an additional $2 million of income tax credits for renaissance zones resulting in a decrease in the corporate income tax collections during the 2015-17 biennium.
- **Senate Bill No. 2349** amends the corporate and individual income tax rates. Individual income tax rates are reduced by 10 percent resulting in an estimated decrease of $87 million in individual income tax collections during the 2015-17 biennium. Corporate income tax rates are reduced by 5 percent resulting in an estimated decrease of $21 million in corporate income tax collections during the 2015-17 biennium.

TRANSFERS TO THE GENERAL FUND

The March 2015 revised revenue forecast decreased the December 2014 base revenue forecast estimated total transfers by $2 million, from $26,347,696 to $24,347,696 for the 2015-17 biennium. The $2 million decrease is related to the transfer from the lottery. The transfers reflected in the base revenue forecast includes the transfers from the Mill and Elevator Association, the gas tax administration, and the lottery, all of which are considered ongoing general fund revenue. The 2015 Legislative Assembly provided for 2015-17 biennium transfers to the general fund of $688,065,496, an increase of $663,717,800 compared to the December 2014 base revenue forecast.

Major legislative action affecting the 2015-17 biennium transfers to the general fund includes:

- **House Bill No. 1014** provides for a transfer of 50 percent of the Mill and Elevator's profits without limitation, which are estimated to be $13,755,000. The December 2014 base revenue forecast reflected a transfer of $6,817,200, resulting in an increase of $6,957,800 in the final legislative estimate.
- **Senate Bill No. 2003** increases the amount of lottery proceeds designated for gambling addiction services reducing the amount transferred to the general fund by $240,000.
- **Senate Bill No. 2015** provides for a one-time transfer of $657 million from the tax relief fund. The December 2014 base revenue forecast did not include this transfer.

OIL AND GAS TAX REVENUE

The 2015-17 biennium forecasted oil tax revenue collections are based on tax rates, incentives and exemptions, oil prices, and oil production. The March 2015 revised revenue forecast reflects oil prices increasing from $41.97 to $52.56 per barrel and average daily oil production remaining at 1.1 million barrels per day for the 2015-17 biennium. Actual oil prices, oil production, and other factors throughout the 2015-17 biennium could increase or decrease actual oil tax revenue collections. Based on final legislative action, the **2015-17 biennium estimated oil and gas tax revenue collections are $3,433,730,000**.

In House Bill No. 1176, the 2015 Legislative Assembly increased the county allocation of revenue over $5 million by 5 percent to provide 30 percent of all revenue over $5 million to the county. The Legislative Assembly changed the definition of a hub city resulting in increased allocations to hub cities and hub city school districts. In addition, the Legislative Assembly provided an additional allocation to school districts in certain counties that received $5 million or more.

In House Bill No. 1377, the 2015 Legislative Assembly removed the contingent transfers from the strategic investment and improvements fund to the legacy fund, renamed the property tax relief fund the tax relief fund, and changed the allocation of the state's share of oil and gas tax revenue. The changes to the allocation of the state's share include decreasing the allocation to the tax relief fund from $342.79 million to $300 million and allocating the remaining revenue to the strategic investment and improvements fund (70 percent) and to the political subdivision allocation fund (30 percent). The State Treasurer allocates the money in the political subdivision allocation fund to political subdivisions proportional to the allocations to political subdivisions under the 4 percent of the 5 percent oil and gas gross production tax.

In House Bill No. 1476, the 2015 Legislative Assembly changed the oil extraction tax rate from 6.5 percent to 5 percent effective January 1, 2016, removed the rate reductions and exemptions included in the provisions of the "large" trigger, and provided a new oil extraction tax trigger allowing for a 6 percent oil extraction tax if, for three consecutive months, the price of West Texas Intermediate crude oil exceeds the trigger price of $90 as adjusted for inflation.

The flowchart in the "Allocation of Oil Extraction and Oil and Gas Gross Production Taxes for the 2015-17 Biennium" section provides more detailed information on the allocation of oil and gas tax revenue.

Other Major Tax and Fee Changes

The following is a summary of other bills approved by the 2015 Legislative Assembly that provide for major tax or fee changes:

Bill No.	Description	Estimated Impact - Other Funds
1101	Increases annual license fees collected by the Department of Financial Institutions and allows the department to collect branch fees for out-of-state financial institutions	$132,800
1238	Provides for a $1 increase per animal in the beef check-off assessment collected by the North Dakota Beef Commission	$2,000,000
1360	Increases collections by the Department of Transportation from the issuance of a "patriotic" license plate	$78,345
2164	Provides for an increase in the licensing fees for snowmobiles	$214,000
2175	Eliminates the requirement that $.07 per gallon be withheld from all agriculture-related fuel tax refunds and deposited in the agricultural research fund	($230,000)
2186	Removes the June 30, 2015, effective date allowing honey assessments to remain at $.10 per colony rather than $.05	$50,000
2278	Increases contractor licensing and renewal fees and diverts 25 percent of the fees to the Secretary of State's operating account rather than the general fund	$580,000

GENERAL FUND REVENUE ESTIMATES FOR THE 2013-15 AND 2015-17 BIENNIUMS AND ACTUAL COLLECTIONS FOR PRIOR BIENNIUMS

	Actual		Estimated		2015-17 Biennium Increase (Decrease) Compared to the 2013-15 Biennium	
	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium[1]	2015-17 Biennium[2]	Amount	Percentage
Beginning balance	$361,843,514	$996,832,711	$1,396,059,186	$598,664,078	($797,395,108)	(57.1%)
Revenue source						
Sales and use tax	$1,267,211,331	$2,196,977,793	$2,498,566,100	$2,868,026,560	$369,460,460	14.8%
Motor vehicle excise tax	124,425,401 [3]	252,725,403	283,563,958	314,324,000	30,760,042	10.8%
Individual income tax	729,255,895 [4]	1,046,161,236 [4]	930,041,203 [4]	763,276,000 [4]	(166,765,203)	(17.9%)
Corporate income tax	234,364,296 [5]	385,814,247 [5]	462,265,247 [5]	371,422,000 [5]	(90,843,247)	(19.7%)
Insurance premium tax	63,150,948	82,857,729	84,927,055	91,830,364	6,903,309	8.1%
Business privilege tax	6,748,753	11,236,510	(4,871,446) [6]	0	4,871,446	(100.0%)
Cigarette and tobacco tax	46,253,470	53,723,649	59,511,291	61,334,000	1,822,709	3.1%
Oil and gas production tax	32,718,333 [7]	133,834,000 [8]	146,071,108 [8]	155,570,000 [8]	9,498,892	6.5%
Oil extraction tax	38,281,667 [7]	166,166,000 [8]	153,928,892 [8]	144,430,000 [8]	(9,498,892)	(6.2%)
Coal conversion tax	39,064,299	38,399,414	38,875,236	39,578,000	702,764	1.8%
Gaming tax	16,189,991	11,136,421	7,097,793	7,106,250	8,457	0.1%
Wholesale liquor tax	15,163,855	17,617,501	18,321,019	18,995,000	673,981	3.7%
Mineral leasing fees	17,521,635	43,052,074	38,615,762	19,667,704	(18,948,058)	(49.1%)
Interest income	43,684,825	13,671,280	19,930,091	20,999,500	1,069,409	5.4%
Departmental collections	68,577,582	76,994,265	78,606,569	73,883,318	(4,723,251)	(6.0%)
Total revenues	$2,742,612,281	$4,530,367,522	$4,815,449,878	$4,950,442,696	$134,992,818	2.8%
Transfers and other sources						
Transfer - Bank of North Dakota	$0	$0	$0	$0	$0	N/A
Transfer - Student loan trust fund	0	0	0	0	0	N/A
Transfer - Mill and Elevator Association	13,902,268 [9]	9,448,922 [9]	6,817,200 [9]	13,775,000 [9]	6,957,800	102.1%
Transfer - Lottery	10,400,000	14,300,000	14,200,000	15,260,000	1,060,000	7.5%
Transfer - Gas tax administration	1,288,000	1,485,000	1,777,360	2,030,496	253,136	14.2%
Transfer - Lands and minerals trust fund	35,000,000	0	0	0	0	N/A
Transfer - Permanent oil tax trust fund	1,124,935,590 [10]	0	0	0	0	N/A
Transfer - Property tax relief fund	0	295,000,000	341,790,000	657,000,000	315,210,000	92.2%
Transfer - Strategic investment and improvements fund	0	305,000,000	520,000,000	0	(520,000,000)	(100.0%)
Transfers - Other	4,556,650	253,116	179,554	0	(179,554)	(100.0%)
Total transfers and other sources	$1,190,082,508	$625,487,038	$884,764,114	$688,065,496	($196,698,618)	(22.2%)
Total beginning balance, revenues, and transfers	$4,294,538,303	$6,152,687,271	$7,096,273,178	$6,237,172,270	($859,100,908)	(12.1%)

[1] Revised 2013-15 revenue forecast (March 2015).

[2] Legislative forecast for the 2015-17 biennium.

[3] Senate Bill No. 2012 (2009) provides for 25 percent of motor vehicle excise taxes to be deposited in the highway fund rather than the general fund for the 2009-11 biennium. This bill reduced general fund motor vehicle excise tax collections by $41.5 million for the 2009-11 biennium.

[4] The amount shown for the 2009-11 biennium reflects a revenue reduction of $90 million relating to income tax relief. The amount shown for the 2011-13 biennium reflects a revenue reduction of an additional $120 million relating to income tax rate reductions of 17.9 percent as provided for in 2011 House Bill No. 1047. The amount shown for the 2013-15 biennium reflects a revenue reduction of an additional $200 million relating to income tax relief. The amount shown for the 2015-17 biennium includes a $87 million reduction relating to income tax relief and a $15 million reduction relating to housing incentive fund tax credits based on legislative action.

[5] The amount shown for the 2009-11 biennium reflects a revenue reduction of $10 million relating to income tax relief. The amount shown for the 2011-13 biennium reflects a revenue reduction of an additional $25 million relating to income tax rate reductions of 19.5 percent as provided for in 2011 House Bill No. 1047. The amount shown for the 2013-15 biennium reflects a revenue reduction of an additional $50 million relating to income tax relief. The amount shown for the 2015-17 biennium includes a $21 million reduction relating to income tax relief and a $15 million reduction relating to housing incentive fund tax credits based on legislative action.

[6] Senate Bill No. 2325 (2013) repealed the business privilege tax and requires financial institutions to file corporate income tax returns. This bill is anticipated to reduce business privilege tax collections by $7.3 million and increase corporate income tax collections by $22.5 million during the 2013-15 biennium.

[7] From 1999 through 2003, North Dakota Century Code Section 57-51.1-07.2 provided that if, at the end of any biennium, oil and gas gross production and extraction tax collections during the biennium exceed $62 million, the excess amount must be transferred from the general fund to the permanent oil tax trust fund. From 2003 to 2011, of the state's share, the first $71 million of oil tax collections was deposited in the general fund and all remaining revenue was transferred into the permanent oil tax trust fund. Interest on money in the fund is transferred to the general fund.

[8] The 2011 Legislative Assembly created a new section to Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1. The 2015 Legislative Assembly amended the section to allocate the state's share as follows:

The first $200 million is deposited in the general fund;
The next $300 million is deposited in the tax relief fund;
The next $100 million is deposited in the general fund;
The next $100 million is deposited in the strategic investment and improvements fund;
The next $22 million is deposited in the state disaster relief fund but not in an amount that would bring the unobligated balance to more than $25 million; and
Any remaining revenues are allocated to deposit 70 percent in the strategic investment and improvements fund and to deposit 30 percent of in the political subdivision allocation fund.

The state's share of oil and gas tax collections are estimated to be $1,666 million for the 2013-15 biennium. Of the $1,666 million, $300 million is to be deposited in the general fund, $342 million in the property tax relief fund, $22 million in the state disaster relief fund, and $1,002 million in the strategic investment and improvements fund before any potential transfers to the legacy fund. The state's share of oil and gas tax collections are estimated to be $862 million for the 2015-17 biennium. Of the $862 million, $300 million is to be deposited in the general fund, $300 million in the tax relief fund, $16 million in the state disaster relief fund, $202 million in the strategic investment and improvements fund, and $44 million in the political subdivision allocation fund.

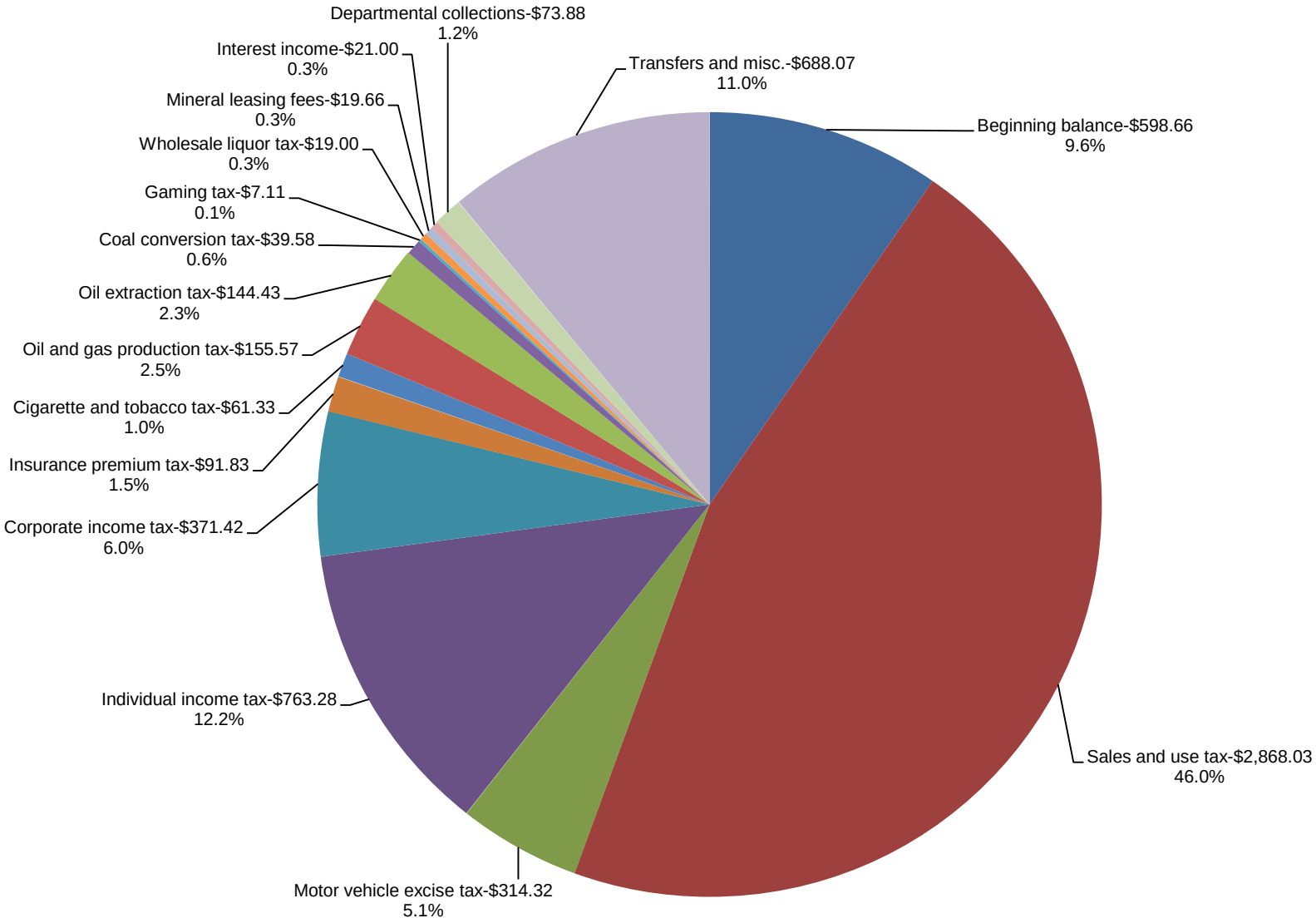
The amounts shown for the oil and gas gross production tax and oil extraction tax collections for the 2015-17 biennium reflect the March 2015 revised revenue forecast and final legislative action, which changed the oil extraction tax rate, the allocations political subdivisions, and the allocation of the state's share.

[9] The 2009 Legislative Assembly repealed the $5 million transfer from the Mill and Elevator Association for the 2007-09 biennium and provided for future transfers from the Mill and Elevator based on a percentage of mill profits. The amount shown for the 2011-13 biennium reflects Mill and Elevator profits for the 2011-13 biennium. The 2013 Legislative Assembly provided that the transfer from the Mill and Elevator for the 2013-15 biennium be 50 percent of mill profits or $6,817,200, whichever is less. The amount shown for the 2015-17 biennium reflects the changes approved by the 2015 Legislative Assembly, which provides for a transfer of 50 percent of the profits without limitation.

[10] The 2011 Legislative Assembly repealed the permanent oil tax trust fund and provided for a transfer of the balance in the fund to the general fund at the end of the 2009-11 biennium. Therefore, transfers from the permanent oil tax trust fund increased from $435 million as provided for by the 2009 Legislative Assembly to $1,124,900,000 due to action by the 2011 Legislative Assembly to repeal the permanent oil tax trust fund at the end of the 2009-11 biennium in House Bill No. 1451.

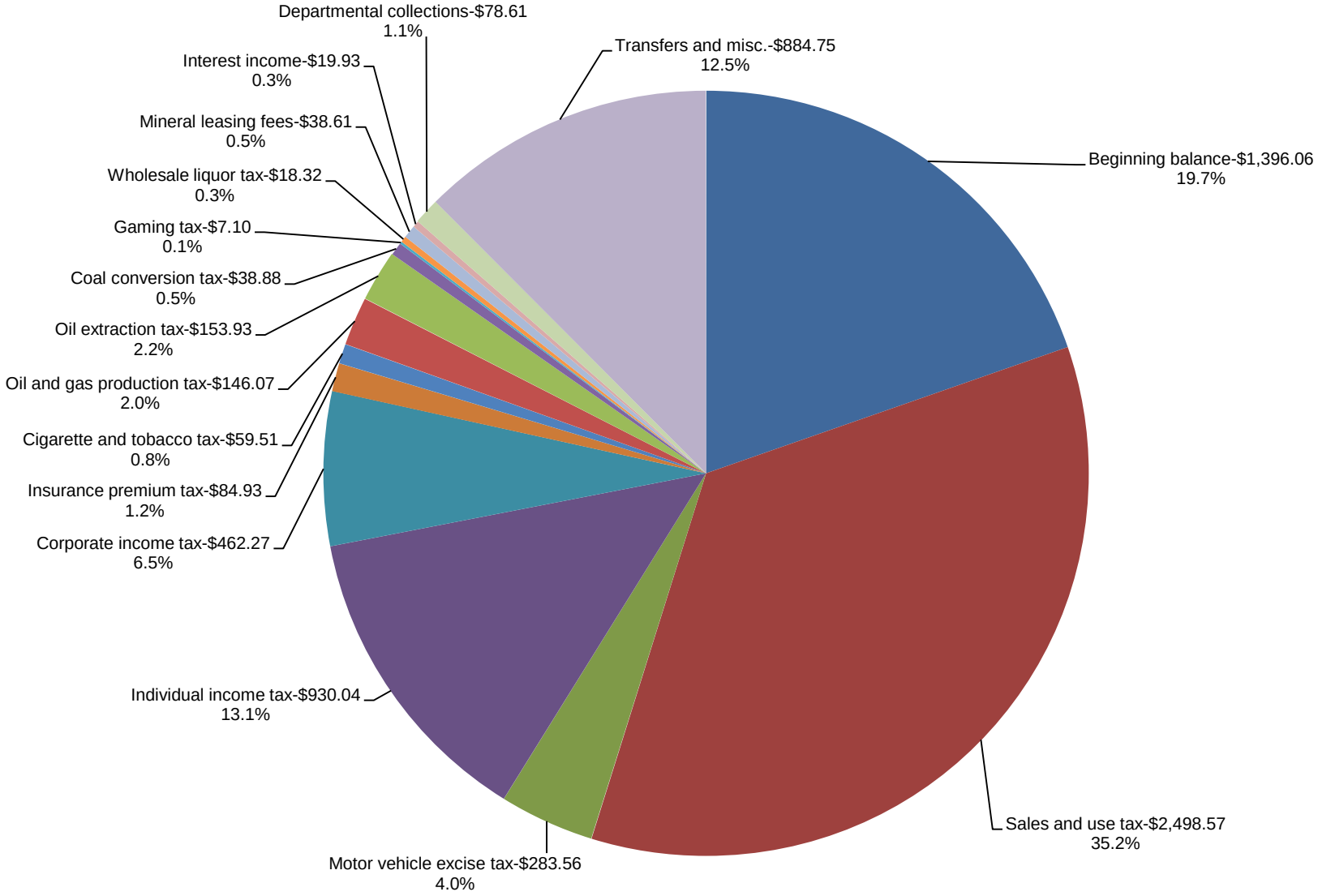
2015-17 ESTIMATED GENERAL FUND REVENUES

Total 2015-17 Estimated General Fund Revenues - $6,237,172,270
(Amounts Shown in Millions)



2013-15 ESTIMATED GENERAL FUND REVENUES

Total 2013-15 Estimated General Fund Revenues - $7,101,144,624
(Amounts Shown in Millions)



NOTE: The amounts shown in the chart above do not include business privilege tax refunds of $4,871,446 related to prior period adjustments, which resulted in a negative balance for business privilege tax collections. The 2013 Legislative Assembly repealed the business priviilege tax.

DEFICIENCY APPROPRIATIONS FOR THE 2013-15 BIENNIUM

	General Fund	Other Funds	Total
House Bill No. 1364 - **Department of Veterans' Affairs** - $380,000 from federal funds and other income for transportation services or the purchase of vehicles to provide transportation services to veterans		$380,000	$380,000
Senate Bill No. 2012 - **Department of Human Services** - $87 million from federal funds for medical assistance grants		87,000,000	87,000,000
Senate Bill No. 2019 - **Parks and Recreation Department** - $125,000 from the general fund for operating costs of the Lewis and Clark Interpretive Center	$125,000		125,000
Senate Bill No. 2023 - Deficiency appropriations for various state agencies as follows:			
Attorney General - $50,000 from the general fund for operating expenses	50,000		50,000
Secretary of State - $1.35 million from the general fund including $950,000 to repay a Bank of North Dakota loan authorized for the Central Indexing System information technology project and $400,000 for a business process modeling study	1,350,000		1,350,000
Commission on Legal Counsel for Indigents - $700,000 from the general fund for expenses resulting from increased caseloads	700,000[1]		700,000[1]
Minot State University - $1,800,579 from the general fund for flood-related expenditures	1,800,579		1,800,579
Williston State College - $50,000 from the general fund to repair the roof of the boiler building	50,000		50,000
Valley City State University - $152,000 from the general fund for building demolition costs and $3 million from the state disaster relief fund for flood protection projects	152,000	3,000,000	3,152,000
Department of Health - $720,900 from the general fund for the local public health vaccine purchasing program ($470,900) and for pending legal actions with the United State Environmental Protection Agency ($250,000)	720,900		720,900
Department of Corrections and Rehabilitation - $1,135,547 from the general fund to repay a Bank of North Dakota loan and interest authorized for the State Penitentiary building project	1,135,547		1,135,547
Adjutant General - $5 million from the state disaster relief fund to repay a Bank of North Dakota loan for the state's share of disaster costs		5,000,000	5,000,000
Total Senate Bill No. 2023	$5,959,026	$8,000,000	$13,959,026
Senate Bill No. 2103 - State Treasurer - $298 million from the strategic investment and improvements fund for distributions to political subdivisions for the 2013-15 biennium including $100 million to the incorporated cities in the top 10 oil producing counties; $16 million to organized and unorganized townships in the 43 non-oil-producing counties; $10 million to eligible incorporated cities; and $172 million to Williston, Dickinson, Minot, and Watford City.		298,000,000	298,000,000
Total deficiency appropriations for the 2013-15 biennium	$6,084,026	$393,380,000	$399,464,026

[1]In addition, in Section 3 of Senate Bill No. 2023, the Legislative Assembly directed the Office of Management and Budget to transfer $200,000 from the state contingencies appropriation to the Commission on Legal Counsel for Indigents during the 2013-15 biennium.

ALLOCATION OF ESTIMATED OIL EXTRACTION AND OIL AND GAS GROSS PRODUCTION TAXES FOR THE 2015-17 BIENNIUM (AMOUNTS SHOWN IN MILLIONS)

2015-17 Biennium Estimated Allocations Based on the March 2015 Revised Revenue Forecast and Final Legislative Action												
Tax	State Share[1]	Legacy Fund[2]	Common Schools Trust Fund[3]	Foundation Aid Stabilization Fund[3]	Resources Trust Fund[4]	Oil and Gas Impact Grant Fund[5]	Oil and Gas Research Fund[6]	North Dakota Outdoor Heritage Fund[7]	Political Subdivisions[8]	Tribal Share[9]	Abandoned Well Reclamation Fund[10]	Total
Oil extraction tax[11]	$472.45	$434.92	$134.23	$134.23	$268.46	$0.00	$5.45	$0.00	$0.00	$107.45	$0.00	$1,557.19
Oil and gas gross production tax[12]	390.39	515.68	0.00	0.00	0.00	140.00	4.55	27.50	630.79	157.63	10.00	1,876.54
Total	$862.84	$950.60	$134.23	$134.23	$268.46	$140.00	$10.00	$27.50	$630.79	$265.08	$10.00	$3,433.73

[1]The 2011 Legislative Assembly created a new section to North Dakota Century Code Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1. In House Bill No. 1377, the 2015 Legislative Assembly amended the section to provide the following estimated allocations for the 2015-17 biennium:

- The first $200 million is deposited in the **general fund** ($200 million);
- The next $300 million is deposited in the **tax relief fund** ($300 million);
- The next $100 million is deposited in the **general fund** ($100 million);
- The next $100 million is deposited in the **strategic investment and improvements fund** ($100 million);
- The next $22 million is deposited in the **state disaster relief fund**, but not in an amount that would bring the unobligated balance to more than $25 million ($16.42 million); and
- 70 percent of any additional revenues are deposited in the **strategic investment and improvements fund** ($102.49 million), and 30 percent of any additional revenues are deposited in the **political subdivision allocation fund** ($43.93 million).

In House Bill Nos. 1176 and 1377, the 2015 Legislative Assembly amended Section 15-08.1-08 to remove the requirement that 25 percent of any revenues received for deposit in the strategic investment and improvements fund in the subsequent month must be deposited instead into the legacy fund if the unobligated balance of the strategic investment and improvements fund exceeds $300 million at the end of any month.

[2]Passage of Constitutional Measure No. 1 in the November 2010 general election resulted in the creation of a legacy fund. The legacy fund receives 30 percent of oil and gas gross production and oil extraction taxes beginning July 1, 2011.

[3]The 1993 Legislative Assembly passed Senate Concurrent Resolution No. 4011, which contained a constitutional amendment relating to the distribution of oil extraction tax revenues. The constitutional amendment was approved by the voters in the November 1994 general election. The constitutional amendment provides 20 percent of the oil extraction tax revenues is to be allocated:

- 50 percent (of the 20 percent) to the common schools trust fund.
- 50 percent (of the 20 percent) to the foundation aid stabilization fund.

[4]The amount shown reflects the estimated distribution of 20 percent of oil extraction taxes to the resources trust fund.

In Senate Bill No. 2014, the 2013 Legislative Assembly provided for allocation of 5 percent of the oil extraction tax revenue deposited in the resources trust fund, not to exceed $3 million, to the renewable energy development fund to be spent pursuant to a continuing appropriation and one-half of 1 percent of the oil extraction tax revenue deposited in the resources trust fund, not to exceed $1.2 million, to a newly created energy conservation fund.

In Senate Bill No. 2233, the 2013 Legislative Assembly established an infrastructure revolving loan fund within the resources trust fund, which became effective January 1, 2015. The bill provides 10 percent of oil extraction tax revenue deposited in the resources trust fund is to be made available on a continuing basis to provide loans for water supply, flood protection, or other water development and water management projects.

[5]The 2015 Legislative Assembly provided an allocation of up to $140 million to the oil and gas impact grant fund for the 2015-17 biennium and an allocation of up to $100 million in subsequent bienniums.

[6]Section 57-51.1-07.3 (2003 Senate Bill No. 2311) establishes an oil and gas research fund and provides 2 percent of the state's share of oil and gas gross production tax and oil extraction tax revenues, up to $4 million per biennium, are to be deposited in the oil and gas research fund. All money deposited in the oil and gas research fund is appropriated as a continuing appropriation to the Oil and Gas Research Council. The 2013 Legislative Assembly in Senate Bill No. 2014 increased the allocation to $10 million per biennium.

[7]The 2013 Legislative Assembly in House Bill No. 1278 provided an allocation of 4 percent of the first 1 percent of oil and gas gross production tax revenue, to a newly created North Dakota outdoor heritage fund with an annual funding cap of $15 million, or $30 million per biennium. The 2015 Legislative Assembly increased the allocation to 8 percent with an annual funding cap of $20 million.

[8]Section 57-51-15 provides a formula for distribution of the oil and gas gross production tax to counties and other political subdivisions. In House Bill No. 1358, the 2013 Legislative Assembly changed the formula to provide 100 percent of the first $5 million of revenue and 25 percent of all revenue over $5 million to the county. In House Bill No. 1176, the 2015 Legislative Assembly increased the county allocation of revenue over $5 million by 5 percent to provide 30 percent of all revenue over $5 million to the county.

For a county that receives less than $5 million annually of oil tax allocations, 45 percent of all revenues allocated to a county is distributed to the county general fund, 35 percent to school districts within the county based on average daily attendance, and 20 percent to incorporated cities in the county based on population. For a county that receives $5 million or more, 60 percent of all revenues allocated to a county is distributed to the county general fund, 5 percent to school districts within the county based on average daily attendance, 3 percent to townships in an equal amount to all townships, 3 percent to townships in the county based on the proportion of township road miles, and 9 percent to hub cities based on specified percentages.

[9]The 2013 Legislative Assembly in House Bill No. 1198 amended Section 57-51.2-02 to increase the tribal share of revenue allowable under the tribal agreement for production on nontrust lands from 20 percent of oil and gas gross production taxes to 50 percent of total oil and gas gross production tax and oil extraction tax. The bill also eliminates the 5-year oil extraction tax exemption for wells drilled on an Indian reservation after June 30, 2013. As a result, oil and gas tax revenue collections from tribal lands are allocated 50 percent to the state and 50 percent to the Three Affiliated Tribes.

[10]The 2013 Legislative Assembly in House Bill No. 1333 provided for 4 percent of the first 1 percent of oil and gas gross production tax to be allocated to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding $5 million per state fiscal year and not in an amount that would bring the balance of the fund to more than $75 million. In House Bill No. 1032, the 2015 Legislative Assembly increased the allocation limit from $5 million to $7.5 million per fiscal year and increased the fund balance limit from $75 million to $100 million. However, the changes by the 2015 Legislative Assembly are contingent upon the "large" trigger not being in effect for the first six months of the 2015-17 biennium.

[11]The oil extraction tax rate is 6.5 percent of the gross value at the well for production through December 31, 2015. After December 31, 2015, the oil extraction tax rate is 5 percent of the gross value at the well (2015 House Bill No. 1476). Certain oil extraction tax rate reductions and exemptions are available until December 1, 2015, and are based on the price of oil and the type of well. These provisions require the average monthly comparison price of a barrel of oil to be less than the trigger price for five consecutive months. After December 31, 2015, the remaining major tax exemptions include stripper wells, incremental oil production, and wells outside the Bakken and Three Forks Formations.

Other tax exemptions include:

- The initial production of oil from a well that was drilled and completed on tribal lands before July 1, 2013, is exempt from any oil extraction tax for a period of 60 months.
- The first 75,000 barrels of oil produced during the first 18 months after completion, from a well drilled and completed outside the Bakken and Three Forks Formations, and 10 miles or more outside an established field in which the Industrial Commission has defined the pool to include the Bakken or Three Forks Formations, is subject to a reduced tax rate of 2 percent of the gross value at the well of the oil.
- A special set of rate reductions and exemptions are effective for qualifying wells if the average monthly comparison price of a barrel of oil is less than $55 for one month. The rate reductions and exemptions are effective until the average monthly comparison price of a barrel of oil exceeds $70 for one month. This special trigger price provision was approved by the 2009 Legislative Assembly, and the 2013 Legislative Assembly in House Bill No. 1198 extended the period during which wells can qualify for the exemption to July 1, 2015.

Beginning July 1, 2011, the oil extraction tax is allocated 30 percent to the legacy fund, 20 percent to the resources trust fund for water development projects, 10 percent to the common schools trust fund, 10 percent to the foundation aid stabilization fund, and 30 percent to the state general fund.

[12]The gross production tax on oil is 5 percent of the gross value at the well on oil produced. The gross production tax on gas is four cents times the gas base rate adjustment for each fiscal year as calculated by the Tax Department.

The oil and gas gross production tax is distributed per formula to political subdivisions and certain state funds. Section 57-51-15.1 (2015 House Bill No. 1176) changed the maximum distribution to the oil and gas impact grant fund to provide $140 million for the 2015-17 biennium and $100 million in subsequent bienniums. House Bill No. 1176 (2015) also changed the formula distribution of oil and gas gross production tax collections to political subdivisions.

SECTION C - APPROPRIATIONS

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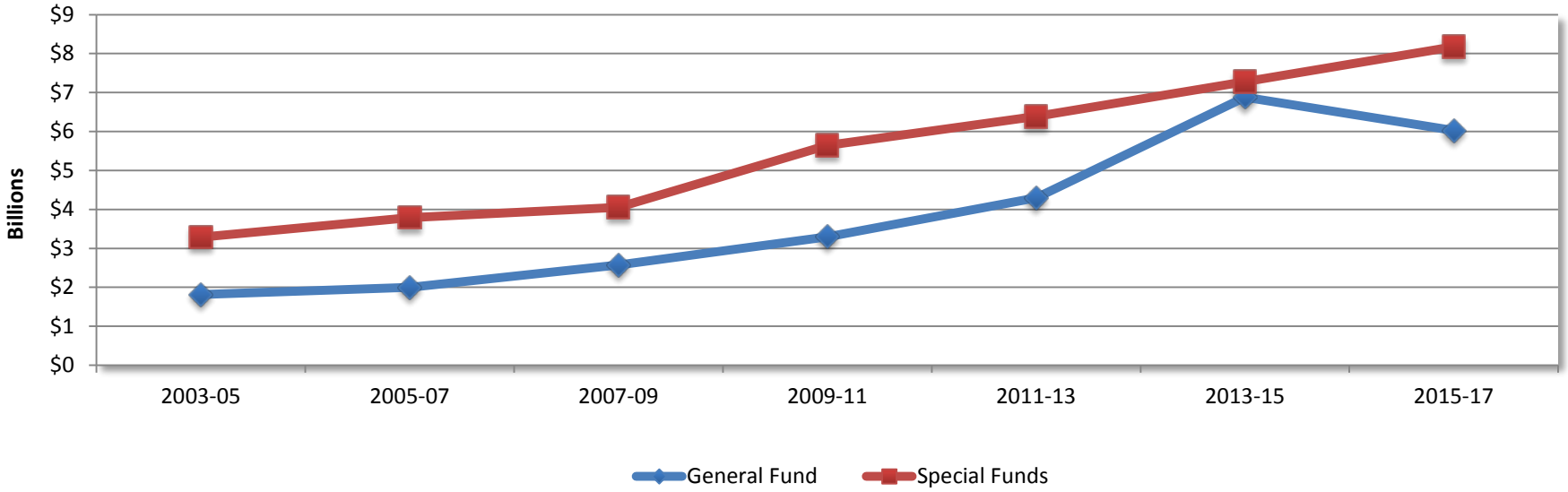
APPROPRIATIONS SUMMARY

The Legislative Assembly in 2015 provided general fund appropriations of $6,026,162,678, $853,508,702 or 12.4 percent less than the 2013-15 legislative general fund appropriations. Of the $6,026,162,678 of general fund appropriations, $4,852,498,820 is considered ongoing general fund appropriations and $1,173,663,858 is considered one-time general fund appropriations. Ongoing general fund spending increased by 9.4 percent compared to 2013-15 appropriations. Additional information regarding one-time general fund appropriations is provided in the one-time funding schedule included in this section.

The 2015 Legislative Assembly provided special fund appropriations of $8,174,234,116, $899,179,160 or 12.4 percent more than the 2013-15 legislative special fund appropriations.

The following is a summary of legislative appropriations for the bienniums 2003-05 through 2015-17:



Biennium	General Fund Appropriations	Special Fund Appropriations	Total Appropriations
2003-05	$1,816,885,505	$3,289,715,994	$5,106,601,499
2005-07	$2,000,537,074	$3,785,221,167	$5,785,758,241
2007-09	$2,574,313,275	$4,049,667,487	$6,623,980,762
2009-11	$3,296,595,649	$5,642,342,384	$8,938,938,033
2011-13	$4,297,001,161	$6,387,287,420	$10,684,288,581
2013-15	$6,879,671,380	$7,275,054,956	$14,154,726,336
2015-17	$6,026,162,678	$8,174,234,116	$14,200,396,794

NOTE: Appropriation amounts are restated to reflect, where appropriate, deficiency appropriations provided by a subsequent Legislative Assembly or budget allotments ordered by the Governor.

COMPARISON OF 2013-15 and 2015-17 LEGISLATIVE APPROPRIATIONS

Budget No.	Budget	Legislative Appropriation 2013-15 General Fund	Legislative Appropriation 2013-15 Total Funds	Legislative Appropriation 2015-17 General Fund	Legislative Appropriation 2015-17 Total Funds	Increase (Decrease) From 2013-15 to 2015-17 General Fund	Increase (Decrease) From 2013-15 to 2015-17 Total Funds
	General Government						
101	Governor's office	$4,033,873	$4,033,873	$4,499,475	$4,499,475	$465,602	$465,602
108	Secretary of State	6,646,849	12,491,266	10,085,308	13,668,844	3,438,459	1,177,578
110	Office of Management and Budget	360,646,688	374,877,318	42,488,258	65,213,648	(318,158,430)	(309,663,670)
112	Information Technology Department	21,254,428	170,928,981	27,905,987	179,619,026	6,651,559	8,690,045
117	State Auditor	8,473,489	11,510,407	10,461,832	13,967,702	1,988,343	2,457,295
120	State Treasurer	311,333,469	311,333,469	260,057,355	260,057,355	(51,276,114)	(51,276,114)
125	Attorney General	38,851,628	83,834,078	55,376,870	91,277,655	16,525,242	7,443,577
127	Tax Commissioner	57,054,140	57,179,140	58,769,918	58,894,918	1,715,778	1,715,778
140	Office of Administrative Hearings		2,818,896		2,965,651		146,755
150	Legislative Assembly	13,921,971	13,921,971	15,885,367	15,885,367	1,963,396	1,963,396
160	Legislative Council	12,862,475	12,932,474	13,439,133	13,509,133	576,658	576,659
180	Judicial branch	98,305,993	100,481,582	112,630,994	114,997,800	14,325,001	14,516,218
188	Commission on Legal Counsel for Indigents	11,923,410	14,421,276	18,304,103	20,411,017	6,380,693	5,989,741
190	Retirement and Investment Office		4,899,369		5,413,425		514,056
192	Public Employees Retirement System		7,650,450		9,496,373		1,845,923
	Total General Government	$945,308,413	$1,183,314,550	$629,904,600	$869,877,389	($315,403,813)	($313,437,161)
	Education						
	Elementary, Secondary, and Other Education						
201	Department of Public Instruction	$1,728,613,325 [1]	$2,165,610,084 [1]	$1,820,982,952 [1]	$2,329,615,425 [1]	$92,369,627	$164,005,341
226	Department of Trust Lands		247,506,969		148,243,153	0	(99,263,816)
250	State Library	5,875,988	8,270,133	6,773,655	9,212,406	897,667	942,273
252	School for the Deaf	7,799,379	10,370,566	9,140,590	10,829,800	1,341,211	459,234
253	North Dakota Vision Services - School for the Blind	7,694,093	8,547,849	5,081,484	5,706,809	(2,612,609)	(2,841,040)
270	Department of Career and Technical Education	32,392,916	42,680,711	33,920,062	43,617,949	1,527,146	937,238
	Total Elementary, Secondary, and Other Education	$1,782,375,701	$2,482,986,312	$1,875,898,743	$2,547,225,542	$93,523,042	$64,239,230
	Higher Education						
215	North Dakota University System office	$162,045,136	$164,345,048	$154,629,019	$159,640,235	($7,416,117)	($4,704,813)
227	Bismarck State College	45,706,327	52,371,327	38,155,826	38,755,826	(7,550,501)	(13,615,501)
228	Lake Region State College	18,234,648	18,234,648	16,635,979	16,635,979	(1,598,669)	(1,598,669)
229	Williston State College	26,321,661	28,821,661	12,748,265	12,748,265	(13,573,396)	(16,073,396)
230	University of North Dakota (UND)	230,556,333	327,043,595	240,445,904	246,445,904	9,889,571	(80,597,691)
232	UND School of Medicine and Health Sciences	56,505,634	56,505,634	71,437,396	71,437,396	14,931,762	14,931,762
235	North Dakota State University (NDSU)	171,193,784	211,013,140	157,410,540	169,010,540	(13,783,244)	(42,002,600)
238	State College of Science	47,279,714	48,629,714	58,029,764	58,029,764	10,750,050	9,400,050
239	Dickinson State University	39,508,305	39,508,305	27,015,931	40,515,931	(12,492,374)	1,007,626
240	Mayville State University	22,387,066	22,387,066	16,739,145	16,739,145	(5,647,921)	(5,647,921)
241	Minot State University	48,940,641	60,742,426	48,758,181	48,758,181	(182,460)	(11,984,245)
242	Valley City State University	25,284,607	30,091,444	39,758,668	55,758,668	14,474,061	25,667,224
243	Dakota College at Bottineau	9,179,870	16,780,659	9,802,405	20,450,599	622,535	3,669,940
244	North Dakota Forest Service	5,486,189	7,136,189	5,007,844	6,657,844	(478,345)	(478,345)
	Total Higher Education	$908,629,915	$1,083,610,856	$896,574,867	$961,584,277	($12,055,048)	($122,026,579)
	Total Education	$2,691,005,616	$3,566,597,168	$2,772,473,610	$3,508,809,819	$81,467,994	($57,787,349)
	Health and Welfare						
301	State Department of Health	$46,001,508	$185,569,942	$51,521,680	$195,692,644	$5,520,172	$10,122,702
305	Tobacco Prevention and Control Executive Committee		15,815,828		16,548,039		732,211

Budget No.	Budget	Legislative Appropriation 2013-15 General Fund	Legislative Appropriation 2013-15 Total Funds	Legislative Appropriation 2015-17 General Fund	Legislative Appropriation 2015-17 Total Funds	Increase (Decrease) From 2013-15 to 2015-17 General Fund	Increase (Decrease) From 2013-15 to 2015-17 Total Funds
313	Veterans' Home	7,722,353	24,152,153	8,697,725	23,712,023	975,372	(440,130)
316	Indian Affairs Commission	1,027,558	1,027,558	1,217,245	1,217,245	189,687	189,687
321	Department of Veterans' Affairs	1,715,703	1,715,703	1,612,495	1,900,513	(103,208)	184,810
325	Department of Human Services	1,171,116,129	2,949,452,594	1,332,202,833	3,577,971,750	161,086,704	628,519,156
360	Protection and Advocacy Project	2,531,562	5,765,174	3,034,111	6,466,964	502,549	701,790
380	Job Service North Dakota	2,030,235	79,827,763	2,116,191	72,584,057	85,956	(7,243,706)
	Total Health and Welfare	$1,232,145,048	$3,263,326,715	$1,400,402,280	$3,896,093,235	$168,257,232	$632,766,520
	Regulatory						
401	Insurance Commissioner		$26,377,090		$28,246,346		$1,869,256
405	Industrial Commission	$22,494,125	63,467,917	$34,966,173	65,585,942	$12,472,048	2,118,025
406	Labor Commissioner	1,847,425	2,285,351	2,511,761	2,949,593	$664,336	664,242
408	Public Service Commission	7,091,740	20,479,209	7,935,207	22,235,782	$843,467	1,756,573
412	Aeronautics Commission	6,550,000	19,013,427	1,000,000	11,322,827	($5,550,000)	(7,690,600)
413	Department of Financial Institutions		7,580,217		8,455,767		875,550
414	Securities Department	2,127,782	2,297,782	2,237,326	2,407,326	109,544	109,544
471	Bank of North Dakota	0	103,150,147		76,287,301	0	(26,862,846)
473	Housing Finance Agency	15,400,000	57,907,491		37,520,089	(15,400,000)	(20,387,402)
475	Mill and Elevator		52,123,557		64,315,898		12,192,341
485	Workforce Safety and Insurance		63,322,422		68,865,170		5,542,748
	Total Regulatory	$55,511,072	$418,004,610	$48,650,467	$388,192,041	($6,860,605)	($29,812,569)
	Public Safety						
504	Highway Patrol	$47,608,042	$61,000,584	$46,656,563	$59,719,104	($951,479)	($1,281,480)
530	Department of Corrections and Rehabilitation	180,915,389	217,050,311	215,387,242	253,749,948	34,471,853	36,699,637
540	Adjutant General	19,399,326	89,718,069	19,229,184	86,163,536	(170,142)	(3,554,533)
	Department of Emergency Services	11,751,503	191,277,357	13,803,934	155,022,109	2,052,431	(36,255,248)
	Total Public Safety	$259,674,260	$559,046,321	$295,076,923	$554,654,697	$35,402,663	($4,391,624)
	Agriculture and Economic Development						
601	Department of Commerce	$64,457,060	$139,820,082	$56,203,701	$131,373,174	($8,253,359)	($8,446,908)
602	Agriculture Department	9,519,217	25,273,808	13,081,056	34,799,109	3,561,839	9,525,301
616	State Seed Department		0 [2]		0 [2]		0
627	Upper Great Plains Transportation Institute	4,076,824	26,529,787	4,847,099	23,022,756	770,275	(3,507,031)
628	Branch research centers	17,585,702	33,586,785	20,073,447	40,065,577	2,487,745	6,478,792
630	NDSU Extension Service	28,909,265	53,757,074	29,788,188	55,614,896	878,923	1,857,822
638	Northern Crops Institute	2,064,861	3,862,022	2,102,158	3,849,893	37,297	(12,129)
640	Main Research Center	58,606,521	111,660,237	59,067,612	137,166,137	461,091	25,505,900
649	Agronomy Seed Farm		1,471,759		1,521,007		49,248
665	State Fair Association	3,296,000	3,296,000	1,070,000	1,070,000	(2,226,000)	(2,226,000)
670	Racing Commission	389,244	555,651	415,004	573,734	25,760	18,083
	Total Agriculture and Economic Development	$188,904,694	$399,813,205	$186,648,265	$429,056,283	($2,256,429)	$29,243,078
	Natural Resources						
701	State Historical Society	$15,481,811	$18,703,775	$21,592,039	$28,366,940	$6,110,228	$9,663,165
709	Council on the Arts	1,504,102	3,249,019	1,744,723	3,490,190	240,621	241,171
720	Game and Fish Department	0	67,553,639	0	77,231,739	0	9,678,100
750	Parks and Recreation Department	20,032,338	31,808,069	33,294,213	48,157,048	13,261,875	16,348,979
770	State Water Commission	0	859,045,805	0	1,158,935,836	0	299,890,031
	Total Natural Resources	$37,018,251	$980,360,307	$56,630,975	$1,316,181,753	$19,612,724	$335,821,446

Budget No.	Budget	Legislative Appropriation 2013-15 General Fund	Legislative Appropriation 2013-15 Total Funds	Legislative Appropriation 2015-17 General Fund	Legislative Appropriation 2015-17 Total Funds	Increase (Decrease) From 2013-15 to 2015-17 General Fund	Increase (Decrease) From 2013-15 to 2015-17 Total Funds
	Transportation						
801	Department of Transportation	$1,464,020,000 [3]	$3,384,799,434 [3]	$636,375,558 [3]	$3,237,531,577 [3]	($827,644,442)	($147,267,857)
	Total Transportation	$1,464,020,000	$3,384,799,434	$636,375,558	$3,237,531,577	($827,644,442)	($147,267,857)
	TOTAL APPROPRIATIONS	$6,873,587,354	$13,755,262,310	$6,026,162,678	$14,200,396,794	($847,424,676)	$445,134,484
	APPROPRIATION SUMMARY						
	General Government	$945,308,413	$1,183,314,550	$629,904,600	$869,877,389	(315,403,813)	($313,437,161)
	Education	2,691,005,616	3,566,597,168	2,772,473,610	3,508,809,819	81,467,994	(57,787,349)
	Health and Welfare	1,232,145,048	3,263,326,715	1,400,402,280	3,896,093,235	168,257,232	632,766,520
	Regulatory	55,511,072	418,004,610	48,650,467	388,192,041	(6,860,605)	(29,812,569)
	Public Safety	259,674,260	559,046,321	295,076,923	554,654,697	35,402,663	(4,391,624)
	Agriculture and Economic Development	188,904,694	399,813,205	186,648,265	429,056,283	(2,256,429)	29,243,078
	Natural Resources	37,018,251	980,360,307	56,630,975	1,316,181,753	19,612,724	335,821,446
	Transportation	1,464,020,000	3,384,799,434	636,375,558	3,237,531,577	(827,644,442)	(147,267,857)
	TOTAL APPROPRIATIONS	$6,873,587,354 *	$13,755,262,310 *	$6,026,162,678	$14,200,396,794	($847,424,676)	$445,134,484

* 2013-15 appropriations made by the 63rd Legislative Assembly	$6,873,587,354	$13,755,262,310
2013-15 deficiency appropriations made by the 64th Legislative Assembly	6,084,026	399,464,026
Total 2013-15 appropriations	$6,879,671,380	$14,154,726,336

[1] The 2013-15 biennium amounts for the Department of Public Instruction include integrated formula payments of $1,752,100,000 for state school aid payments and property tax relief. The 2015-17 biennium amounts for the Department of Public Instruction include integrated formula payments of $1,916,640,000 for state school aid payments and property tax relief.

[2] Beginning with the 2013-15 biennium, the State Seed Department receives a continuing appropriation pursuant to North Dakota Century Code Section 4.1-53-62 as enacted by the 2011 Legisaltive Assembly.

[3] The 2013-15 biennium amounts shown for the Department of Transportation reflect a $541.6 million transfer from the general fund to the highway fund for state roadway projects in areas affected by oil and gas development and a $1.1 million contingent transfer from the general fund to the public transportation fund for distribution to public transit agencies. The 2015-17 biennium amounts shown for the Department of Transportation reflect $521.1 million in transfers from the general fund to the highway fund for enhanced state highway and infrastructure investments and $112 million in transportation funding distributions to non-oil-producing political subdivisions.

COMPARISON OF 2013-15 and 2015-17 BIENNIUM ONGOING GENERAL FUND APPROPRIATIONS

Budget No.	Budget	Ongoing Appropriations 2013-15 General Fund	Ongoing Appropriations 2015-17 General Fund	2015-17 Increase (Decrease) From 2013-15 General Fund	Percentage
	General Government				
101	Governor's office	$4,033,873	$4,339,275	$305,402	7.6%
108	Secretary of State	6,043,495	7,035,308	991,813	16.4%
110	Office of Management and Budget	31,746,688	35,458,249	3,711,561	11.7%
112	Information Technology Department	19,939,428	24,105,987	4,166,559	20.9%
117	State Auditor	8,428,489	10,461,832	2,033,343	24.1%
120	State Treasurer	1,797,631	1,983,656	186,025	10.3%
125	Attorney General	37,275,528	51,701,902	14,426,374	38.7%
127	Tax Commissioner	56,054,140	58,761,918	2,707,778	4.8%
150	Legislative Assembly	13,379,971	14,180,557	800,586	6.0%
160	Legislative Council	12,487,475	12,773,673	286,198	2.3%
180	Judicial branch	97,133,117	108,172,464	11,039,347	11.4%
188	Commission on Legal Counsel for Indigents	11,923,410	18,181,828	6,258,418	52.5%
	Total General Government	$300,243,245	$347,156,649	$46,913,404	15.6%
	Education				
	Elementary, Secondary, and Other Education				
201	Department of Public Instruction	$1,717,543,325	$1,805,502,952	$87,959,627	5.1%
250	State Library	5,875,988	6,523,655	647,667	11.0%
252	School for the Deaf	7,799,379	9,140,590	1,341,211	17.2%
253	North Dakota Vision Services - School for the Blind	4,501,586	5,081,484	579,898	12.9%
270	Department of Career and Technical Education	31,392,916	33,813,312	2,420,396	7.7%
	Total Elementary, Secondary, and Other Education	$1,767,113,194	$1,860,061,993	$92,948,799	5.3%
	Higher Education				
215	North Dakota University System office	$111,561,723	$117,565,769	$6,004,046	5.4%
227	Bismarck State College	33,071,327	36,580,826	3,509,499	10.6%
228	Lake Region State College	12,584,464	14,987,556	2,403,092	19.1%
229	Williston State College	12,981,307	10,248,265	(2,733,042)	(21.1%)
230	University of North Dakota (UND)	154,094,571	171,685,904	17,591,333	11.4%
232	UND School of Medicine and Health Sciences	52,762,590	52,922,590	160,000	0.3%
235	North Dakota State University (NDSU)	143,073,784	157,410,540	14,336,756	10.0%
238	North Dakota State College of Science	39,193,835	44,731,764	5,537,929	14.1%
239	Dickinson State University	26,708,305	26,215,931	(492,374)	(1.8%)
240	Mayville State University	14,723,416	16,739,145	2,015,729	13.7%
241	Minot State University	44,709,831	48,758,181	4,048,350	9.1%
242	Valley City State University	21,099,454	25,469,668	4,370,214	20.7%
243	Dakota College at Bottineau	8,006,050	8,703,616	697,566	8.7%
244	Forest Service	4,701,189	5,007,844	306,655	6.5%
	Total Higher Education	$679,271,846	$737,027,599	$57,755,753	8.5%
	Total Education	$2,446,385,040	$2,597,089,592	$150,704,552	6.2%
	Health and Welfare				
301	State Department of Health	$44,921,508	$51,185,680	$6,264,172	13.9%
313	Veterans' Home	7,161,853	8,566,895	1,405,042	19.6%
316	Indian Affairs Commission	1,027,558	1,207,470	179,912	17.5%
321	Department of Veterans' Affairs	1,420,703	1,535,600	114,897	8.1%
325	Department of Human Services	1,166,482,508	1,314,030,666	147,548,158	12.6%

Budget No.	Budget	Ongoing Appropriations 2013-15 General Fund	Ongoing Appropriations 2015-17 General Fund	2015-17 Increase (Decrease) From 2013-15 General Fund	Percentage
360	Protection and Advocacy Project	2,531,562	3,034,111	502,549	19.9%
380	Job Service North Dakota	1,910,235	2,026,691	116,456	6.1%
	Total Health and Welfare	$1,225,455,927	$1,381,587,113	$156,131,186	12.7%
	Regulatory				
405	Industrial Commission	$21,333,325	$26,845,530	$5,512,205	25.8%
406	Labor Commissioner	1,847,425	2,435,626	$588,201	31.8%
408	Public Service Commission	6,667,660	7,521,207	$853,547	12.8%
412	Aeronautics Commission	550,000	1,000,000	$450,000	81.8%
414	Securities Department	2,063,005	2,237,326	174,321	8.4%
	Total Regulatory	$32,461,415	$40,039,689	$7,578,274	23.3%
	Public Safety				
504	Highway Patrol	$42,261,042	$45,906,613	$3,645,571	8.6%
530	Department of Corrections and Rehabilitation	177,774,343	212,748,931	34,974,588	19.7%
540	Adjutant General	26,824,589 [1]	30,087,618	3,263,029	12.2%
	Total Public Safety	$246,859,974	$288,743,162	$41,883,188	17.0%
	Agriculture and Economic Development				
601	Department of Commerce	$42,157,060	$36,637,245	($5,519,815)	(13.1%)
602	Agriculture Department	9,519,217	10,530,834	1,011,617	10.6%
627	Upper Great Plains Transportation Institute	2,826,824	4,097,099	1,270,275	44.9%
628	Branch research centers	17,585,702	19,798,447	2,212,745	12.6%
630	NDSU Extension Service	27,824,265	29,775,688	1,951,423	7.0%
638	Northern Crops Institute	1,964,861	2,102,158	137,297	7.0%
640	Main Research Center	52,199,521	57,345,112	5,145,591	9.9%
665	State Fair Association	546,000	570,000	24,000	4.4%
670	Racing Commission	389,244	415,004	25,760	6.6%
	Total Agriculture and Economic Development	$155,012,694	$161,271,587	$6,258,893	4.0%
	Natural Resources				
701	State Historical Society	$14,231,811	$18,102,389	$3,870,578	27.2%
709	Council on the Arts	1,494,102	1,744,723	250,621	16.8%
750	Parks and Recreation Department	13,854,838	16,763,916	2,909,078	21.0%
	Total Natural Resources	$29,580,751	$36,611,028	$7,030,277	23.8%
	TOTAL ONGOING GENERAL FUND APPROPRIATIONS	$4,435,999,046	$4,852,498,820	$416,499,774	9.4%
	APPROPRIATION SUMMARY				
	General government	$300,243,245	$347,156,649	46,913,404	15.6%
	Education	2,446,385,040	2,597,089,592	150,704,552	6.2%
	Health and welfare	1,225,455,927	1,381,587,113	156,131,186	12.7%
	Regulatory	32,461,415	40,039,689	7,578,274	23.3%
	Public safety	246,859,974	288,743,162	41,883,188	17.0%
	Agriculture and economic development	155,012,694	161,271,587	6,258,893	4.0%
	Natural resources	29,580,751	36,611,028	7,030,277	23.8%
	TOTAL ONGOING GENERAL FUND APPROPRIATIONS	$4,435,999,046	$4,852,498,820	$416,499,774	9.4%

[1] The 2013-15 amount for the Adjutant General includes a contingent appropriation of $375,000 provided in 2013 House Bill No. 1016 to provide tuition assistance to eligible members of the North Dakota National Guard. The appropriation was contingent upon the Adjutant General certifying to the Office of Management and Budget that the National Guard received a new assignment in association with the Grand Forks Air Force Base. The contingency was not met for this appropriation.

ONE-TIME GENERAL FUND APPROPRIATIONS FOR THE 2015-17 BIENNIUM

Dept. Number	Agency - Description	Bill No.	Legislative Appropriations - General Fund
101	**Governor**		
	Transition lines	SB 2001	$65,000
	Desktop support from the Information Technology Department (ITD)	HB 1021	45,200
	Temporary living expenses	SB 2304	50,000
108	**Secretary of State**		
	Technology project	SB 2002	3,050,000
110	**Office of Management and Budget**		
	Mailroom equipment	SB 2015	30,000
	Student internship program	SB 2015	50,000
	Facilities extraordinary repairs	SB 2015	175,000
	West parking lot repair	SB 2015	50,000
	Health insurance pool for temporary employees	SB 2015	2,500,000
	State agency energy impact funding pool	SB 2015	2,400,000
	Facility management projects	SB 2015	1,825,009
112	**Information Technology Department**		
	Educational Technology Council grants	HB 1021	1,050,000
	Statewide Longitudinal Data System build-out	HB 1021	1,250,000
	Statewide radio interoperability network	SB 2016	1,500,000
120	**State Treasurer**		
	State-paid property tax relief	SB 2005	250,000,000
	Information technology costs	SB 2005	73,699
	Distributions to townships in non-oil-producing counties	HB 1012	8,000,000
125	**Attorney General**		
	Undercover vehicles	SB 2003	132,000
	Surveillance vehicles	SB 2003	66,667
	Criminal justice information sharing projects	SB 2003	1,250,000
	Targeted equity funding for criminal investigators	SB 2003	1,026,301
	Higher education contracted legal services	HB 1003	700,000
	Human trafficking services	SB 2199	500,000
127	**Tax Department**		
	Scanners	SB 2006	8,000
150	**Legislative Assembly**		
	Information technology projects	HB 1001	794,810
	Legislative wing equipment and improvements	HB 1001	400,000
	Midwest Council of State Governments 2015 meeting	HB 1001	350,000
	Legislative Assembly meeting rooms	SB 2015	160,000
160	**Legislative Council**		
	Information technology project	HB 1001	135,460
	Office equipment replacement	HB 1001	30,000
	Office improvements	HB 1001	50,000

Dept. Number	Agency - Description	Bill No.	Legislative Appropriations - General Fund
	Incarceration issues study consultant	HB 1015	50,000
	Oil and gas study consulting costs	SB 2015	400,000
180	**Judicial branch**		
	Equipment over $5,000 - Copy machines, steno machines, workstation systems, information technology equipment, and other equipment	HB 1002	1,144,460
	Redundant information technology site for disaster recovery	HB 1002	2,000,000
	Supreme Court facility space expansion	HB 1002	1,149,377
	Criminal case eFiling initiation	HB 1002	99,000
	Judicial wing remodeling	SB 2015	65,693
188	**Commission on Legal Counsel for Indigents**		
	Desktop support from ITD	HB 1021	122,275
201	**Department of Public Instruction**		
	Civics education grant	SB 2013	200,000
	CPR grants	SB 2013	450,000
	Computer updates related to providing free breakfast and lunch to students eligible for reduced meals	SB 2013	30,000
	Rapid enrollment grants	SB 2013	14,800,000
215	**North Dakota University System office**		
	Higher education challenge fund	HB 1151	21,000,000
	Open Education Resources Initiative	HB 1003	110,000
	Systemwide deferred maintenance pool for distribution to campuses	HB 1003	8,700,000
	Core Technology Services technology projects	HB 1003	2,821,500
	Systemwide campus security pool for distribution to campuses	HB 1003	3,000,000
	Contingent appropriation - Office operations	HB 1003	1,000,000
	Electronic mail retention	HB 1051	350,000
	Desktop support from ITD	HB 1021	81,750
227	**Bismarck State College**		
	Major campus infrastructure	HB 1003	1,575,000
228	**Lake Region State College**		
	Electrical and window replacement	HB 1003	1,648,423
229	**Williston State College**		
	Energy development impact	HB 1003	2,500,000
230	**University of North Dakota (UND)**		
	School of Medicine and Health Sciences facility - Phase II	HB 1003	62,000,000
	Airport apron repairs	HB 1003	6,000,000
	North Dakota Museum of Art deferred maintenance	HB 1003	760,000
232	**UND School of Medicine and Health Sciences**		
	Health care workforce initiative startup costs	HB 1003	13,814,806
	Residency positions	HB 1003	4,700,000
238	**North Dakota State College of Science**		
	Campus water and sewer infrastructure	HB 1003	13,298,000
239	**Dickinson State University**		
	Theodore Roosevelt Center document digitization and center operations	HB 1003	800,000
242	**Valley City State University**		
	Heating plant replacement	HB 1003	14,289,000

Dept. Number	Agency - Description	Bill No.	Legislative Appropriations - General Fund
243	**Dakota College at Bottineau**		
	Nelson Science Center repairs	HB 1003	1,098,789
250	**State Library**		
	Library repair and maintenance grants	SB 2013	250,000
270	**Career and Technical Education**		
	Desktop support from ITD	HB 1021	106,750
301	**State Department of Health**		
	Environmental oil impacts in western North Dakota	HB 1004	292,000
	Forensic examiner digital x-ray equipment	HB 1004	44,000
313	**Veterans' Home**		
	Equipment	HB 1007	130,830
316	**Indian Affairs Commission**		
	Information technology hardware	HB 1005	9,775
321	**Department of Veterans' Affairs**		
	Service dogs	HB 1025	50,000
	Desktop support from ITD	HB 1021	26,895
325	**Department of Human Services**		
	Eligibility modernization project	SB 2177	14,012,167
	Heating plant repairs and upgrades for State Hospital	SB 2012	1,156,000
	Heating plant repairs and upgrades for Life Skills and Transition Center	SB 2012	75,000
	Window replacement - Domestic violence shelter for Life Skills and Transition Center	SB 2012	44,000
	Equipment over $5,000 and extraordinary repairs - State Hospital and Life Skills and Transition Center	SB 2012	2,725,000
	Assistive technology services	SB 2289	160,000
380	**Job Service North Dakota**		
	Oil and gas survey to update oil and gas-related activity in North Dakota	HB 1016	80,000
	Virtual OneStop application	HB 1016	9,500
405	**Industrial Commission**		
	Aerial photographic imagery	HB 1014	104,143
	Contract drilling/coring and sedimentological analyses	HB 1014	125,000
	Possible litigation with federal agencies relating to hydraulic fracturing, gas capture, and flaring reduction	HB 1014	2,500,000
	Digital conversion of 2D seismic profiles	HB 1014	100,000
	Migration to risk-based management system to a .net platform	HB 1014	250,000
	ATV's and trailers	HB 1014	41,500
	Lignite Research Council grants	HB 1014	5,000,000
406	**Department of Labor and Human Rights**		
	Overtime	SB 2007	20,000
	Creation of a paperless system	SB 2007	56,135
408	**Public Service Commission**		
	Specialized legal services	SB 2008	414,000
504	**Highway Patrol**		
	Replace mobile radio equipment	HB 1011	548,000
	Outdoor gun range upgrade project	HB 1011	70,000
	New trooper startup costs	HB 1011	73,950
	Purchase of skid car training system	HB 1011	5,8000

Dept. Number	Agency - Description	Bill No.	Legislative Appropriations - General Fund
530	**Department of Corrections and Rehabilitation**		
	North Dakota State Penitentiary security camera upgrade	HB 1015	202,500
	Equipment	HB 1015	244,400
	Extraordinary repairs	HB 1015	1,425,267
	Information technology upgrades	HB 1015	616,144
	Department of Corrections Subject Tracking and Reporting System (DOCSTARS) maintenance	HB 1015	150,000
540	**Adjutant General**		
	Purchase of land at Veterans' Cemetery	SB 2016	69,500
	Next generation 911 purchase	SB 2016	386,000
	Microsoft SQL Enterprise for computer-aided dispatch	SB 2016	90,000
	Message switch test server	SB 2016	70,000
	Radio tower redundancy	SB 2016	80,000
	Emergency response supplies	SB 2016	550,000
	Veterans' bonus program	SB 2016	500,000
	Firefighter training grants	SB 2016	1,200,000
601	**Department of Commerce**		
	Base retention grants	HB 1018	1,500,000
	Tourism marketing campaign in the Midwest market	HB 1018	1,000,000
	Tribal college workforce grants	HB 1018	2,000,000
	Grants to entrepreneurial centers and vouchers for Innovate ND participants	HB 1018	1,750,000
	Homeless shelter grants	HB 1018	1,500,000
	Childcare facility grants	HB 1018	2,250,000
	Find the Good Life program	HB 1018	300,000
	Research ND	HB 1018	4,500,000
	Tourism large infrastructure grants	HB 1018	750,000
	Educators and industry externships for expansion of an educator summer externship program	HB 1018	50,000
	Unmanned aerial system grant	HB 1018	2,718,620
	Workforce enhancement program	HB 1018	1,000,000
	Tourism international	HB 1018	247,836
602	**Department of Agriculture**		
	Information technology analysis	SB 2009	150,222
	Department website redesign	SB 2009	100,000
	National Genomics Center	SB 2009	800,000
	Environmental impact litigation fund	HB 1432	1,500,000
627	**Upper Great Plains Transportation Institute**		
	Statewide roads study	HB 1020	750,000
628	**Branch Research Centers**		
	Dust issues technical support	HB 1020	100,000
	Langdon Research Center land purchase	HB 1020	175,000
630	**NDSU Extension Service**		
	Junior Master Gardener program	HB 1020	12,500
640	**Main Research Center**		
	Flooded lands study	HB 1020	72,500

Dept. Number	Agency - Description	Bill No.	Legislative Appropriations - General Fund
	Seed cleaning plants	HB 1020	1,500,000
	Rural leadership project	HB 1020	150,000
665	**State Fair Association**		
	Asphalt overlay project	HB 1009	500,000
701	**State Historical Society**		
	Technology services costs	SB 2018	100,650
	Fort Totten building and Stutsman County Courthouse repairs	SB 2018	850,000
	Electronic records project	SB 2018	264,000
	Repair the slumping and erosion of Double Ditch State Historic Site in Bismarck	SB 2018	250,000
	Whitestone Hill native memorial	SB 2018	25,000
	Dakota the dinosaur	SB 2018	1,500,000
	Traveling and historic sites exhibits funding	SB 2018	300,000
	Promotion funding for historical events	SB 2018	200,000
750	**Parks and Recreation Department**		
	Trail lease renewals at Little Missouri Bay	SB 2019	200,000
	Equipment for needs at parks and to purchase snowmobile trail grooming equipment	SB 2019	300,000
	Statewide comprehensive outdoor recreation plan	SB 2019	45,000
	Repairs at Lewis and Clark Interpretive Center	SB 2019	75,000
	Extraordinary repairs at International Peace Garden	SB 2019	335,297
	Operating costs in preparation for 50th Anniversary	SB 2019	25,000
	Retirement leave payouts	SB 2019	100,000
	Park improvement plan	SB 2019	14,750,000
	Community grant program	SB 2019	500,000
	International Peace Garden Peace Tower demolition	SB 2019	200,000
801	**Department of Transportation**		
	General fund transfer to highway fund	SB 2015	18,000,000
	General fund transfer to highway fund	HB 1012	503,115,558
	Transportation distributions to non-oil-producing subdivisions	HB 1176	112,000,000
	Roads to recreational areas	HB 1012	2,000,000
	Truck size and weight harmonization study	HB 1012	60,000
	Contingent transfer to public transportation fund	HB 1012	200,000
	Motor coach reimbursement	HB 1012	1,000,000
	Total		**$1,173,663,858**

CONTINGENT 2015-17 BIENNIUM GENERAL FUND APPROPRIATIONS

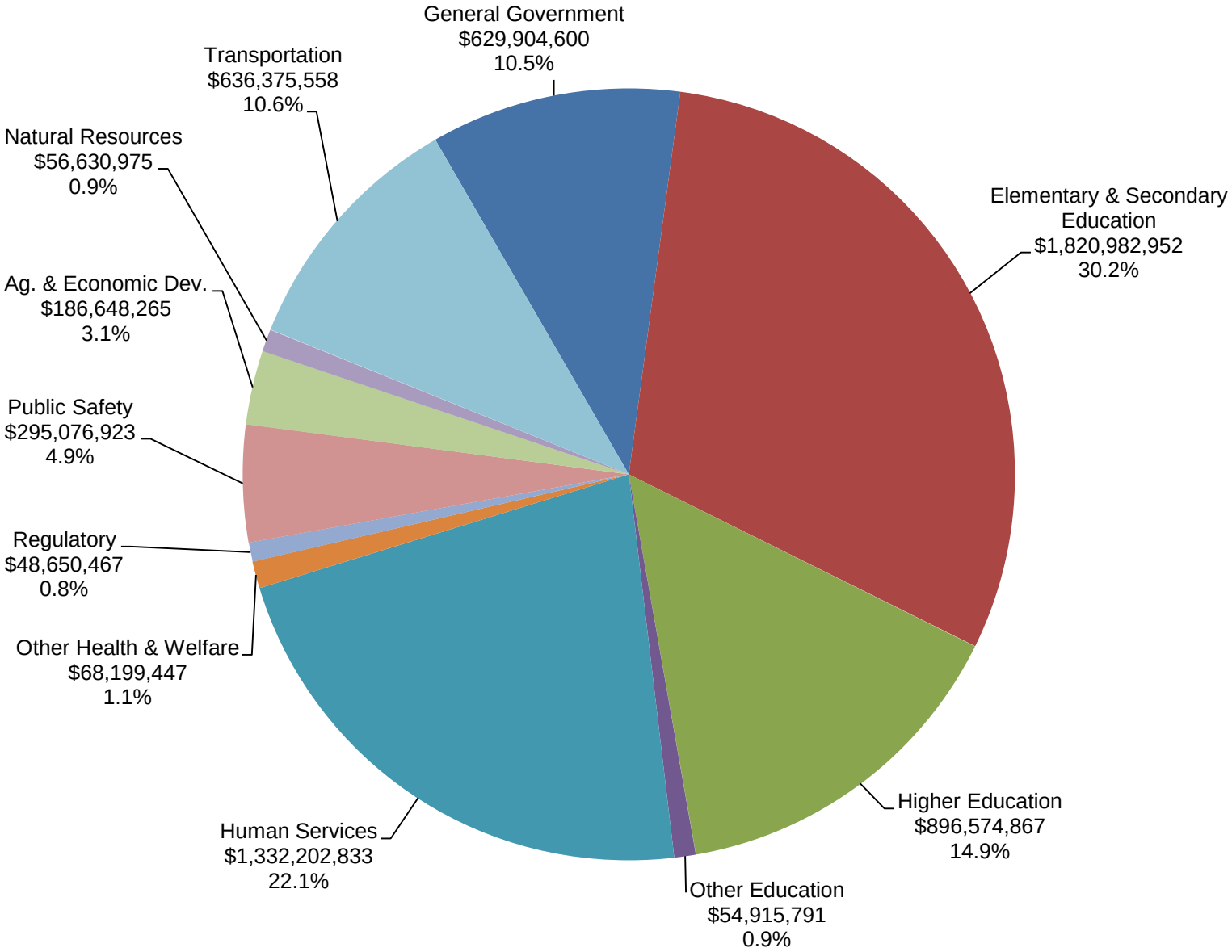
Bill No. - Agency	Description	Amount
House Bill No. 1003 - State Board of Higher Education	The State Board of Higher Education office may expend up to $50,000 from the general fund for a unified workforce, vocational, and technical education program system if the State Board of Higher Education certifies to the Office of Management and Budget (OMB) that a unified workforce, vocational, and technical program system has been established.	$50,000
House Bill No. 1003 - State Board of Higher Education	The State Board of Higher Education may expend up to $1 million from the general fund for reorganizing the Office of the Commissioner of Higher Education if the State Board of Higher Education submits to the Budget Section for approval a plan to reorganize the office. The Budget Section may approve the entire appropriation, or a portion of the appropriation.	1,000,000
House Bill No. 1012 - Department of Transportation	The Office of Management and Budget shall transfer $100,000 from the general fund to the public transportation fund if deposits in the public transportation fund from the highway tax distribution fund are less than $5.2 million during the period beginning July 1, 2014, and ending June 30, 2015. The Office of Management and Budget shall transfer an additional $100,000 from the general fund to the public transportation fund if deposits in the public transportation fund from the highway tax distribution fund are less than $5.2 million during the period beginning July 1, 2015, and ending June 30, 2016.	200,000
House Bill No. 1014 - Industrial Commission	The Industrial Commission may expend $556,260 from the general fund for 5 petroleum engineering FTE positions if the monthly average drilling rig count exceeds 140 drilling rigs. One position is added for every 15 drilling rigs when the monthly average drilling rig count exceeds 140. Each additional position includes a decreasing amount of funding for salaries and operating expenses since subsequent positions are anticipated to be added later in the biennium than the previous position.	556,260
House Bill No. 1025 - Department of Veterans' Affairs	The Department of Veterans' Affairs may expend $25,000 from the general fund for service dogs to assist North Dakota veterans with posttraumatic stress disorder if the dogs have completed service dog training, eligible veterans have been approved to receive the service dogs, and approval has been received from the Budget Section.	25,000
Senate Bill No. 2015 - Department of Transportation*	The Office of Management and Budget shall transfer $20 million from the general fund to the highway fund for enhanced state highway investments if actual general fund revenues for the period beginning February 1, 2015, and ending June 30, 2015, exceed legislative estimates made at the close of the 2015 legislative session by at least $20 million, as determined by OMB. For purposes of the contingent appropriation, "actual general fund revenues" and "estimated general fund revenues" exclude transfers into the general fund from the strategic investment and improvements fund, the tax relief fund, the Mill and Elevator, the lottery, and the gas tax administration.	20,000,000
Senate Bill No. 2015 - Department of Transportation*	The Office of Management and Budget shall transfer $46 million from the general fund to the highway fund for enhanced state highway investments if actual general fund revenues exceed estimated general fund revenues for the period from July 1, 2015, through December 31, 2016, by at least $250 million, as determined by OMB. For purposes of the contingent	46,000,000

	appropriation, "actual general fund revenues" and "estimated general fund revenues" exclude the estimated July 1, 2015, unobligated general fund balance and transfers into the general fund from the strategic investment and improvements fund, the tax relief fund, the Mill and Elevator, the lottery, and the gas tax administration.	
Senate Bill No. 2015 - Valley City State University	Valley City State University may expend $25.85 million from the general fund for the fine arts building project and the demolition of two existing buildings if actual general fund revenues exceed estimated general fund revenues for either the period from July 1, 2015, through December 31, 2015, or from July 1, 2016 through June 30, 2016, by at least $126 million, as determined by OMB. For purposes of the contingent appropriation, "actual general fund revenues" and "estimated general fund revenues" exclude the estimated July 1, 2015, unobligated general fund balance and transfers into the general fund from the strategic investment and improvements fund, the tax relief fund, the Mill and Elevator, the lottery, and the gas tax administration.	25,850,000
Senate Bill No. 2015 - North Dakota State University	North Dakota State University may expend $46 million from the general fund for the Dunbar Hall project if actual general fund revenues exceed estimated general fund revenues for the period from July 1, 2015, through December 31, 2016, by at least $250 million, as determined by OMB. For purposes of the contingent appropriation, "actual general fund revenues" and "estimated general fund revenues" exclude the estimated July 1, 2015, unobligated general fund balance and transfers into the general fund from the strategic investment and improvements fund, the tax relief fund, the Mill and Elevator, the lottery, and the gas tax administration.	46,000,000
Total		$139,681,260

*The Legislative Assembly, in Section 8 of Senate Bill No. 2015, also provided a contingent transfer of $25.85 million from the strategic investment and improvements fund to the highway fund for enhanced state highway investments if actual general fund revenues exceed estimated general fund revenues for either the period from July 1, 2015, through December 31, 2015, or from July 1, 2015, through June 30, 2016, by at least $126 million, as determined by OMB. For purposes of the contingent transfer, "actual general fund revenues" and "estimated general fund revenues" exclude the estimated July 1, 2015, unobligated general fund balance and transfers into the general fund from the strategic investment and improvements fund, the tax relief fund, the Mill and Elevator, the lottery, and the gas tax administration.

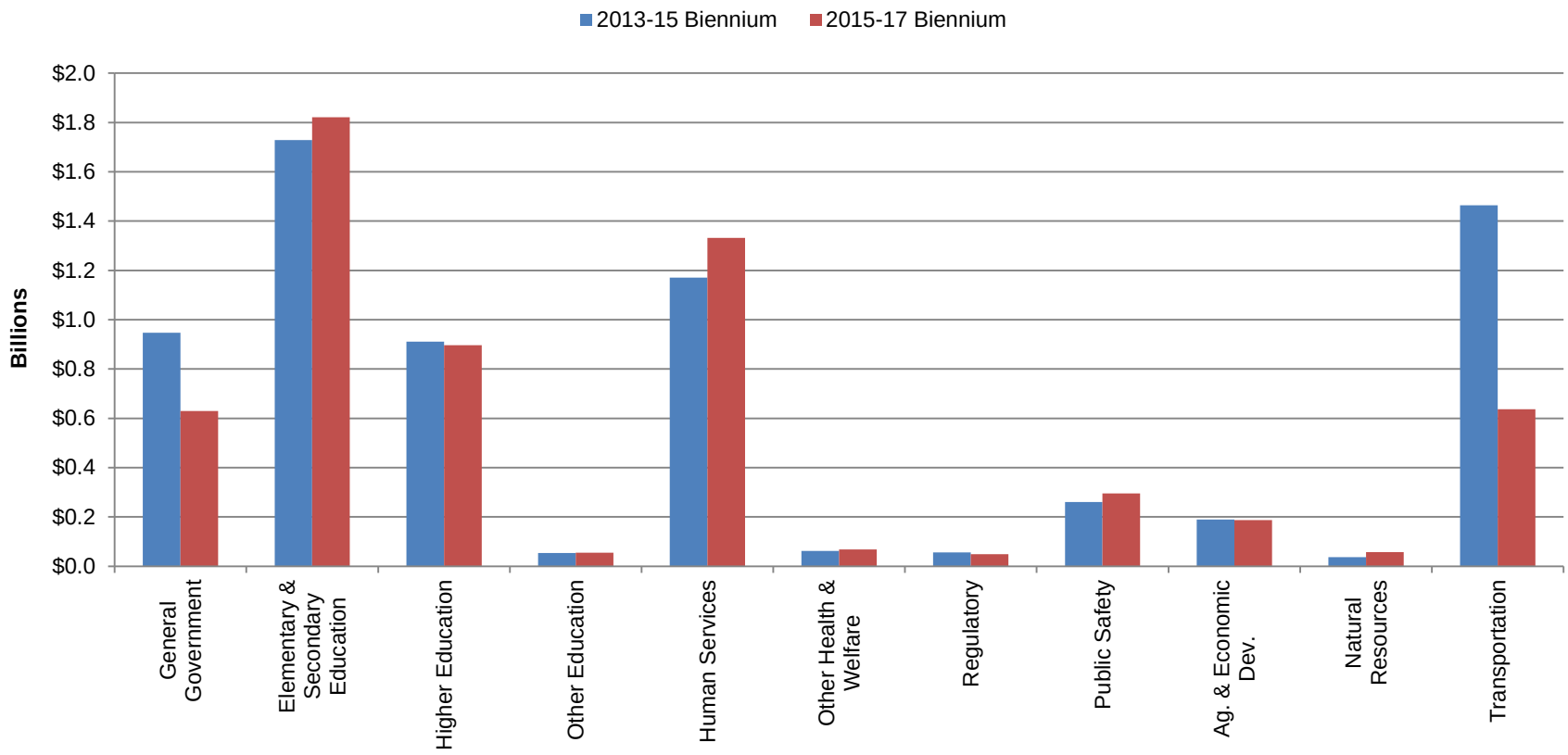
2015-17 BIENNIUM GENERAL FUND APPROPRIATIONS

Total 2015-17 General Fund Appropriations - $6,026,162,678



COMPARISON OF 2013-15 AND 2015-17 GENERAL FUND APPROPRIATIONS

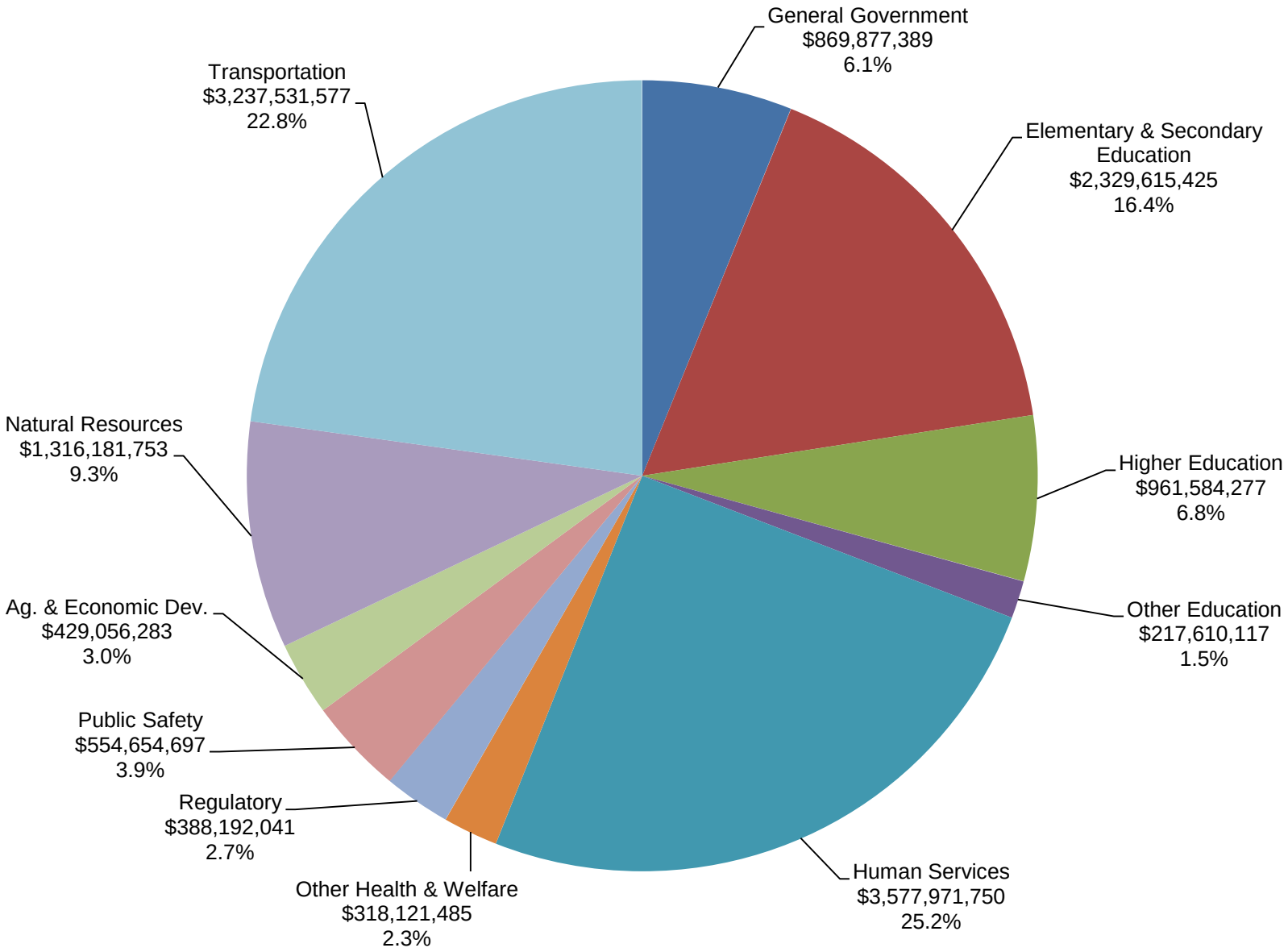
(Amounts Shown in Billions)



	2013-15 Biennium	2015-17 Biennium	Increase (Decrease)	Percentage Increase (Decrease)
General Government	$947,408,413	$629,904,600	($317,503,813)	(33.5%)
Elementary & Secondary Education	1,728,613,325	1,820,982,952	92,369,627	5.3%
Higher Education	910,632,494	896,574,867	(14,057,627)	(1.5%)
Other Education	53,762,376	54,915,791	1,153,415	2.1%
Human Services	1,171,116,129	1,332,202,833	161,086,704	13.8%
Other Health & Welfare	61,749,819	68,199,447	6,449,628	10.4%
Regulatory	55,511,072	48,650,467	(6,860,605)	(12.4%)
Public Safety	260,809,807	295,076,923	34,267,116	13.1%
Ag. & Economic Dev.	188,904,694	186,648,265	(2,256,429)	(1.2%)
Natural Resources	37,143,251	56,630,975	19,487,724	52.5%
Transportation	1,464,020,000	636,375,558	(827,644,442)	(56.5%)
Total	$6,879,671,380	$6,026,162,678	($853,508,702)	(12.4%)

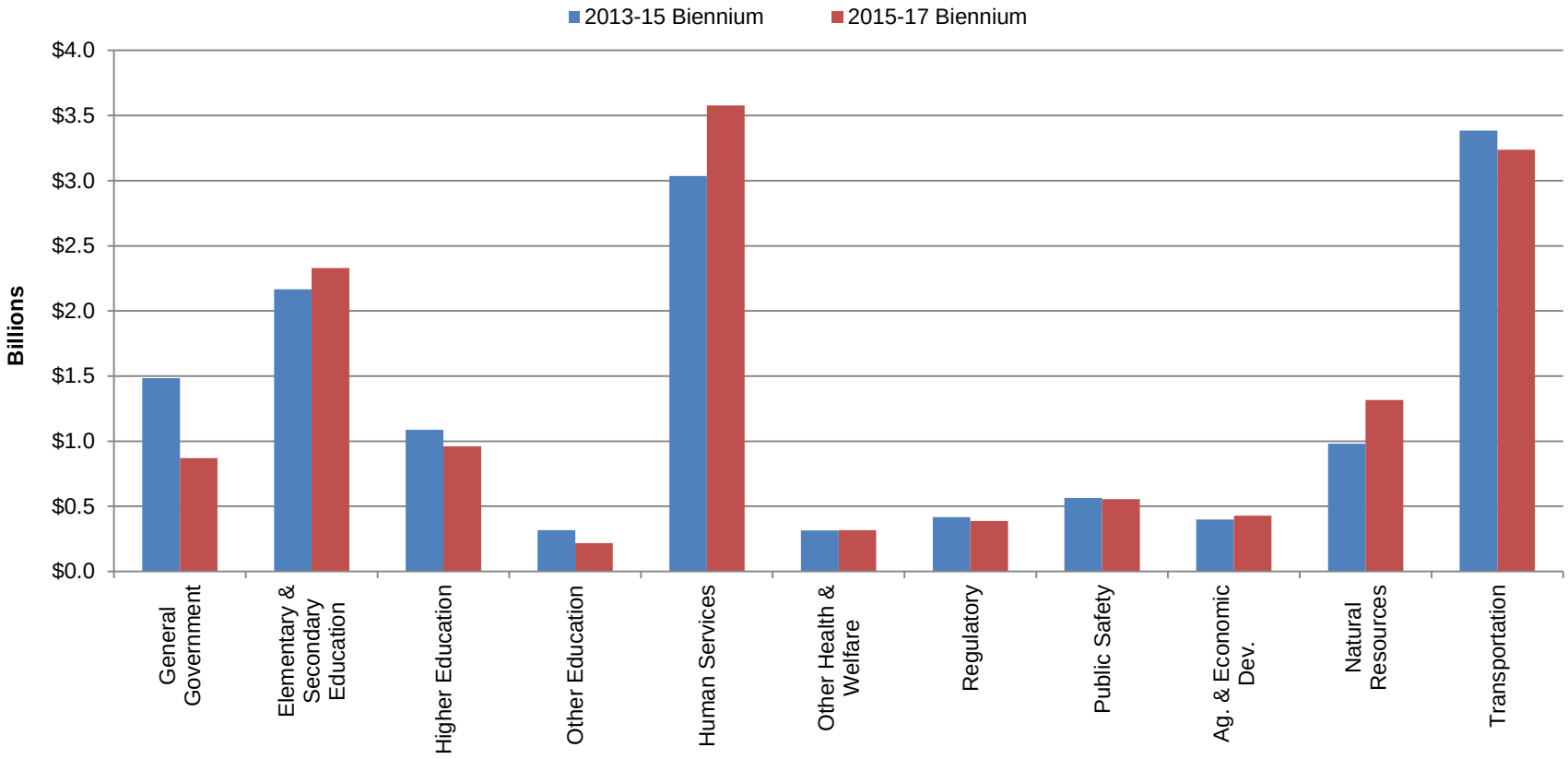
2015-17 BIENNIUM ALL FUNDS APPROPRIATIONS

Total 2015-17 Biennium All Funds Appropriations - $14,200,396,794



COMPARISON OF 2013-15 AND 2015-17 ALL FUNDS APPROPRIATIONS

(Amounts Shown in Billions)



	2013-15 Biennium	2015-17 Biennium	Increase (Decrease)	Percentage Increase (Decrease)
General Government	$1,483,414,550	$869,877,389	($613,537,161)	(41.4%)
Elementary & Secondary Education	2,165,610,084	2,329,615,425	$164,005,341	7.6%
Higher Education	1,088,613,435	961,584,277	($127,029,158)	(11.7%)
Other Education	317,376,228	217,610,117	($99,766,111)	(31.4%)
Human Services	3,036,452,594	3,577,971,750	$541,519,156	17.8%
Other Health & Welfare	314,975,021	318,121,485	$3,146,464	1.0%
Regulatory	418,004,610	388,192,041	($29,812,569)	(7.1%)
Public Safety	565,181,868	554,654,697	($10,527,171)	(1.9%)
Ag. & Economic Dev.	399,813,205	429,056,283	$29,243,078	7.3%
Natural Resources	980,485,307	1,316,181,753	$335,696,446	34.2%
Transportation	3,384,799,434	3,237,531,577	($147,267,857)	(4.4%)
Total	$14,154,726,336	$14,200,396,794	$45,670,458	0.3%

SECTION D - ELECTED OFFICIALS

AGRICULTURE COMMISSIONER	D-24
ATTORNEY GENERAL	D-11
GOVERNOR'S OFFICE	D-1
INSURANCE COMMISSIONER	D-19
PUBLIC SERVICE COMMISSION	D-21
SECRETARY OF STATE	D-3
STATE AUDITOR	D-6
STATE TAX COMMISSIONER	D-17
STATE TREASURER	D-8

Governor
Budget No. 101
Senate Bill Nos. 2001, 2304; House Bill No. 1021

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**18.00**	**$4,499,475**	**$0**	**$4,499,475**
2015-17 base budget	18.00	4,033,873	0	4,033,873
Legislative increase (decrease) to base budget	0.00	$465,602	$0	$465,602

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$4,339,275**	**$160,200**	**$4,499,475**
2013-15 legislative appropriations	4,033,873	0	4,033,873
2015-17 legislative increase (decrease) to 2013-15 appropriations	$305,402	$160,200	$465,602
Percentage increase (decrease) to 2013-15 appropriations	7.6%	N/A	11.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Governor's office is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$46,311		$46,311
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		142,362		142,362
Added funding for employee health insurance premiums to reflect a revised premium estimate of $1,130.22 per month.		64,169		64,169
Added one-time funding for transition costs if a new Governor is elected in 2016.		65,000		65,000
Added funding for desktop support services, including one-time funding of $45,200. (House Bill No. 1021)		97,760		97,760

Added one-time funding for temporary housing expenses during construction of a new Governor's residence. (Senate Bill No. 2304)		50,000		50,000
Total	0.00	$465,602	$0	$465,602

FTE Changes

The Legislative Assembly approved 18 FTE positions for the Governor's office for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

The following is a summary of one-time funding items for the Governor's office for the 2015-17 biennium:

	General Fund
Transition costs if a new Governor is elected in 2016 (Senate Bill No. 2001)	$65,000
Desktop support services (House Bill No. 1021)	45,200
Temporary housing expenses during construction of a new Governor's residence (Senate Bill No. 2304)	50,000
Total	$160,200

Other Sections in Senate Bill No. 2001

Additional income - Section 3 appropriates any additional federal or other funds made available to the Governor's office during the 2015-17 biennium. The Governor's office must provide a report to the Legislative Management regarding any funds received or expended pursuant to this appropriation authority.

Salary of the Governor and Lieutenant Governor - Sections 4 and 5 provide for statutory changes to increase the salaries of the Governor and Lieutenant Governor by 3 percent for each year of the 2015-17 biennium as follows:

	Current Level	July 1, 2015	July 1, 2016
Governor	$125,331	$129,091	$132,964
Lieutenant Governor	$97,296	$100,215	$103,221

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the Governor's office, to obtain desktop support services from the Information Technology Department.

Senate Bill No. 2304 - New Governor's residence - Provides an appropriation of $4 million from the Capitol building fund and $1 million from other privately raised funds to the Office of Management and Budget for the demolition of the existing Governor's residence and the construction of a new residence. The bill also provides a general fund appropriation of $50,000 to the Governor's office for temporary housing expenses of the Governor during construction of the new residence.

Secretary of State
Budget No. 108
Senate Bill No. 2002

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**34.00**	**$10,085,308**	**$3,583,536**	**$13,668,844**
2015-17 base budget	28.00	6,043,495	5,844,417	11,887,912
Legislative increase (decrease) to base budget	6.00	$4,041,813	($2,260,881)	$1,780,932

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$7,035,308**	**$3,050,000**	**$10,085,308**
2013-15 legislative appropriations	6,043,495	1,953,354[1]	7,996,849[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$991,813	$1,096,646	$2,088,459
Percentage increase (decrease) to 2013-15 appropriations	16.4%	56.1%	26.1%

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $1.35 million made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Secretary of State is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$61,063	($11,418)	$49,645
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		164,625	4,970	169,595
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		117,644	3,565	121,209
Added 6 FTE positions, including 3 FTE office assistants and 3 FTE authorized during the 2013-15 biennium from one-time funding.	6.00	597,840		597,840

Added funding for overtime, operating expenses, general services operating fund carryover, and technology project carryover.		50,641	178,698	229,339
Reduced federal funding authority to reflect projected available 2015-17 Help America Vote Act funds.			(2,436,696)	(2,436,696)
Added one-time funding to complete the Central Indexing System information technology project.		3,050,000		3,050,000
Total	6.00	$4,041,813	($2,260,881)	$1,780,932

FTE Changes

The Legislative Assembly added 3 office assistant FTE positions and 3 FTE positions authorized as one-time funding during the 2013-15 biennium including 2 business registration unit FTE positions and 1 business information unit FTE position, for a total of 34 FTE positions for the 2015-17 biennium, 6 FTE positions more than the 2013-15 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2002, the Legislative Assembly identified $3,050,000 from the general fund as one-time funding related to completing the Central Indexing System information technology project. The one-time funding item is not to be considered part of the agency's base budget for preparing the 2017-19 executive budget.

Deficiency Appropriations

In Section 1 of Senate Bill No. 2023, the Legislative Assembly provided a deficiency appropriation of $1,350,000 from the general fund to the Secretary of State, including $950,000 to repay a Bank of North Dakota loan authorized for the Central Indexing System information technology project and $400,000 for a business process modeling study.

Other Sections in Bill

Exemption - General services operating fund - Section 3 provides any unobligated balance remaining in the Secretary of State's general services operating fund on June 30, 2015, is not subject to the provisions of North Dakota Century Code Section 54-09-08, and any unexpended funds are available and may be spent by the Secretary of State during the 2015-17 biennium for the database and processing platform migration project.

Exemption - Section 4 provides the amounts appropriated to the Secretary of State in subdivision 2 of Section 1 of Senate Bill No. 2023 are not subject to the provisions of Section 54-44.1-11 and any unexpended funds from these deficiency appropriations are available for completing the Central Indexing System information technology project and the business process modeling services study during the 2015-17 biennium.

Secretary of State's salary - Section 5 provides the statutory changes increasing the Secretary of State's salary. The Secretary of State's annual salary is increased from the current level of $99,698 to $102,689, effective July 1, 2015, and to $105,770, effective July 1, 2016, to reflect a 3 percent salary increase each year of the biennium.

Legislative Management study - Use of software by Secretary of State - Section 6 provides for a Legislative Management study of the feasibility and desirability of the Secretary of State's office utilizing software which would allow employees of the office to monitor and report billable hours in order to improve efficiency and productivity within the Secretary of State's office.

Legislative Management study - Consolidation of elections - Section 7 provides for a Legislative Management study of the feasibility and desirability of consolidating all political subdivision and school district elections with the statewide primary election and the holding of all special elections on other specified dates during any year.

Related Legislation

Desktop support services - House Bill No. 1021 requires certain state agencies, including the Secretary of State, to obtain desktop support services from the Information Technology Department.

Contractor's Licenses - Senate Bill No. 2278 adjusts application and renewal fees for contractor's licenses and provides authority to the Secretary of State to deny a contractor's license if evidence of fraudulent activity exists on the part of the applicant.

State Auditor
Budget No. 117
Senate Bill Nos. 2004 and 2015

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**59.80**	**$10,461,832**	**$3,505,870**	**$13,967,702**
2015-17 base budget	53.80	8,428,489	3,036,918	11,465,407
Legislative increase (decrease) to base budget	6.00	$2,033,343	$468,952	$2,502,295

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$10,461,832**	**$0**	**$10,461,832**
2013-15 legislative appropriations	8,428,489	45,000	8,473,489
2015-17 legislative increase (decrease) to 2013-15 appropriations	$2,033,343	($45,000)	$1,988,343
Percentage increase (decrease) to 2013-15 appropriations	24.1%	(100.0%)	23.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Auditor is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$223,769	($23,203)	$200,566
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		307,054	103,356	410,410
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		142,598	49,910	192,508
Added federal funding related to a royalty auditor position.			102,750	102,750

Added funding to continue other salary adjustments made during the 2013-15 biennium.		173,712		173,712
Increased funding for operating expenses and decreased salaries to adjust to a hold-even budget.		(104,904)	5,739	(99,165)
Added funding for 6 auditor FTE positions and related operating expenses to provide audit services to the State Board of Higher Education and its institutions.	6.00	1,221,914		1,221,914
Added funding for desktop support services from the Information Technology Department.		69,200	30,400	99,600
Added funding from the North Dakota University System to conduct information technology security audits of the 11 institutions in the University System. (Senate Bill No. 2015)			200,000	200,000
Total	6.00	$2,033,343	$468,952	$2,502,295

FTE Changes

The Legislative Assembly added 6 auditor FTE positions to provide audit services to the State Board of Higher Education and its institutions.

Other Sections in Senate Bill No. 2004

Powers and duties of the State Auditor - Section 3 amends North Dakota Century Code Section 54-10-01 relating to performance audits conducted by the State Auditor to include agencies' blended component units or discreetly presented component units.

State Auditor's salary - Section 4 provides the statutory changes increasing the State Auditor's salary by 3 percent each year of the 2015-17 biennium. The State Auditor's annual salary is increased from the current level of $99,698 to $102,689 on July 1, 2015, and to $105,770 on July 1, 2016.

State Board of Higher Education - Higher Education Audit Division - Section 5 creates a new section to Chapter 54-10 to establish a Higher Education Audit Division in the State Auditor's office to perform all audit related functions of the State Board of Higher Education, including the examination and evaluation of the adequacy and effectiveness of the board's governance, risk management, internal controls, performance of constitutionally and statutorily required duties, and other areas as determined by the State Auditor.

Related Legislation

Desktop support services - House Bill No. 1021 requires certain agencies, including the State Auditor, to obtain desktop support services from the Information Technology Department.

Information technology security audits of the North Dakota University System - Senate Bill No. 2015 provides an appropriation of $200,000 from special funds, derived from other income from fees charged to the University System, to the State Auditor for information technology security audits of the 11 institutions in the University System.

Annual report of certain political subdivisions - Senate Bill No. 2262 increases the threshold under which the State Auditor may require an annual report from certain political subdivisions in lieu of conducting an audit every two years from $200,000 to $300,000 of annual receipts.

State Treasurer
Budget No. 120
Senate Bill No. 2005; House Bill No. 1012

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**8.00**	**$260,057,355**	**$0**	**$260,057,355**
2015-17 base budget	8.00	1,797,631	0	1,797,631
Legislative increase (decrease) to base budget	0.00	$258,259,724	$0	$258,259,724

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$1,983,656**	**$258,073,699**	**$260,057,355**
2013-15 legislative appropriations	1,797,631	309,535,838	311,333,469
2015-17 legislative increase (decrease) to 2013-15 appropriations	$186,025	($51,462,139)	($51,276,114)
Percentage increase (decrease) to 2013-15 appropriations	10.3%	(16.6%)	(16.5%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Treasurer is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$10,525		$10,525
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		53,123		53,123
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		28,519		28,519
Added funding for operating expenses, including $71,658 for ongoing information technology costs, $30,000 for temporary contract employees, and $73,699 for one-time information technology costs.		175,357		175,357

Decreased funding for coal severance payments related to changes made by the 2013 Legislative Assembly, which required annual distributions instead of monthly distributions resulting in two-and-a-half years of payments in the 2013-15 biennium.		(7,800)		(7,800)
Added one-time funding for the state-paid property tax relief credit program.		250,000,000		250,000,000
Added one-time funding for transportation funding allocations to non-oil-producing townships. (House Bill No. 1012)		8,000,000		8,000,000
Total	0.00	$258,259,724	$0	$258,259,724

FTE Changes

The Legislative Assembly approved 8 FTE positions for the State Treasurer for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2005, the Legislative Assembly identified $250,073,699 of one-time funding from the general fund for the 2015-17 biennium for state-paid property tax relief credits ($250,000,000) and information technology costs ($73,699). Section 8 of House Bill No. 1012 includes a $8 million one-time general fund appropriation for transportation funding distributions to non-oil-producing townships.

Deficiency Appropriations

In Section 1 of Senate Bill No. 2103, the Legislative Assembly appropriated $298 million from the strategic investment and improvements fund to the State Treasurer for distributions to political subdivisions for the 2013-15 biennium. The distributions included $100 million to the incorporated cities in the top 10 oil-producing counties, $16 million for organized and unorganized townships in the 43 non-oil-producing counties, $10 million to eligible incorporated cities, and $172 million to Williston, Dickinson, Minot, and Watford City.

Other Sections in Senate Bill No. 2005

Salary of State Treasurer - Section 4 provides statutory changes to North Dakota Century Code Section 54-11-13 relating to the salary of the State Treasurer. The Legislative Assembly authorized 2015-17 biennium annual salary increases of 3 percent. The State Treasurer's salary is to be increased from the current level of $94,148 to $96,972 effective July 1, 2015, and to $99,881 effective July 1, 2016.

Property tax relief credits - Sections 3 and 5 identify $250 million for state-paid property tax relief credits of 12 percent. Pursuant to Section 57-20-07.2, property tax relief credits are available as follows:

1. The owner of taxable property is entitled to a credit against property taxes levied against the total amount of property or mobile home taxes in dollars levied against the taxable value of the property. The credit is equal to 12 percent of property or mobile home taxes levied in dollars against that property.
2. The owner, operator, or lessee of railroad property assessed by the State Board of Equalization under Chapter 57-05 or public utility operative property assessed by the State Board of Equalization under Chapter 57-06 is entitled to a 12 percent credit against property taxes levied within each county for that property.
3. The owner, operator, or lessee of transmission lines assessed by the State Board of Equalization under Chapter 57-06 is entitled to a 12 percent credit against the per mile transmission tax levied within each county for those transmission lines. This credit was added in House Bill No. 1059 as listed in the related legislation section.
4. The owner, operator, or lessee of electric transmission or distribution property assessed by the State Board of Equalization under Chapter 57-33.2 is entitled to a 12 percent credit against the transmission or distribution taxes levied within each county for that property. This credit was added in House Bill No. 1059 as listed in the related legislation section.
5. The owner, operator, or lessee of operative property of an air carrier transportation company assessed and taxed under Chapter 57-32 is entitled to a 12 percent credit against property taxes levied within each county for that property.

6. The Tax Commissioner shall determine the estimated amount of credits and certify the amount to the State Treasurer for payments to each county. The credits must be allocated by the county treasurer to each taxing district based on the taxes collected.

Related Legislation

House Bill No. 1012 - Transportation funding allocations to non-oil-producing townships - The Legislative Assembly appropriated $8 million from the general fund in House Bill No. 1012 to the State Treasurer for providing special transportation funding distributions to non-oil-producing townships. Pursuant to the provisions in the bill, $5,000 must be allocated to each organized and unorganized township within non-oil-producing counties. The funding must be allocated in February 2016. To be eligible to receive an allocation, a township must be located in one of the 43 counties that received no allocation or an allocation of less than $5 million under Section 57-51-15 (oil and gas production tax allocations) in state fiscal year 2014.

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the State Treasurer's office, to obtain desktop support services from the Information Technology Department.

House Bill No. 1059 - Electrical transmission line tax credits - Amends Section 57-20-07.2 to include electrical transmission lines and electrical transmission or distribution properties in the calculation of state-paid property tax relief credits. The estimated fiscal impact for the 2015-17 biennium is $2.4 million of additional tax credits.

House Bill No. 1067 - Population estimates - Amends Section 57-39.2-26.1 to change the state aid distribution formula from allocations based on the decennial population to allocations based on the most recent actual or estimated census data.

House Bill No. 1093 - Highway tax distribution formula - Amends Section 54-27-19 related to the highway tax distribution formula to provide technical corrections for clarity and consistency.

Senate Bill No. 2103 - Distributions to political subdivisions - Provides a 2013-15 biennium appropriation of $298 million from the strategic investment and improvements fund to the State Treasurer for distributions to counties, cities, and townships.

Senate Bill No. 2172 - Oil and gas tax revenue - Provides that oil and gas tax revenue is considered current period revenue and allocated according to current law formulas.

Attorney General
Budget No. 125
Senate Bill Nos. 2003 and 2199; House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**250.00**	**$55,376,870**	**$35,900,785**	**$91,277,655**
2015-17 base budget	212.50	37,275,528	35,382,450	72,657,978
Legislative increase (decrease) to base budget	37.50	$18,101,342	$518,335	$18,619,677

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$51,701,902**	**$3,674,968**	**$55,376,870**
2013-15 legislative appropriations	37,275,528	1,626,100[1]	38,901,628[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$14,426,374	$2,048,868	$16,475,242
Percentage increase (decrease) to 2013-15 appropriations	38.7%	126.0%	42.4%

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $50,000 made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Attorney General is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$251,098	$17,347	$268,445
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		1,360,255	89,515	1,449,770
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		809,278	46,312	855,590
Added one-time funding for targeted equity salary increases for criminal investigator positions ($1,276,301) and gaming audit staff ($270,000).		1,026,301	520,000	1,546,301

Added funding for 16.50 law enforcement FTE positions as follows: • Added 8 criminal investigator FTE positions for $2,357,841. • Added 3 intelligence analyst FTE positions for $443,608. • Added 2 assistant Attorney General FTE positions for $489,893. • Added 1 administrative FTE position for $127,580. • Added 1 grants administrator FTE position for $127,580. • Added 1 forensic scientist FTE position for $177,761. • Added .50 attorney FTE position for $163,123.	16.50	3,724,698	162,688	3,887,386
Added funding for 2 criminal history identification technicians FTE positions.	2.00	310,536		310,536
Added funding for 2 legal staff FTE positions.	2.00		307,379	307,379
Added funding for 1 gaming auditor FTE position.	1.00	82,907	60,923	143,830
Added funding for 2 concealed weapons licensing FTE positions.	2.00		261,766	261,766
Restored funding for 1 programmer analyst FTE position that was identified as one-time funding for the 2013-15 biennium.	1.00	142,278	31,314	173,592
Added funding to transfer the criminal justice information sharing system (CJIS) from the Information Technology Department (ITD) to the Attorney General as follows: • Transferred 3 FTE positions from ITD, funding for 5 FTE positions, and all other costs associated with the CJIS program $3,341,701. • Removed special funds authority of $333,576 for payments received from ITD to reimburse the cost of 2 existing CJIS positions in the Attorney General's office. • Added 1 business analyst FTE position for $250,000. • Added funding for law enforcement records management system for $230,000. • Added funding for States' Attorney records system for $330,000. • Transferred one-time funding of $1 million for the CJIS system from ITD. • Added one-time funding for contracting expenses $250,000.	4.00	4,520,219	547,906	5,068,125

Added funding for providing legal services to the North Dakota University System: • Added funding for 1 intellectual property attorney FTE position $436,994. (House Bill No. 1003) • Added funding for 6 attorney FTE positions $2,334,940. • Added funding for 2 administrative assistant FTE positions $307,790. • Added special funds authority for campus assessments $438,061.	9.00	3,079,724	438,061	3,517,785
Added funding from the tobacco settlement fund for tobacco enforcement.			200,000	200,000
Increased funding for the North Dakota Lottery.			1,030,000	1,030,000
Added funding for information technology contractual service and repairs.			800,000	800,000
Added funding for Bureau of Criminal Investigation (BCI) and State Crime Laboratory applications.			1,604,000	1,604,000
Added funding for information technology software and supplies.		262,332		262,332
Increased funding for operating expenses.		1,133,418	108,376	1,241,794
Increased federal funding for highway traffic safety equipment.			300,000	300,000
Adjusted base level funding.		(369)	(6,140,585)	(6,140,954)
Added one-time funding to replace six undercover vehicles.		132,000		132,000
Added one-time funding for two surveillance vehicles.		66,667	133,333	200,000
Added one-time funding to provide grants to organizations involved in providing prevention and treatment services related to human trafficking victims in non-oil-producing counties. (Senate Bill No. 2199)		500,000		500,000
Added one-time funding to continue contracted higher education legal services. (House Bill No. 1003)		700,000		700,000
Total	37.50	$18,101,342	$518,335	$18,619,677

FTE Changes

The 2015-17 biennium appropriation includes funding for 250 FTE positions, an increase of 37.5 FTE positions from the 2013-15 biennium authorized level of 212.5 FTE positions. The Legislative Assembly provided the following positions:

- Restored 1 programmer analyst FTE position;
- Transferred 3 CJIS FTE positions from ITD;
- Added 1 CJIS business analyst FTE position;
- Added 1 intellectual property attorney FTE position to provide legal services to the University System;

- Added 6 attorney FTE positions to provide legal services to the University System;
- Added 2 administrative assistant FTE positions to assist in providing legal services to the University System;
- Added 8 criminal investigator FTE positions;
- Added 3 intelligence analyst FTE positions;
- Added 2 assistant Attorney General FTE positions;
- Added 1 administrative assistant FTE position;
- Added 1 grants administrator FTE position;
- Added 1 forensic scientist FTE position;
- Added .5 attorney FTE position;
- Added 2 criminal history identification technician FTE positions;
- Added 2 legal staff FTE positions;
- Added 1 gaming auditor FTE position; and
- Added 2 concealed weapons licensing FTE positions.

One-Time Funding

In Senate Bill Nos. 2003 and 2199 and House Bill No. 1003, the Legislative Assembly identified the following as one-time funding items:

	General Fund	Other Funds	Total
BCI vehicles (Senate Bill No. 2003)	$132,000		$132,000
BCI surveillance vehicles (Senate Bill No. 2003)	66,667	$133,333	200,000
Criminal justice information sharing (Senate Bill No. 2003)	1,250,000		1,250,000
Target equity for criminal investigators (Senate Bill No. 2003)	1,026,301	250,000	1,276,301
Target equity for gaming audit staff (Senate Bill No. 2003)		270,000	270,000
Human trafficking victims grants (Senate Bill No. 2199)	500,000		500,000
Continuation of contracted higher education legal services (House Bill No. 1003)	700,000		700,000
Total	$3,674,968	$653,333	$4,328,301

Deficiency Appropriations

In Section 1 of Senate Bill No. 2023, the Legislative Assembly provided a deficiency appropriation of $50,000 from the general fund to the Attorney General for prosecution witness fees.

24/7 Sobriety Program

The 2007 Legislative Assembly authorized the Attorney General to establish a sobriety program pilot project during the 2007-09 biennium. The pilot program began on January 1, 2008. The Attorney General established a 24/7 sobriety pilot program in 12 counties in the South Central Judicial District. The 2009 Legislative Assembly, in House Bill No. 1306, authorized the Attorney General to establish a statewide 24/7 sobriety program, established guidelines and program fees, and created and provided a continuing appropriation to the Attorney General from the 24/7 sobriety program fund. The goal of the program is to remove intoxicated drivers from the road and improve their ability to succeed in treatment. From January 1, 2008, through May 19, 2015, the program included 11,300 participants, of which 6,919 graduated from the program, 1,874 failed the program, 630 reoffended, and 1,877 were still active in the program.

Criminal Justice Information Sharing System

The 2015 Legislative Assembly authorized the transfer of CJIS from ITD to the Attorney General's office. The transfer includes 3 FTE positions from ITD, 2 FTE positions currently in the Attorney General's office, and the existing funding for 5 FTE positions and operating expenses. An additional 1 business analyst FTE position was added for a total of 6 FTE positions for CJIS.

Legal Services for North Dakota University System

The 2015 Legislative Assembly removed the State Board of Higher Education's statutory authorization to employ attorneys to represent the board in legal manners. In Senate Bill No. 2003, the Legislative Assembly added 6 attorney FTE positions, 2 administrative assistant FTE positions, and provided funding of $3,080,791 for the Attorney General to provide legal services for the University System. The Legislative Assembly also authorized the Attorney General in House Bill No. 1003, 1 intellectual property attorney FTE position and funding of $436,994 for salaries and operating expenses, to provide legal services for the University System.

Human Trafficking

The following legislation and appropriations were provided by the 2015 Legislative Assembly regarding human trafficking:

- Senate Bill No. 2107 - Created Chapter 12.1-41 relating to the Uniform Act on Prevention of and Remedies for Human Trafficking, which provides a penalty for human trafficking, and authorizes the Attorney General to grant or contract with service providers to develop or expand service programs for victims of human trafficking.
- Senate Bill No. 2199 - Designated $750,000 of $10 million provided by the Legislative Assembly in House Bill No. 1176 for grants to law enforcement agencies impacted by oil and gas development, to be designated for grants to organizations that provide prevention and treatment services related to human trafficking victims in hub cities and provided $500,000 to the Attorney General from the general fund to provide grants to organizations involved in providing prevention and treatment services related to human trafficking victims in non-oil-producing counties during the 2015-17 biennium.
- Senate Bill No. 2219 - Authorized the Attorney General to establish the Human Trafficking Commission to develop and coordinate a plan to provide human trafficking victims support services, collect and evaluate data on human trafficking, promote public awareness about human trafficking, and coordinate training on human trafficking prevention and victim services.

Other Sections in Senate Bill No. 2003

Targeted market equity funding - Section 3 provides that $270,000 of targeted market equity funding provided for gaming staff is one-time funding from the Attorney General refund fund. The section also provides that $1,276,301 of targeted market equity funding provided for criminal investigators, which includes $250,000 from carryover funding provided by the exemption in Section 5 of the bill and up to $1,026,301 is from the general fund, is one-time funding. In addition, the Attorney General may spend the general fund amount only to the extent that salary savings resulting from vacant positions and employee turnover are not sufficient to provide the $1,026,301. The Attorney General must report to the Office of Management and Budget, which must report to Budget Section in September 2015 and September 2016 regarding the amount of salary savings used for targeted equity.

Refund fund - Section 4 allows the Attorney General to retain the June 30, 2015, balance in the Attorney General refund fund rather than transferring the balance to the general fund.

Grants to law enforcement agencies exemption - Section 5 provides that the amount appropriated to the Attorney General from the strategic investment and improvements fund for grants to law enforcement agencies, for crime-related needs of the Attorney General's office, and for development of a uniform law enforcement and custody manual, as contained in Section 11 of Chapter 471 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11 and may be carried over into the 2015-17 biennium.

State Crime Laboratory expert witness travel costs - Section 6 creates a new section to Chapter 27-05, providing that State Crime Laboratory expert witness travel costs are the responsibility of district courts with the exception of any case involving an offense of a Class AA felony or the district court permits the expert witness to testify via the state's interactive video network service or other interactive computer service. **This section was vetoed by the Governor.**

Amendment - Lottery operating fund - Section 7 amends Section 53-12.1-09 increasing the amount of lottery revenues transferred to the compulsive gambling prevention and treatment fund from $50,000 to $80,000 each quarter. This change results in a $240,000 reduction to 2015-17 biennium general fund revenues.

Attorney General opinions - Section 8 creates a new section to Chapter 54-12 requiring the Attorney General to notify a requestor within 30 days of receipt of a request for a written opinion under Section 54-12-01 or 44-04-21.1 that the request has been received. The section also provides that the Attorney General must deliver a written opinion or notification that a written opinion will not be provided within 180 days of the receipt of the request. **This section was vetoed by the Governor.**

Criminal justice data information sharing system - Section 9 creates a new section to Chapter 54-12 transferring CJIS from ITD to the Attorney General. Section 15 repeals Section 54-59-21 relating to CJIS in ITD.

Assistant and special assistant Attorneys General - Section 10 amends Section 54-12-08 to remove the authorization of the State Board of Higher Education to employ attorneys to represent the board in legal matters and to allow assistant and special assistant Attorneys General that have been appointed to access and examine records under the control of the board.

Attorney General's salary - Section 11 provides statutory changes to Section 54-12-11 relating to the salary of the Attorney General. The Legislative Assembly authorized 2015-17 biennium annual salary increases of 3 percent. The Attorney General's salary is to be increased from the current level of $147,996 to $152,436 effective July 1, 2015, and to $157,009 effective July 1, 2016.

Tobacco settlement trust fund - Section 12 amends Section 54-27-25 relating to the tobacco settlement trust fund to allow money in the fund to be appropriated to the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement.

Campus assessments - Reports to Budget Section - Section 13 details the estimated amount of the University System campus assessments for legal fees that will be charged by the Attorney General during the 2015-17 biennium and requires the Attorney General to report to the Budget Section by September 30, 2016, regarding any fees charged to a campus in excess of the estimated campus assessments.

Legislative Management Study - Medicaid fraud unit - Section 14 provides for a Legislative Management study of the feasibility and desirability of establishing a Medicaid fraud unit in the state.

Emergency - Section 16 declares Section 4 and subsection 4 of Section 10 of Senate Bill No. 2003 to be an emergency measure.

Related Legislation

Senate Bill No. 2107 - Creates Chapter 12.1-41 relating to the Uniform Act on Prevention of and Remedies for Human Trafficking, provides a penalty, and authorizes the Attorney General to grant or contract with service providers to develop or expand service programs for victims of human trafficking.

Senate Bill No. 2199 - Provides an appropriation of $500,000 to the Attorney General from the general fund to provide grants to organizations involved in providing prevention and treatment services related to human trafficking victims in non-oil-producing counties during the 2015-17 biennium.

Senate Bill No. 2219 - Authorizes the Attorney General to establish the Human Trafficking Commission to develop and coordinate a plan to provide human trafficking victims support services, to collect and evaluate data on human trafficking, to promote public awareness about human trafficking, and to coordinate training on human trafficking prevention and victim services.

House Bill No. 1003 - Provides an appropriation of $1,136,994 to the Attorney General from the general fund to provide legal services for the State Board of Higher Education and institutions and entities under the control of the board. The Attorney General is authorized 1 intellectual property attorney FTE position ($436,994) and funding to continue contracted higher education legal services ($700,000).

Tax Commissioner
Budget No. 127
Senate Bill No. 2006

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**136.00**	**$58,769,918**	**$125,000**	**$58,894,918**
2015-17 base budget	134.00	56,054,140	125,000	56,179,140
Legislative increase (decrease) to base budget	2.00	$2,715,778	$0	$2,715,778

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$58,761,918**	**$8,000**	**$58,769,918**
2013-15 legislative appropriations	56,054,140	1,000,000	57,054,140
2015-17 legislative increase (decrease) to 2013-15 appropriations	$2,707,778	($992,000)	$1,715,778
Percentage increase (decrease) to 2013-15 appropriations	4.8%	(99.2%)	3.0%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Tax Commissioner is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$649,895		$649,895
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		825,685		825,685
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		484,832		484,832
Added funding for a research analyst position ($133,597) and a property tax specialist position ($33,399) and related operating expenses ($19,615).	2.00	186,611		186,611

Added funding for GenTax contracts ($200,000), temporary wages and postage ($296,315), and other operating expenses ($64,440).		560,755		560,755
Added one-time funding for digital scanners.		8,000		8,000
Total	2.00	$2,715,778	$0	$2,715,778

FTE Changes

The Legislative Assembly approved 136 FTE positions, an increase of 2 FTE positions from the 2013-15 biennium authorized level of 134 FTE positions. The new positions include a research analyst position and a property tax specialist position.

One-Time Funding

In Section 2 of Senate Bill No. 2006, the Legislative Assembly identified $8,000 of one-time funding from the general fund for the 2015-17 biennium for digital scanners.

Other Sections in Bill

Motor vehicle fuel taxes - Section 3 provides for a transfer of $2,030,496 from motor vehicle fuel tax collections to the general fund related to the Tax Commissioner's expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

Exemption - Section 4 provides an exemption for the $16,000 appropriated in the capital assets line item to the Tax Department in the 2013-15 biennium. As a result, $40,000 will be available to the department to purchase digital scanners, of which $16,000 is from carryover authority, $16,000 is included in the department's base budget, and $8,000 of one-time funding was added by the Legislative Assembly.

Salary of Tax Commissioner - Section 5 provides statutory changes to North Dakota Century Code Section 57-01-04 relating to the salary of the Tax Commissioner. The Legislative Assembly authorized 2015-17 biennium annual salary increases of 3 percent. The Tax Commissioner's salary is to be increased from the current level of $108,202 to $111,448 effective July 1, 2015, and to $114,791 effective July 1, 2016.

Related Legislation

House Bill No. 1059 - Homestead tax credit - Amends Section 57-02-08.1 to expand the homestead tax credit by increasing the maximum homestead value from $100,000 to $125,000. The estimated fiscal impact for the 2015-17 biennium is $1.2 million of additional tax credits.

House Bill No. 1133 - Overpayments and refunds - Allows the Tax Commissioner to offset future distributions of tax collections related to overpayments, requires tax refunds to be at least $5 before a payment is issued, and provides technical corrections for consistency and clarity.

Senate Bill No. 2113 - Disabled veterans' tax credit - Expands the disabled veterans' tax credit by changing the taxable valuation from the value of the fixtures, buildings, and improvements of the property to the value of the property. The fiscal impact for the 2015-17 biennium is estimated to be minimal.

Senate Bill No. 2115 - Assessment changes - Allows the Tax Commissioner to accept reduced tax collections from taxes assessed but not yet paid if the taxpayer provides information verifying that the assessment exceeds the actual amount due.

Insurance Commissioner, including Insurance Tax Payments to Fire Departments
Budget No. 401
Senate Bill No. 2010

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**49.50**	**$0**	**$28,246,346**	**$28,246,346**
2015-17 base budget	49.50	0	26,377,090	26,377,090
Legislative increase (decrease) to base budget	0.00	$0	$1,869,256	$1,869,256

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Insurance Commissioner is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$255,966	$255,966
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			326,187	326,187
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			178,248	178,248
Adjusted funding for operating expenses relating primarily to actuarial services, travel, and office rental.			(345,966)	(345,966)
Increased the grant to the North Dakota Firefighter's Association to provide total ongoing funding of $890,000 from the insurance tax distribution fund.			90,000	90,000
Increased grants to fire departments to provide total ongoing funding of $15,681,207 from the insurance tax distribution fund. Pursuant to Section 7 of Senate Bill No. 2016, $500,000 of this amount is to be made available for stipends for firefighters participating in approved training.			1,144,821	1,144,821
Added one-time funding from the state fire and tornado fund to purchase a new boiler inspection software program.			90,000	90,000
Added one-time funding from the insurance tax distribution fund for a grant to the North Dakota Firefighter's Association to create a computerized database for all data pertaining to firefighters.			130,000	130,000
Total	0.00	$0	$1,869,256	$1,869,256

FTE Changes

The Legislative Assembly approved 49.50 FTE positions for the Insurance Department for the 2015-17 biennium, the same as the 2013-15 biennium.

Administrative Costs of Special Funds

Sections 3, 4, 5, and 6 provide for administrative costs allocated to the bonding fund, state fire and tornado fund, unsatisfied judgment fund, and the petroleum tank release compensation fund. The schedule below provides information regarding the administrative costs allocated to each special fund:

	2013-15 Biennium Legislative Appropriation	2015-17 Biennium Legislative Appropriation	Increase (Decrease)
Bonding fund	$45,199	$50,813	$5,614
State fire and tornado fund	$1,552,929	$1,660,748	$107,819
Unsatisfied judgment fund	$28,690	$29,062	$372
Petroleum release compensation fund	$107,598	$116,881	$9,283

Other Sections in Bill

Insurance tax distribution fund - Section 2 provides an appropriation of $16,701,207 from the insurance tax distribution fund and designates $15,681,207 for payments to fire departments and $1,020,000 for payments to the North Dakota Firefighter's Association.

Insurance Commissioner's salary - Section 7 provides the statutory changes necessary to increase the Insurance Commissioner's salary by 3 percent for each year of the 2015-17 biennium as follows:

Annual salary authorized by the Legislative Assembly in 2013:

July 1, 2013	$96,794
July 1, 2014	$99,698

Annual salary authorized by the Legislative Assembly in 2015:

July 1, 2015	$102,689
July 1, 2016	$105,770

Bail bond agents - Sections 8 through 10 amend North Dakota Century Code Sections 26.1-26.6-01, 26.1-26.6-04, and 26.1-26.6-05 relating to bail bond agents.

Surplus lines insurance filings - Section 11 amends subsection 4 of Section 26.1-44-03.1 relating to surplus lines insurance filings.

Related Legislation

Fire department payments - Section 7 of Senate Bill No. 2016 identifies of the amount appropriated from the insurance tax distribution fund for fire department payments in Section 2 of Senate Bill No. 2010, $500,000 shall be provided to the Department of Emergency Services for stipends to firefighters participating in approved training.

Travel insurance - Senate Bill No. 2283 relates to lines of insurance and procedures for travel insurance.

Cancer treatment - House Bill No. 1072 expands health insurance coverage of cancer treatment medications.

Portable electronics insurance - House Bill No. 1384 creates law relating to portable electronics insurance.

Public Service Commission
Budget No. 408
Senate Bill No. 2008

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**46.00**	**$7,935,207**	**$14,300,575**	**$22,235,782**
2015-17 base budget	44.00	6,667,660	13,033,549	19,701,209
Legislative increase (decrease) to base budget	2.00	$1,267,547	$1,267,026	$2,534,573

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$7,521,207**	**$414,000**	**$7,935,207**
2013-15 legislative appropriations	6,667,660	424,080	7,091,740
2015-17 legislative increase (decrease) to 2013-15 appropriations	$853,547	($10,080)	$843,467
Percentage increase (decrease) to 2013-15 appropriations	12.8%	(2.4%)	11.9%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Public Service Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$48,147	($55,650)	($7,503)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		218,499	147,228	365,727
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		103,419	64,134	167,553
Added funding for 1 public utility analyst FTE position.	1.00	297,747		297,747
Added the following funding for a railroad safety pilot program:				

• 1 railroad safety inspector FTE position.	1.00		309,970	309,970
• 1 temporary employee.			200,000	200,000
Added funding for abandoned mine land program temporary positions.			245,344	245,344
Added funding for temporary weights and measures inspector.		200,000		200,000
Increased funding for travel.		20,000	20,000	40,000
Added funding for information technology equipment replacement and upgrades.		26,400		26,400
Adjusted funding for capital assets.		(60,665)		(60,665)
Added one-time funding for specialized legal services.		414,000	336,000	750,000
Total	2.00	$1,267,547	$1,267,026	$2,534,573

FTE Changes

The 2015-17 biennium appropriation includes funding for 48 FTE positions, an increase of 2 FTE positions from the 2013-15 biennium authorized level of 44 FTE positions. The Legislative Assembly added 1 railroad safety inspector FTE position and 1 public utility analyst FTE position.

One-Time Funding

The Legislative Assembly identified one-time funding of $750,000, including $414,000 from the general fund, for specialized legal services for the 2015-17 biennium.

Railroad Safety Pilot Program

In Section 3 of Senate Bill No. 2008, the Legislative Assembly identified funding of $523,345 from the rail safety fund for 1 railroad safety inspector FTE position to inspect railroad track and 1 temporary employee for a rail safety program for the 2015-17 biennium with the intent to continue the program into the 2017-19 biennium. The rail safety fund, created in Section 7 of Senate Bill No. 2008, will receive revenue from special fuels excise taxes collected on sales of diesel fuel to a railroad under North Dakota Century Code Section 57-43.2-03 of up to $275,000 per year, through June 30, 2019.

Other Sections in Bill

Railroad safety pilot program - Legislative intent - Rail safety fund - Section 3 provides that $523,345 from the rail safety fund in Section 1 of Senate Bill No. 2008, be used for a new railroad safety pilot program, which includes 1 railroad safety inspector FTE position ($253,345), related operating expenses ($70,000), and 1 temporary position ($200,000), and provides legislative intent that the program continue through the 2017-19 biennium. Section 7 amends Section 57-43.2-19 to deposit special fuels excise taxes collected on sales of diesel fuel to a railroad under Section 57-43.2-03 of up to $275,000 per year into the rail safety fund through June 30, 2019. Section 8 provides an effective date for Section 7 of Senate Bill No. 2008 for special fuels excise taxes collected after June 30, 2015.

Railroad training program - Section 4 requires railroads to make training available, with refreshment training at least every three years, to all fire departments having jurisdiction along routes traversed by unit oil trains.

Salary of commissioners - Section 5 provides statutory changes to Section 49-01-05 relating to the salaries of the Public Service Commissioners. The Legislative Assembly authorized 2015-17 biennium annual salary increases of 3 percent. The Public Service Commissioners salary is to be increased from the current level of $102,418 to $105,491 effective July 1, 2015, and to $108,656 effective July 1, 2016.

Rail rate complaint case funding - Section 6 provides for a transfer of up to $900,000 from the Bank of North Dakota beginning farmer revolving loan fund to the Public Service Commission to pay for costs associated with a rail rate complaint case. If any amount is spent, the Public Service Commission is to reimburse the beginning farmer revolving loan fund using amounts from damages or proceeds received, net of legal fees, from a successful outcome of a rail rate complaint case.

Retroactive application - Section 9 provides that the specialized legal services line item is retroactive in application.

Emergency - Section 10 provides that the specialized legal services line item is declared to be an emergency measure.

Related Legislation

Senate Bill No. 2037 - Provides that a wind turbine electric generation unit with a capacity of 100 kilowatts or more on which construction is completed after December 31, 2014, or which is 20 years or more from the date of first assessment, is subject to taxes in lieu of property taxes. The bill also provides for a Legislative Management study on wind generation taxation and requires the Public Service Commission to report annually during the 2015-16 interim on the status of retail sales of electricity in comparison to the state renewable and recycled energy objective.

Senate Bill No. 2120 - Changes the energy conversion and transmission facility siting minimum application fee from $5,000 to $10,000.

Senate Bill No. 2123 - Provides authority to the Public Service Commission to impose an application fee of up to $10,000, or a greater amount with Emergency Commission approval, for an application for a certificate of public convenience and necessity.

Senate Bill No. 2356 - Provides for a Legislative Management study of reclamation standards and practices during the 2015-16 interim.

Agriculture Commissioner
Budget No. 602
Senate Bill Nos. 2009 and 2271, House Bill No. 1432

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**77.00**	**$13,081,056**	**$21,718,053**	**$34,799,109**
2015-17 base budget	77.00	9,519,217	15,754,591	25,273,808
Legislative increase (decrease) to base budget	0.00	$3,561,839	$5,963,462	$9,525,301

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$10,530,834**	**$2,550,222**	**$13,081,056**
2013-15 legislative appropriations	9,519,217	0	9,519,217
2015-17 legislative increase (decrease) to 2013-15 appropriations	$1,011,617	$2,550,222	$3,561,839
Percentage increase (decrease) to 2013-15 appropriations	10.6%	100.0%	37.4%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Agriculture is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$38,720	($416,531)	($377,811)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		263,043	178,047	441,090
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		153,436	113,936	267,372
Added funding for monitoring, surveying, and inspecting for Japanese beetle, emerald ash borer, and other issues.		82,297		82,297
Added funding for the costs of changes in venues in Grand Forks and Fargo for Pride of Dakota showcases.		50,000		50,000

Added funding for Information Technology Department desktop support services.	352,912		352,912
Increased funding for operating expenses relating to contracted mediation services and the specialty crop block grant program.	92,908	226,883	319,791
Reduced funding for capital assets.		(4,000)	(4,000)
Adjusted funding for information technology operating costs.	(21,699)	181	(21,518)
Increased funding authorization from the environment and rangeland protection fund for the agriculture in the classroom grant to provide a total of $125,000.		5,000	5,000
Increased federal funding authorization for the specialty crop block grant to provide a total of $5,443,500.		3,827,946	3,827,946
Increased funding authorization from the Agriculture Department fund for Pride of Dakota grants to provide a total of $40,000.		30,000	30,000
Added funding authorization from the environment and rangeland protection fund for the local foods grant to provide a total of $10,000.		10,000	10,000
Reduced federal funding authorization for the organic certification grant to provide a total of $200,000.		(150,000)	(150,000)
Added funding from federal funds for salaries and wages and other expenses relating to avian influenza.		300,000	300,000
Added funding from the abandoned oil and gas well plugging site reclamation fund for establishing and administering a pipeline restoration and reclamation oversight pilot program. (Senate Bill No. 2271)		400,000	400,000
Added one-time funding for an Information Technology Department analysis of the department's information technology data and application structure.	150,222		150,222
Added one-time funding to redesign the department website.	100,000		100,000
Added one-time funding from the North Dakota outdoor heritage fund for the waterbank program.		1,200,000	1,200,000
Added one-time funding to assist with operating costs of the National Genomics Center.	800,000		800,000
Added one-time funding to study the economic impact of the agriculture industry.		242,000	242,000

Transferred funds to the new federal environmental law impact review fund. (House Bill No. 1432)		1,500,000		1,500,000
Total	0.00	$3,561,839	$5,963,462	$9,525,301

FTE Changes

The Legislative Assembly approved 77 FTE positions for the Department of Agriculture for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

The following is a summary of one-time funding items for the Department of Agriculture for the 2015-17 biennium:

	General Fund	Other Funds	Total
National Genomics Center	$800,000		$800,000
Information Technology Department analysis	150,222		150,222
Department website redesign	100,000		100,000
Waterbank program		$1,200,000	1,200,000
Agriculture industry economic impact study		242,000	242,000
Federal environmental law impact review (House Bill No. 1432)	1,500,000		1,500,000
Total	$2,550,222	$1,442,000	$3,992,222

Environment and Rangeland Protection Fund

Section 3 of Senate Bill No. 2009 transfers $325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2015-17 biennium.

Section 4 of Senate Bill No. 2009 identifies $6,403,714 of funding from the environment and rangeland protection fund in the other funds appropriation for the Department of Agriculture.

Other Sections in Bill

Environment and rangeland protection fund transfer to minor use pesticide fund - Section 3 provides for a transfer of $325,000 from the environment and rangeland protection fund to the minor use pesticide fund.

Environment and rangeland protection fund income - Section 4 designates $6,403,714 from the environment and rangeland protection fund to pay for various department programs.

Game and fish funding - Section 5 provides $499,585 from the game and fish operating fund for the State Board of Animal Health ($115,185) and Wildlife Services Program ($384,400) for the 2015-17 biennium. The 2013-15 legislative appropriation from the game and fish fund for these programs was $484,398.

State Water Commission funding - Section 6 provides that $250,000 be transferred from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program for the 2015-17 biennium. This represents the same level of funding transferred from the State Water Commission to the Agriculture Commissioner during the 2013-15 biennium.

Waterbank program - Matching funds - Section 7 identifies $50,000 from the general fund in the salaries and wages line item is for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

Agriculture Commissioner's salary - Section 8 provides the statutory changes necessary to increase the Agriculture Commissioner's salary by 3 percent for each year of the biennium as follows:

Annual salary authorized by the Legislative Assembly in 2013:

July 1, 2013	$99,435
July 1, 2014	$102,418

Annual salary authorized by the Legislative Assembly in 2015:

July 1, 2015	$105,491
July 1, 2016	$108,656

Emergency - Section 9 declares $100,000 of federal funds included in the State Board of Animal Health line item to be an emergency measure.

Related Legislation

House Bill No. 1021 - Requires certain agencies, including the Agriculture Commissioner, to obtain desktop support services from the Information Technology Department.

House Bill No. 1026 - Allows the Agriculture Commissioner to implement rules relating to the management and harvesting of ginseng.

House Bill No. 1432 - Creates the federal environmental law impact review fund and transfers $1.5 million to the fund from the general fund. This bill provides a continuing appropriation of all funds in the federal environmental law impact review fund to the Agriculture Commissioner.

Senate Bill No. 2186 - Amends law related to honey assessments.

Senate Bill No. 2271 - Provides an appropriation of $400,000 from the oil and gas well plugging site reclamation fund to the Agriculture Commissioner to establish and administer a pipeline restoration and reclamation oversight pilot program.

SECTION E - ELEMENTARY AND SECONDARY EDUCATION

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ELEMENTARY AND SECONDARY EDUCATION - OVERVIEW

STATE SCHOOL AID

The Legislative Assembly appropriated $2,005,740,000, of which $1,786,606,000 is from the general fund and $219,134,000 is from the state tuition fund, for state school aid, including integrated formula payments, transportation aid, special education, and grants for rapid enrollment growth. This level of funding represents an increase of $170 million, including increases in funding of $91.2 million from the general fund and $78.8 million from the state tuition fund, from the 2013-15 legislative appropriation of $1,835,700,000.

In 2013 the Legislative Assembly approved the implementation of a new integrated formula payment to provide school funding. The legislative appropriation for the state school aid program integrates property tax relief in the K-12 state school aid funding formula. The formula change provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. For the 2015-17 biennium, the integrated payment rates are $9,365 during the first year of the biennium and $9,646 for the second year of the biennium. This base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment. In addition, school districts are allowed an additional 10-mill levy for general fund purposes, an additional 12-mill levy for miscellaneous purposes, and a 3-mill levy for a special reserve fund. The legislative appropriation for the state school aid program:

- Includes **integrated formula payments** totaling $1,916,640,000, of which $1,697,506,000 is from the general fund and $219,134,000 is from the state tuition fund. This level of funding represents an increase of $164.5 million, of which $85.7 million is from the general fund and $78.8 million is from the state tuition fund, from the 2013-15 biennium appropriation for integrated formula payments of $1.752 billion. The Legislative Assembly approved increases in the state school aid formula totaling $164.5 million, including cost to continue the 2013-15 biennium second year integrated formula payment increase ($62 million), cost of projected student growth ($104 million), and cost associated with a 3 percent per year increase in per student integrated payment rates ($103.3 million). In addition, integrated formula payments were reduced due to an adjustment in base funding for unobligated 2013-15 biennium funding ($25.6 million) and for estimated increases in local cost-share, including local property tax and income relating to estimated oil tax production and distribution ($73 million). The Legislative Assembly also removed the PowerSchool factor from the state school aid formula and provided funding for PowerSchool in a separate line of the department's appropriation resulting in a $6.4 million reduction to state school aid. Other adjustments to the state school aid formula resulted in an estimated $.2 million increase in state school aid.
- Authorizes the department to spend up to $800,000 of the integrated formula payments line item for **gifted and talented programs**, the same as the 2013-15 biennium, and up to $800,000 for **regional education association grants**, the same as the 2013-15 biennium.
- Provides $57 million for **transportation grants** and the related increases in the state transportation formula rates, $3.5 million more than the 2013-15 biennium.
- Increases funding for **special education contracts** by $800,000 to provide a total of $17.3 million.
- Provides $14.8 million of one-time funding from the general fund for **rapid enrollment grants**.

The legislative appropriation for the state school aid program of $2,005,740,000 is summarized as follows:

Integrated formula payments	$1,916,640,000
Transportation aid payments	57,000,000
Special education - Contracts	17,300,000
Rapid enrollment grants	14,800,000
Total	$2,005,740,000

OTHER APPROPRIATIONS

The legislative appropriation also provides:

1. **National board certification** - $120,000 from the general fund for payments to teachers receiving national board certification, the same as the 2013-15 legislative appropriation.

2. **Governor's School program** - $460,000 from the general fund for support of the Governor's School program, the same as the 2013-15 legislative appropriation.
3. **National writing projects** - $193,000 from the general fund for support of the Red River Valley writing project ($100,000) and the Northern Plains writing project ($93,000), an increase of $20,000 from the 2013-15 legislative appropriation.
4. **North Dakota Museum of Art** - $435,000 from the general fund for support of the North Dakota Museum of Art rural art outreach project, an increase of $20,000 from the 2013-15 legislative appropriation.
5. **North Dakota LEAD Center** - $267,500 from the general fund for support of the North Dakota LEAD Center, an increase of $7,500 from the 2013-15 legislative appropriation.
6. **Teacher center network** - $360,000 from the general fund for support of the teacher center network, the same as the 2013-15 legislative appropriation.
7. **School food services** - $1.38 million from the general fund to provide child nutrition and food distribution program state matching funds, the same as the 2013-15 legislative appropriation.
8. **Adult education grants** - $4,110,411 from the general fund to provide adult education grants, an increase of $1 million from the 2013-15 legislative appropriation.
9. **North Central Council for School Television** - $535,000 from the general fund for a grant to the North Central Council for School Television, the same as the 2013-15 legislative appropriation.
10. **Global Bridges (Atlantik-Brucke/Atlantik Forum) exchange program** - $250,000 from the general fund for a grant to the Global Bridges (Atlantik-Brucke/Atlantik Forum) exchange program, an increase of $100,000 from the 2013-15 legislative appropriation.
11. **North Dakota young entrepreneur education program** - $100,000 from the general fund for a grant to the North Dakota young entrepreneur education program, a decrease of $20,000 from the 2013-15 legislative appropriation.
12. **"We the People" program** - $25,000 from the general fund for a grant to the "We the People" program, an increase of $5,000 from the 2013-15 legislative appropriation.
13. **Teacher, principal, and instructional coach mentoring program** - $2.7 million from the general fund for a teacher support system grant program to be administered by the Education Standards and Practices Board, an increase of $400,000 from the 2013-15 biennium legislative appropriation.
14. **Continuing education grants** - $150,000 from the general fund for continuing education grants to individuals pursuing degrees or diplomas in education leadership, individuals becoming career advisors, or individuals pursuing a school counselor credential, the same as the 2013-15 legislative appropriation.
15. **Curriculum alignment grants** - $100,000 from the general fund for a new program to improve the alignment of language arts between high schools and institutions of higher education, the same as the 2013-15 legislative appropriation.
16. **Preschool continuing education grants program** - $150,000 from the general fund for continuing education grants for preschool teachers, the same as the 2013-15 legislative appropriation.
17. **Prekindergarten space grant program** - $125,000 from the general fund for grants of up to $5,000 per classroom to assist schools in making safety-compliant space available for licensed prekindergarten programs, the same as the 2013-15 legislative appropriation.
18. **Gearing Up for Kindergarten** - $675,000 from the general fund to support the Gearing Up for Kindergarten program provided by the North Dakota State University Extension Service, the same as the 2013-15 legislative appropriation.
19. **Pathfinders Parent project** - $120,000 from the general fund for a grant to the Pathfinders Parent project to assist parents of children requiring an individualized education, a decrease of $11,106 from the 2013-15 legislative appropriation.
20. **Cardiopulmonary resuscitation (CPR) training grants** - $450,000 from the general fund to reimburse public and nonpublic schools offering qualified CPR training, the same as the 2013-15 legislative appropriation, except that funding provided for the 2015-17 biennium is considered one-time funding.
21. **School district safety grants** - Funding was not provided for school district safety grants during the 2015-17 biennium; however, the Legislative Assembly provided funds remaining from the $3 million provided from the general fund for school district safety grants during the 2013-15 biennium may be continued and unexpended funds are available for school district safety grants during the 2015-17 biennium. The department anticipates distributing $2.5 million for school district safety grants during the 2013-15 biennium and estimates $500,000 will be available for school district safety grants during the 2015-17 biennium.
22. **Teacher and principal evaluation system grants** - $240,000 from the general fund to provide support for statewide training and implementation activities to advance the deployment of principal and teacher evaluation programs.
23. **Free breakfast program** - $205,000 from the general fund to provide free breakfast to students eligible for reduced meals.

24. **English language learner grants** - $1 million from the general fund to provide grants to the four school districts that serve the largest number of first and second level English language learners in K-12.
25. **Civics education grant** - $200,000 from the general fund to provide a grant to the North Dakota Humanities Council for the development of elementary and secondary civics education.
26. **Medicaid matching grants** - $323,611 from the general fund to provide funding for the Medicaid matching requirements of school districts related to increased medical assistance payment rates for physical, occupational, and speech therapy services.
27. **PowerSchool** - $6 million from the general fund is provided in a separate line of the department's appropriation for PowerSchool maintenance and upgrades and the PowerSchool factor is removed from the state school aid formula.

Department of Public Instruction
Budget No. 201
Senate Bill No. 2013

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**99.75**	**$1,820,982,952**	**$508,632,473**	**$2,329,615,425**
2015-17 base budget	99.75	1,717,543,325	436,996,759	2,154,540,084
Legislative increase (decrease) to base budget	0.00	$103,439,627	$71,635,714	$175,075,341

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$1,805,502,952**	**$15,480,000**	**$1,820,982,952**
2013-15 legislative appropriations	1,717,543,325	11,070,000[1]	1,728,613,325[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$87,959,627	$4,410,000	$92,369,627
Percentage increase (decrease) to 2013-15 appropriations	5.1%	39.8%	5.3%

[1]The 2013-15 biennium general fund appropriations reflect a contingent appropriation of $5 million made in 2013 Senate Bill No. 2003 to provide a grant for the construction of a children's science center in Bismarck. The appropriation was contingent on actual general fund revenues, including any unobligated general fund balance on July 1, 2013, exceeding legislative estimates for general fund revenues by 3.5 percent during the period beginning July 1, 2013, through June 30, 2014, as determined by the Office of Management and Budget. The contingency requirements were met; therefore, the appropriation became effective.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Public Instruction is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$719,511	($569,781)	$149,730
Added funding for market equity related to attrition in the director of school finance position.		100,000		100,000
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		206,948	422,861	629,809

Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.	113,863	246,198	360,061
Increased funding for salaries and wages to support content positions in math and science. The department anticipates converting current FTE positions.	277,351		277,351
Increased funding for the administration of the Safe and Healthy Schools Unit, including salaries and wages ($500,034) and operating expenses ($97,640).	597,674		597,674
Increased funding for information technology maintenance to update the state automated reporting system (STARS) ($112,000) and updates to the department's website ($48,000).	160,000		160,000
Added funding for operating expenses to support the statewide accreditation system.	799,750		799,750
Added funding for operating expenses to support a college and career readiness program, including the cost of advanced placement teacher professional development and related expenses.	250,000		250,000
Added funding to support statewide training and implementation activities to advance the deployment of principal and teacher evaluation programs, including $60,000 for operating costs and $240,000 for grants.	300,000		300,000
Adjust funding for various federal and special funds grants.		(7,869,039)	(7,869,039)
Increased funding for integrated formula payments to provide a total of $1,916,640,000, of which $219,134,000 is from the state tuition fund and $1,697,506,000 is from the general fund.	85,732,000	78,808,000	164,540,000
Increased funding for transportation grants to provide a total of $57 million from the general fund.	3,500,000		3,500,000
Increased funding for special education contract grants to provide a total of $17.3 million from the general fund.	800,000		800,000
Increased funding for the mentorship grant program to provide $2.7 million from the general fund for an expanded teacher, principal, and instructional coach mentoring program.	400,000		400,000
Increased funding for adult education grants to provide a total of $4,110,411 from the general fund.	1,000,000		1,000,000

Adjusted the funding source of other grants to reflect the estimated availability of grant funds.		(597,475)	597,475	
Adjusted funding for other general fund grants as follows:		121,394		121,394

	General Fund Increase (Decrease)	Total General Fund
Rural art outreach project	$20,000	$435,000
LEAD Center	7,500	267,500
Global Bridges (Atlantik-Brucke) exchange	100,000	250,000
North Dakota young entrepreneur education program	(20,000)	100,000
"We the People" program	5,000	25,000
Pathfinders Parent project	(11,106)	120,000
National writing projects	20,000	193,000
Total general fund	$121,394	$1,390,500

Added funding for grants to provide free breakfast to students eligible for reduced meals to provide a total of $205,000 from the general fund.		205,000		205,000
Added funding for English language learner grants to provide a total of $1 million from the general fund.		1,000,000		1,000,000
Added funding for Medicaid matching requirements of school districts related to increased medical assistance payment rates for physical, occupational, and speech therapy services to provide a total of $323,611 from the general fund.		323,611		323,611
Added funding for PowerSchool to provide a total of $6 million from the general fund in a separate line of the department's appropriation and removed the PowerSchool factor from the state school aid formula.		6,000,000		6,000,000
Increased funding for rapid enrollment grants to provide a total of $14.8 million from the general fund as one-time funding.		1,200,000		1,200,000
Added one-time funding for a grant to the North Dakota Humanities Council for the development of elementary and secondary civics education.		200,000		200,000
Added one-time funding for the cost of computer updates related to providing free breakfast to students eligible for reduced meals.		30,000		30,000
Total	0.00	$103,439,627	$71,635,714	$175,075,341

FTE Changes

The Legislative Assembly approved 99.75 FTE positions for the Department of Public Instruction for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2013, the Legislative Assembly identified $15.48 million of one-time funding from the general fund for the 2015-17 biennium for various initiatives. These items, summarized below, are not to be considered part of the Department of Public Instruction's 2017-19 biennium base budget, and the department is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

	General Fund	Special Funds	Total
Rapid enrollment grants	$14,800,000		$14,800,000
Cardiopulmonary resuscitation (CPR) training grants	450,000		450,000
Civics education grant	200,000		200,000
Free or reduced meals information technology	30,000		30,000
Total	$15,480,000	$0	$15,480,000

State School Aid - Integrated Formula Payments, Transportation Aid, Special Education Contracts, and Rapid Enrollment Grants

The Legislative Assembly appropriated $2,005,740,000, of which $1,786,606,000 is from the general fund and $219,134,000 is from the state tuition fund, for state school aid, including integrated formula payments, transportation aid, special education, and grants for rapid enrollment growth. This level of funding represents an increase of $170 million, of which $91.2 million is from the general fund and $78.8 million is from the state tuition fund, from the 2013-15 legislative appropriation of $1,835,700,000. (See the schedules following this section for a comparison of state school aid and other grants for the 2013-15 and 2015-17 bienniums.)

Integrated Formula Payments

In 2013 the Legislative Assembly approved the implementation of a new integrated formula payment to provide school funding. The legislative appropriation for the state school aid program integrates property tax relief in the K-12 state school aid funding formula. The formula change provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. For the 2015-17 biennium, the integrated payment rates are $9,365 during the first year of the biennium and $9,646 for the second year of the biennium. This base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment. In addition, school districts are allowed an additional 10-mill levy for general fund purposes, an additional 12-mill levy for miscellaneous purposes, and a 3-mill levy for a special reserve fund.

The Legislative Assembly provided an appropriation of $1,916,640,000, of which $1,697,506,000 is from the general fund and $219,134,000 is from the state tuition fund, for state school aid for integrated formula payments. This level of funding represents an increase of $164.5 million, of which $85.7 million is from the general fund and $78.8 million is from the state tuition fund, from the 2013-15 biennium appropriation for integrated formula payments of $1.752 billion.

The Legislative Assembly approved increases in the state school aid formula totaling $164.5 million, including cost-to-continue the 2013-15 biennium second year integrated formula payment increase ($62 million), cost of projected student growth ($104 million), and cost associated with a 3 percent per year increase in per student integrated payment rates ($103.32 million). Increases approved by the Legislative Assembly and other adjustments to the state school aid formula are summarized as follows:

	Increase (Decrease)	Integrated Formula Payments
Base budget integrated formula payments:		$1,752,100,000
Base adjustment for unobligated 2013-15 appropriation	($25,600,000)	
Cost-to-continue second year integrated formula payment increase	62,000,000	
Projected 2015-17 biennium student growth	104,000,000	
Increase in local cost-share, including local property tax and income relating to estimated oil tax production and distribution	(73,000,000)	
Increase per student integrated formula payment rates to provide for 3 percent per year increases	103,320,000	
Remove PowerSchool weighting factor	(6,360,000)	
Remove crossborder weighting factor	(200,000)	
Decrease the migrant weighting factor from 1.00 to .60 by combining it with the summer education factor	(260,000)	
Increase school district size weighting factor	390,000	
Increase English language learner weighting factors[1]	250,000	
Total adjustments to base budget integrated formula payments		164,540,000
Total 2015-17 biennium integrated formula payments		$1,916,640,000

[1]The Legislative Assembly, in Section 9 of Senate Bill No. 2031, provided for additional increases to certain English language learner weighting factors effective July 1, 2017. If not adjusted by the 2017 Legislative Assembly, the additional cost of these weighting factor increases in the 2017-19 biennium will be approximately $700,000.

Transportation Aid Grants and Contingent Transportation Grants

Transportation aid grants

The Legislative Assembly provided $57 million from the general fund for transportation aid during the 2015-17 biennium. This level of funding is $3.5 million more than 2013-15 biennium funding of $53.5 million from the general fund. Section 7 of Senate Bill No. 2013 requires the Department of Public Instruction to distribute transportation aid for the 2015-17 biennium based on the state transportation formula as it existed on June 30, 2001, except that the department is to provide reimbursement at the rate of:

- One dollar and 18 cents per mile for schoolbuses having a capacity of 10 or more passengers.
- Fifty-five cents per mile for vehicles having a capacity of nine or fewer passengers.
- Fifty-four cents per mile round trip for family transportation of a student with a disability whose individualized education program plan requires that the student attend a school outside the student's school district of residence.
- Fifty-four cents per mile one way for family transportation if the student lives more than two miles from the public school the student attends.
- Thirty-two cents per student for each one-way trip.

Section 7 of Senate Bill No. 2013 also provides if any funds appropriated for transportation aid for the 2015-17 biennium remain unspent after all statutory obligations are met, the Department of Public Instruction is to prorate and distribute the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

Contingent Transportation Grants

In addition to $57 million provided from the general fund for transportation aid during the 2015-17 biennium in Senate Bill No. 2013, the Legislative Assembly provided, in Section 13 of Senate Bill No. 2015, that if any funding appropriated to the Superintendent of Public Instruction for integrated formula payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the 2015-17 biennium, the Superintendent must provide up to $3 million of the funds remaining for additional transportation grants. The Superintendent must prorate the available funding according to the percentage of the total transportation formula amount to which each school district is entitled.

Special Education Contracts

The Legislative Assembly provided $17.3 million from the general fund for special education contracts during the 2015-17 biennium. This level of funding is $800,000 more than 2013-15 biennium funding of $16.5 million from the general fund.

Rapid Enrollment Grants

The Legislative Assembly provided $14.8 million from the general fund to the Superintendent of Public Instruction for rapid enrollment grants. This level of funding is $1.2 million more than 2013-15 biennium funding of $13.6 million from the general fund. Grants are distributed based on two funding tiers, districts experiencing an increase of at least 4 percent or 150 students and no less than 20 students (Tier 1) and districts experiencing an increase of at least 2 percent or 75 students and no less than 10 students (Tier 2). The district's grant is determined by reducing the actual percentage increase in the number of students by 2 percent and multiplying the number of students represented by the reduced percentage by $4,000 for Tier 1 districts and $2,000 for Tier 2 districts. The Superintendent may not award more than $7.4 million in grants during the first year of the 2015-17 biennium and if funding is not sufficient to provide all of the eligible grants, the department must prorate the payment based on the percentage of the total amount to which the school district is entitled. A district is precluded from receiving a rapid enrollment grant if the district is not eligible to receive state aid because of its general fund ending balance.

Regional Education Association Incentives

The Legislative Assembly provided funding for payments to regional education associations totaling $800,000 in the integrated formula payments line item for the 2015-17 biennium, the same as the 2013-15 biennium. Funding is provided to each regional education association for 70 percent of the total compensation payable to a coordinator, not to exceed $50,000 annually.

English Language Learner Funding and Grants

The Legislative Assembly provided, through integrated formula payments, $3.9 million for English language learner services during the 2015-17 biennium. Funding included in the formula is provided through weighting factors for the first, second, and third level of six categories of proficiency of English language learners. In addition to funding provided through the integrated payment formula, the Legislative Assembly also provided, in Senate Bill No. 2013, $1 million for grants to the four school districts that serve the largest number of first and second level English language learners in K-12. The distribution of these grants is provided for in Section 30 of Senate Bill No. 2031 and provides the Superintendent of Public Instruction must distribute a pro rata share of the available grant dollars to each eligible district based upon the total number of first and second level English language learners enrolled in the four districts. Districts may use grant funds only for the purpose of enhancing services to first and second level English language learners, including hiring additional teachers, interpreters, and social workers for first and second level English language learners and other ancillary support services and programs approved by the Superintendent. The Superintendent may not award more than 50 percent of the funds during the first year of the 2015-17 biennium.

The Legislative Assembly, in Section 9 of Senate Bill No. 2031, provided for additional increases to certain English language learner weighting factors effective July 1, 2017. If not adjusted by the 2017 Legislative Assembly, the additional cost of these weighting factor increases in the 2017-19 biennium will be approximately $700,000.

Authorized Carryover of 2013-15 Biennium Funds to the 2015-17 Biennium

The Legislative Assembly, in Section 12 of Senate Bill No. 2013, provided the amount appropriated for school district safety grants in Section 1 of Chapter 59 of the 2013 Session Laws is not subject to North Dakota Century Code Section 54-44.1-11 and any unexpended funds are available for school district safety grants during the 2015-17 biennium. The department anticipates distributing $2.5 million for school district safety grants during the 2013-15 biennium and estimates $500,000 will be available for school district safety grants during the 2015-17 biennium.

The Legislative Assembly provided, in Sections 32 through 35 of Senate Bill No. 2031, that if any moneys remain in the integrated formula payments line item after the Superintendent of Public Instruction complies with all statutory payment obligations imposed for the 2013-15 biennium, the Superintendent must provide, from the funds remaining, for the following initiatives in order during the 2015-17 biennium:

- First - $1,252,627 to enhance the delivery and the participation of students and teachers in advanced placement courses;
- Second - $200,000 to contract with a research institution in the state to study the impact of early childhood education provider grants;
- Third - $50,000 to provide for a review process for regional education associations; and
- Fourth - $100,000 to provide grants to foster the creation of open curricular and instructional materials, including textbooks utilized in required course offerings as set forth in Section 15.1-21-02, and in particular textbooks utilized in advanced placement and dual credit courses, in order to reduce the related acquisition costs. Any instructional materials, including textbooks, developed in whole or in part with a grant awarded under this section, must be made available, free of charge, to all school districts in the state.

In addition, in Section 31 of Senate Bill No. 2031, the Legislative Assembly provided the unexpended amount remaining from the transfer of $250,000 from the 2011-13 biennium, as permitted in Section 61 of Chapter 13 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium, for the purpose of continuing the grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector. The Board for Career and Technical Education anticipates $130,000 will be available for autism spectrum disorder technology grants during the 2015-17 biennium.

Other Sections in Bill

Tuition apportionment - Section 3 provides that any money available in the state tuition fund in excess of the $219,134,000 appropriated in Section 1 of the bill is appropriated to the Department of Public Instruction for distribution to school districts.

Payments for 2013-15 biennium educational services - Section 4 provides that the Department of Public Instruction may use money appropriated for integrated formula payments and special education contracts for the 2015-17 biennium to pay claims due during the 2013-15 biennium but not filed with the department until the 2015-17 biennium.

Gifted and talented program and Medicaid matching funding distribution - Section 5 provides that the Department of Public Instruction use $800,000 of the 2015-17 legislative appropriation for integrated formula payments for reimbursing school districts or special education units for gifted and talented programs. The department is to encourage cooperative efforts for gifted and talented programs among school districts and special education units. The section also provides state school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the Medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the Department of Public Instruction to the Department of Human Services on behalf of the school district or unit. The Legislative Assembly provided $323,611 from the general fund to the Department of Public Instruction to offset the increase in Medicaid matching requirements of school districts related to increased medical assistance payment rates for physical, occupational, and speech therapy services during the 2015-17 biennium.

Regional education association grants - Section 6 provides for the distribution of up to $800,000 from the integrated formula payments line item for regional education association grants to assist with the cost of compensating coordinators during the 2015-17 biennium. The maximum annual grant to a regional education association is the lesser of $50,000 or 70 percent of the total compensation of the coordinator.

Transportation grants - Section 7 requires the Department of Public Instruction to distribute transportation aid for the 2015-17 biennium based on the state transportation formula as it existed on June 30, 2001, except that the department is to provide reimbursement at the rate of:

- One dollar and 18 cents per mile for schoolbuses having a capacity of 10 or more passengers.
- Fifty-five cents per mile for vehicles having a capacity of nine or fewer passengers.
- Fifty-four cents per mile round trip for family transportation of a student with a disability whose individualized education program plan requires that the student attend a school outside the student's school district of residence.
- Fifty-four cents per mile one way for family transportation if the student lives more than two miles from the public school the student attends.
- Thirty-two cents per student for each one-way trip.

Section 7 also provides if any funds appropriated for transportation aid for the 2015-17 biennium remain unspent after all statutory obligations are met, the Department of Public Instruction is to prorate and distribute the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

Rapid enrollment grants - Section 8 provides for the distribution of up to $14.8 million in one-time funding for rapid enrollment grants. Grants are distributed based on two funding tiers, districts experiencing an increase of at least 4 percent or 150 students and no less than 20 students (Tier 1), and districts experiencing an increase of at least 2 percent or 75 students and no less than 10 students (Tier 2). Section 8 also provides that no more than $7.4 million may be provided in the first year of the biennium and if funding is not sufficient to provide all of the eligible grants, the department must prorate the payment based on the percentage of the total amount to which the school district is entitled.

Continuing education grants - Section 9 provides for the distribution of up to $150,000 from the grants - other grants line item for continuing education grants. Grant awards are in amounts up to $1,200 per eligible recipient and any funding remaining after grants have been awarded to all eligible recipients must be distributed to school districts as additional per student payments based on latest average daily membership.

CPR training grants - Section 10 provides for the distribution of CPR training grants. The Legislative Assembly provided $450,000 in one-time funding from the general fund to the Department of Public Instruction to reimburse public and nonpublic schools offering qualified CPR training, the same as the 2013-15 biennium. However, for the 2015-17 biennium, the Legislative Assembly removed the matching requirement, provided CPR training grants be made available to middle school students, and set a maximum $15 per student reimbursement level for qualified CPR training programs.

Indirect cost allocation - Section 11 provides that, notwithstanding Section 54-44.1-15, the Department of Public Instruction may deposit indirect cost recoveries in its operating account. Section 54-44.1-15 otherwise provides that indirect cost recoveries be deposited in the general fund.

2013-15 biennium safety grant exemption - Section 12 provides the amount appropriated for school district safety grants in Section 1 of Chapter 59 of the 2013 Session Laws is not subject to Section 54-44.1-11 and any unexpended funds are available for school district safety grants during the 2015-17 biennium. The Department of Public Instruction anticipates distributing $2.5 million for school district safety grants during the 2013-15 biennium and estimates $500,000 will be available for school district safety grants during the 2015-17 biennium.

Other grant reporting - Section 14 requires the Department of Public Instruction report to the 2017 Legislative Assembly regarding the cost per participant and outcomes of other grants provided by the department.

Superintendent of Public Instruction salary - Section 17 provides the statutory changes increasing the Superintendent of Public Instruction's salary by 3 percent each year of the 2015-17 biennium. The Superintendent's annual salary is increased from the current level of $113,498 to $116,903, effective July 1, 2015, and to $120,410, effective July 1, 2016.

PowerSchool financial support - Section 18 removes the requirement that the Superintendent of Public Instruction forward the portion of a school district's state aid related to the PowerSchool factor to the Information Technology Department. The Legislative Assembly provided $6 million from the general fund for PowerSchool in a separate line item of the Department of Public Instruction's appropriation.

North Dakota motor pool - Sections 19 and 20 amend Sections 24-02-03.3 and 39-01-03 relating to the management of state-owned licensed motor vehicles and the use of motor vehicles owned by the state to allow the North Dakota Museum of Art to use motor pool vehicles.

Legislative intent - Regional education associations and teacher center networks - Section 22 provides legislative intent to require that, during the 2015-17 biennium, teacher center networks merge with regional education associations and to provide mergers are complete by July 1, 2017.

Legislative Management study - School district transportation - Section 23 provides for a Legislative Management study of school district transportation and state reimbursement.

Legislative Management study - Teacher preparation and retention - Section 24 provides for a Legislative Management study of teacher preparation and retention, including reasons new teachers leave the profession, federal requirements for teacher preparation programs, and possible enhancements to teacher preparation programs and other programs designed to improve retention of new teachers. As part of the study, the Superintendent of Public Instruction must prepare exit interview forms to be completed by school districts when a teacher separates employment. Information from the exit interviews must be compiled by the Superintendent of Public Instruction and the department must report to the Legislative Management regarding the data compiled from the exit interviews.

Legislative Management study - Educational service providers - Section 25 provides for a Legislative Management study of the effectiveness and efficiency of educational service providers, including regional education associations, the Education Standards and Practices Board, EduTech, the Center for Distance Education, the North Dakota STEM Network, and the Teacher Center Network.

Related Legislation

Civics test - House Bill No. 1087 requires students to correctly answer at least 60 percent of the questions on a civics test to graduate. A fiscal note prepared by the Department of Public Instruction indicates there is no fiscal impact related to this bill.

Oil and gas gross production tax distribution formula - House Bill No. 1176 changes the distribution funding formula for political subdivisions, including school districts and provides oil and gas impact grants.

Political subdivision allocation fund - House Bill No. 1377 creates a political subdivision allocation fund for allocations to political subdivisions, including school districts, in the second year of the 2015-17 biennium. The additional distributions to school districts will impact state school aid during the 2017-19 biennium.

School district construction projects - House Bill No. 1426 increases the threshold for school construction projects requiring approval by the Superintendent of Public Instruction from $100,000 to $150,000.

Contingent transportation grants - Section 13 of Senate Bill No. 2015 provides that if any funding appropriated to the Superintendent of Public Instruction for integrated formula payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the 2015-17 biennium, the Superintendent must provide up to $3 million of the funds remaining for additional transportation grants. The Superintendent must prorate the available funding according to the percentage of the total transportation formula amount to which each school district is entitled.

State school aid, school construction loans, regional education associations, Education Standards and Practices Board, English language learner grants, authorized carryover of 2013-15 biennium funds, School District Reporting Review Committee, K-12 content standards and assessments study, career and technical education study, study of teacher training programs - Senate Bill No. 2031:

- Removes the sunset on the K-12 integrated formula for **state school aid** and adjusts certain formula provisions, including the following:
  - Increases the per student **integrated formula payment rates** to provide for 3 percent per year increases in the integrated payment rates from the current rate of $9,092 to $9,365 during the first year of the biennium and $9,646 for the second year of the biennium;
  - Increases formula **minimum and maximum payments**;
  - Removes the .003 **PowerSchool weighting factor**;
  - Removes the .20 **crossborder weighting factor**;
  - Decreases the **migrant weighting factor** from 1.00 to .60 by combining it with the **summer education** factor;
  - Increases the **English language learner weighting factors** from .30 to .33 for level I students and from .20 to .22 for level II students for the 2015-17 biennium and to .40 for level I students and .28 for level II students effective July 1, 2017;
  - Adds an additional **school district size weighting factor** of 1.36 for high school districts with an average daily membership less than 110.
- Limits funding provided from the strategic investment and improvements fund for **school construction loans** to amounts provided during the 2013-15 biennium.
- Requires **regional education associations** meet the requirements of a review process to be eligible for state funding.
- Requires the Superintendent of Public Instruction develop an electronic survey to be used by the **Education Standards and Practices Board** at the conclusion of all interactions with individuals seeking information or services from the board. The board must compile the responses and provide reports regarding the results to an interim committee designated by the Legislative Management.
- Provides the Superintendent of Public Instruction must distribute $1 million for **English language learner grants** to the four school districts that serve the largest number of first and second level English language learners in K-12.
- Authorizes the Superintendent of Public Instruction to use any **funds that remain in the integrated formula payments line item for the 2013-15 biennium**, to:
  - Enhance the delivery and the participation of students and teachers in advanced placement courses ($1,252,627);
  - Contract with a research institution in the state to study the impact of early childhood education provider grants ($200,000);
  - Provide a review process for regional education associations ($50,000);

Provide grants to foster the creation of open curricular and instructional materials, including textbooks utilized in required course offerings as set forth in Section 15.1-21-02 ($100,000).

- Provides the unexpended amount remaining from the transfer of $250,000 from the 2011-13 biennium, as permitted in Section 61 of Chapter 13 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11 at the end of the 2013-15 biennium and may be continued into the 2015-17 biennium, for the purpose of continuing the grant to an institution implementing a certificate program that prepares individuals with **autism spectrum disorder** for employment in the technology sector.
- Provides the Superintendent of Public Instruction serve as the chairman of a **School District Reporting Review Committee**. During the 2015-16 interim, the committee must review statutory and regulatory reporting requirements imposed upon school districts, to identify and eliminate reporting requirements that are duplicative or unnecessary and streamline the reporting process.
- Requires the Legislative Management study **K-12 content standards and assessments**.
- Provides the Legislative Management consider studying the nature and scope of **career and technical education opportunities** available to students in the state, the manner in which such opportunities are financially supported, and the manner in which such opportunities are monitored to ensure that they provide students with technical skills that are aligned to industry standards.
- Provides the Legislative Management consider studying **teacher training programs** in the state, including requirements for admission into a program, the requisite course of study, student teaching opportunities, and mentoring for new teachers.

Foundation aid stabilization fund transfers - School construction assistance loan fund and scholarship endowment fund - The Legislative Assembly approved Senate Concurrent Resolution No. 4003, which proposes a constitutional amendment to allow the Legislative Assembly to appropriate or transfer the principal balance of the foundation aid stabilization fund in excess of 15 percent of the general fund appropriation for state school aid for the most recently completed biennium for education-related purposes. In addition, the Legislative Assembly approved Senate Bill No. 2039 which:

- Establishes a scholarship endowment fund;
- Establishes a school construction assistance loan fund as a revolving loan fund;
- Provides, contingent on the approval of the provisions of Senate Concurrent Resolution No. 4003 by the voters, for transfers from the foundation aid stabilization fund to the school construction assistance loan fund (the lesser of $200 million or 50 percent of the balance of the fund) and to the scholarship endowment fund (the lesser of $200 million or 50 percent of the balance of the fund);
- Provides, contingent on the approval of the provisions of Senate Concurrent Resolution No. 4003 by the voters, any accessible funds that remain in the foundation aid stabilization fund, after completion of the required transfers to other funds, must be used for educational purposes, including state aid to school districts and educationally-related property tax relief to school district patrons;
- Amends criteria for school district construction project approval by the Superintendent of Public Instruction;
- Authorizes, contingent on the approval of the provisions of Senate Concurrent Resolution No. 4003 by the voters, the Bank of North Dakota to use up to $200 million from the school construction assistance loan fund for school construction loans and establishes loan eligibility requirements and project prioritization. The total of all loans may not exceed $100 million prior to July 1, 2018; and
- Transfers $150 million, provided from the strategic investment and improvements fund for school construction loans during the 2013-15 biennium, to the school construction assistance loan fund and provides for the deposit of all interest and other earnings of the fund, including principal repayments of loans made from the fund, to be deposited in the construction assistance loan fund.

Mental health training in school districts - Report to Legislative Management - Senate Bill No. 2048 requires the Education Standards and Practices Board to ensure that applicants for teacher licensure demonstrate competency in youth mental health. In addition, the bill also requires school districts to provide a minimum of eight hours of training on youth mental health to elementary, middle, and high school teachers and administrators once every two years and encourage ancillary and support staff to participate in the training. School districts must report the outcome of the training to the Department of Public Instruction. The Superintendent of Public Instruction must collaborate with regional education associations to disseminate information, training materials, and notice of training opportunities to school districts and nonpublic schools. During the 2015-16 interim, the department must compile information on mental health training provided by school districts and determine the feasibility and effect of the youth mental health training. Before July 1, 2016, the department must provide a report to the Legislative Management regarding mental health training provided by school districts.

School construction loan interest rate buydown - Senate Bill No. 2178 includes similar provisions as Senate Bill No. 2039 relating to school district construction project approval, eligibility for school construction loans, and the authorization of funds from the Bank of North Dakota for school construction loans. In addition, Senate Bill No. 2178 provides the Bank of North Dakota may make available up to $250 million to eligible school districts for school construction loans, creates a school construction loan interest rate buydown program administered by the Bank, and provides for a transfer of $7,875,000 from the Bank's profits for school construction loan interest buydowns. The total of all loans provided by the Bank may not exceed $125 million during the first year of the 2015-17 biennium.

Early childhood education - Senate Bill No. 2151 appropriates $3 million from the general fund to the Department of Commerce for early childhood education grants and requires the Superintendent of Public Instruction implement a uniform system for the accounting, budgeting, and reporting of data by any early childhood education providers receiving the Department of Commerce early childhood grants.

STATE SCHOOL AID, OTHER GRANTS, AND DEPARTMENT OF PUBLIC INSTRUCTION ADMINISTRATION
2013-15 BIENNIUM LEGISLATIVE APPROPRIATION AND ESTIMATED EXPENDITURES AND COMPARISON OF 2015-17 BIENNIUM BASE BUDGET TO LEGISLATIVE APPROPRIATIONS

	2013-15 Legislative Appropriation	2013-15 Estimated Expenditures	2015-17 Base Budget	2015-17 Legislative Appropriation	2015-17 Legislative Appropriation Increase (Decrease) Compared to 2015-17 Base Budget
State school aid program					
State school aid - Integrated formula payments	$1,752,100,000	$1,715,200,000	$1,752,100,000	$1,916,640,000	$164,540,000
Transportation aid payments	53,500,000	53,500,000	53,500,000	57,000,000 [1]	3,500,000
Rapid enrollment grants	13,600,000	9,938,954	13,600,000	14,800,000 [2]	1,200,000
Special education - Contracts	16,500,000	16,500,000	16,500,000	17,300,000	800,000
Total - State school aid program	$1,835,700,000	$1,795,138,954	$1,835,700,000	$2,005,740,000	$170,040,000
General fund	$1,695,374,000	$1,654,812,954	$1,695,374,000	$1,786,606,000	$91,232,000
State tuition fund	140,326,000	140,326,000	140,326,000	219,134,000	78,808,000
Total	$1,835,700,000	$1,795,138,954	$1,835,700,000	$2,005,740,000	$170,040,000
Other grants - General fund					
Teacher center network	$360,000	$360,000	$360,000	$360,000	
School food services	1,380,000	1,380,000	1,380,000	1,380,000	
Adult education grants	3,110,411	3,110,411	3,110,411	4,110,411	$1,000,000
LEAD Center	260,000	260,000	260,000	267,500	7,500
Governor's School	460,000	460,000	460,000	460,000	
National writing projects	173,000	173,000	173,000	193,000	20,000
Rural art outreach project	415,000	415,000	415,000	435,000	20,000
North Central Council for School Television	535,000	535,000	535,000	535,000	
Mentoring program	2,300,000	2,300,000	2,300,000	2,700,000	400,000
Continuing education grants	150,000	150,000	150,000	150,000	
Global Bridges (Atlantik-Brucke) exchange	150,000	150,000	150,000	250,000	100,000
Young entrepreneur education program	120,000	120,000	120,000	100,000	(20,000)
"We the People" program	20,000	20,000	20,000	25,000	5,000
Teacher and principal evaluation system				240,000	240,000
Curriculum alignment grants	100,000	100,000	100,000	100,000	
Preschool continuing education grants	150,000	150,000	150,000	150,000	
Prekindergarten space grants	125,000	125,000	125,000	125,000	
Gearing Up for Kindergarten	675,000	675,000	675,000	675,000	
Governing North Dakota textbook	20,000	20,000			
Pathfinders Parent Project	131,106	131,106	131,106	120,000	(11,106)
School district safety grants	3,000,000 [3]	2,500,000 [3]		[3]	
Cardiopulmonary resuscitation (CPR) training grants	450,000	50,000	450,000	450,000 [2]	
Free breakfast program				205,000	205,000
English language learner grants				1,000,000	1,000,000
PowerSchool				6,000,000	6,000,000
Civics education grant				200,000 [2]	200,000

	2013-15 Legislative Appropriation	2013-15 Estimated Expenditures	2015-17 Base Budget	2015-17 Legislative Appropriation	2015-17 Legislative Appropriation Increase (Decrease) Compared to 2015-17 Base Budget
Medicaid matching grants				323,611	323,611
National board certification	120,000	120,000	120,000	120,000	
Total - Other grants - General fund	$14,204,517	$13,304,517	$11,184,517	$20,674,522	$9,490,005
Other grants - Other funds					
Federal grants	$261,706,744	$261,706,744	$261,706,744	$253,837,705	($7,869,039)
Displaced homemaker program	225,000	225,000	225,000	225,000	
Total - Other grants - Other funds	$261,931,744	$261,931,744	$261,931,744	$254,062,705	($7,869,039)
Total state school aid and other grants - All funds	$2,111,836,261	$2,070,375,215	$2,108,816,261	$2,280,477,227	$171,660,966
Agency administration					
Administration - General fund	$11,284,808	$11,284,808	$10,984,808	$13,702,430	$2,717,622
Funding pool for initiatives - General fund	2,750,000	2,750,000			
Administration - Other funds	34,739,015	34,739,015	34,739,015	35,435,768	696,753
Total - Agency administration - All funds	$48,773,823	$48,773,823	$45,723,823	$49,138,198	$3,414,375
Total Department of Public Instruction - All funds	$2,160,610,084	$2,119,149,038	$2,154,540,084	$2,329,615,425	$175,075,341
General fund	$1,723,613,325	$1,682,152,279	$1,717,543,325	$1,820,982,952	$103,439,627
Other funds	$436,996,759	$436,996,759	$436,996,759	$508,632,473	$71,635,714
Total	$2,160,610,084	$2,119,149,038	$2,154,540,084	$2,329,615,425	$175,075,341
FTE positions	99.75	99.75	99.75	99.75	0.00

[1] In addition to $57 million provided from the general fund for transportation aid during the 2015-17 biennium in Senate Bill No. 2013, the Legislative Assembly provided, in Section 13 of Senate Bill No. 2015, that if any funding appropriated to the Superintendent of Public Instruction for integrated formula payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the 2015-17 biennium, the Superintendent must provide up to $3 million of the funds remaining for additional transportation grants. The Superintendent must prorate the available funding according to the percentage of the total transportation formula amount to which each school district is entitled.

[2] The Legislative Assembly provided funding made available from the general fund for rapid enrollment grants ($14.8 million), CPR training grants ($450,000), and a civics education grant ($200,000) are one-time funding items.

[3] The Legislative Assembly, in Section 12 of Senate Bill No. 2013, provided the amount appropriated for school district safety grants in Section 1 of Chapter 59 of the 2013 Session Laws is not subject to North Dakota Century Code Section 54-44.1-11 and any unexpended funds are available for school district safety grants during the 2015-17 biennium. The department anticipates distributing $2.5 million for school district safety grants during the 2013-15 biennium and estimates $500,000 will be available for school district safety grants during the 2015-17 biennium.

STATE SCHOOL AID PER STUDENT INTEGRATED PAYMENT RATES AND WEIGHTED STUDENT UNITS FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Legislative Appropriation	2013-15 Actual	2015-17 Legislative Appropriation
First-year per student integrated payment rates[1]	$8,810	$8,810	$9,365
Second-year per student integrated payment rates[1]	$9,092	$9,092	$9,646
Weighted student units			
First year	116,715	116,982	122,907[3]
Second year	119,517	119,663[2]	126,411[3]

[1]The 2013 Legislative Assembly approved a change in the K-12 state school aid funding formula. The formula change discontinues the mill levy reduction grant program and provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. Integrated formula payments provide both adequacy-based funding for K-12 education and property tax relief.

[2]Estimated.

[3]The anticipated increase in weighted student units for the 2015-17 biennium is the result of student enrollment growth.

SECTION F - HIGHER EDUCATION

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HIGHER EDUCATION - OVERVIEW

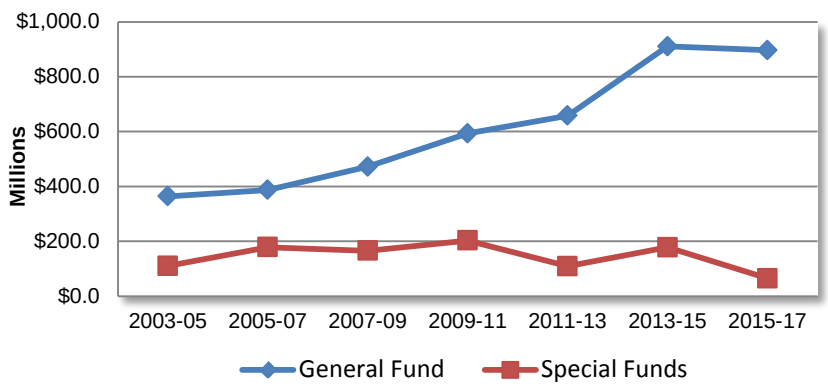
The Legislative Assembly in 2015 made the following higher education funding changes compared to 2013-15 legislative appropriations for higher education:

- Increased ongoing **general fund** support by $57.8 million and decreased one-time general fund support by $71.8 million as follows:

	2013-15 Legislative Appropriations	2015-17 Legislative Appropriations	Increase (Decrease)	
Ongoing general fund appropriations	$679,271,846	$737,027,599	$57,755,753	8.5%
One-time general fund appropriations	231,360,648	159,547,268	(71,813,380)	(31.01%)
Total	$910,632,494	$896,574,867	($14,057,627)	(1.5%)

- Decreased support from **special funds** by $112,971,531, or 63.5 percent. Special funds support relates primarily to major capital projects funded from local sources or through the issuance of revenue bonds.
- Adjusted the authorized number of **FTE positions** from 2,304.74 to 2,430.35 to reflect the number of FTE positions supported by the general fund.

Higher Education Appropriations



Biennium	General Fund	Special Funds	Total
2003-05	$364,029,938	$110,546,775	$474,576,713
2005-07	$387,157,893	$178,552,108	$565,710,001
2007-09	$472,036,237	$165,419,701	$637,455,938
2009-11	$593,355,047	$202,764,364	$796,119,411
2011-13	$657,838,539	$108,817,759	$766,656,298
2013-15	$910,632,494	$177,980,941	$1,088,613,435
2015-17	$896,574,867	$65,009,410	$961,584,277

Major items include:

1. Funding of $40,201,487 from the general fund for **base funding formula adjustments** based on the higher education student credit-hour funding formula. The formula provides equalization payments to campuses based on a student credit-hour funding level.
2. Funding of $13,583,565 is provided to institutions for **base credit rate adjustments** of 1.5 percent during each year of the 2015-17 biennium. The funding is for cost-to-continue items, operating inflation, salary increases, and health insurance increases.
3. Funding of $159,547,268 is provided for **one-time general fund appropriations**, including:

Major capital projects	$99,909,212
Higher education challenge fund	21,000,000
University of North Dakota School of Medicine and Health Sciences - Health care workforce initiative plan and residency positions	18,514,806
Deferred maintenance pool	8,700,000
Campus security pool	3,000,000
Core Technology Services projects	2,821,500
Williston State College extraordinary campus need	2,500,000
Contingent funding for North Dakota University System office reorganization	1,000,000
Dickinson State University Theodore Roosevelt Center operations	800,000
North Dakota Museum of Art deferred maintenance	760,000
Electronic mail retention implementation	350,000
Open education resource training	110,000
University System office desktop support services	81,750
Total	$159,547,268

4. Funding of $25,634,276 from the general fund for the **student financial assistance grant program**. This represents an increase of $4,388,597 from the 2013-15 biennium appropriation of $21,245,679. The additional funding is to increase the maximum grant award amount from $1,650 to $1,950 per year.
5. One-time funding of $21 million from the general fund and $2.5 million from the student loan trust fund to continue the **higher education challenge fund** to provide matching grants for academic enhancements to North Dakota University System institutions. For every private $2 donated to an institution, a match of $1 is to be provided from the fund.
6. A funding pool of $300,000 to be used for systemwide **internal audit** purposes.

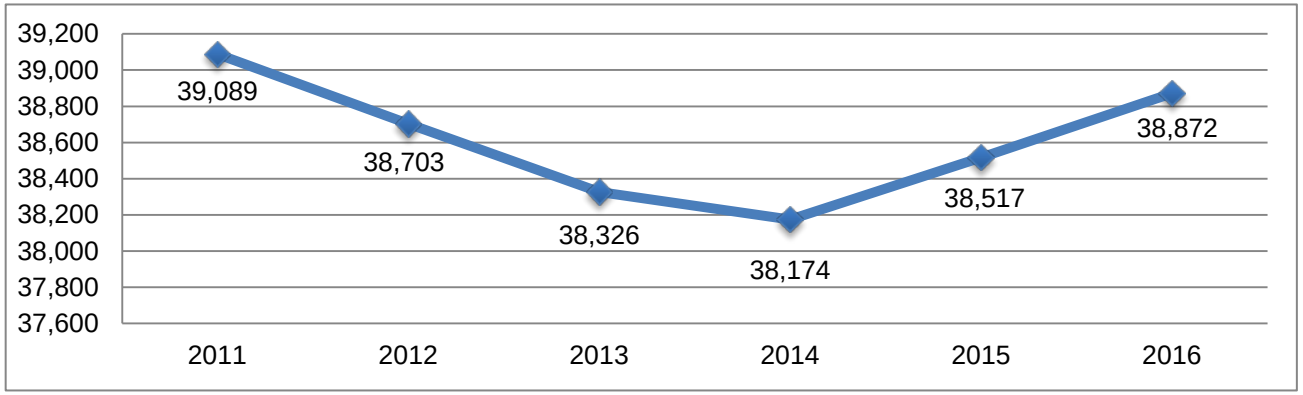
7. One-time funding of $8.7 million from the general fund for a **deferred maintenance funding pool** to provide funds to specified University System institutions for deferred maintenance projects.
8. Funding of $4,275,015, of which $3,809,708 is from the general fund and $465,307 is from other funds, for the **professional student exchange program**. This level of funding represents the same level of funding as the 2013-15 biennium. The program assists North Dakota students enrolling in professional programs not offered in the state including dentistry, optometry, and veterinary medicine.
9. A **core technology services pool** of $45,980,965, of which $45,441,528 is from the general fund and $539,437 is from the student loan trust fund, is provided for support of the ConnectND system; Higher Education Computer Network; Advanced Learning Technologies, including the Interactive Video Network; the On-line Dakota Information Network; and other related technology initiatives. This level of funding represents an increase of $7,318,414 from the 2013-15 biennium appropriation of $38,662,551. Of the increase, $2,821,500 is one-time funding for initiatives relating to information technology security, centralized document imaging, identity management, and predictive analytics reporting.
10. Funding of $185,304,498 is provided for **capital assets**, including:

	General Fund	Special Funds	Total
Major capital projects	$99,909,212	$56,348,194[1]	$156,257,406
Base campus extraordinary repairs and capital payments	11,162,008		11,162,008
Deferred maintenance pool	8,700,000		8,700,000
Capital construction lease payments	8,368,836		8,368,836
North Dakota Museum of Art deferred maintenance	760,000		760,000
Forest Service equipment over $5,000	56,248		56,248
Total	$128,956,304	$56,348,194	$185,304,498

[1]Includes authority to issue $22.5 million of revenue bonds.

Please refer to the schedules under the **CAPITAL CONSTRUCTION** section for additional information regarding capital improvements.

INSTITUTIONS OF HIGHER EDUCATION FULL-TIME EQUIVALENT STUDENT ENROLLMENTS[1]



Institution	Actual Enrollments				Projected Enrollments	
	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016
Bismarck State College	3,209	2,990	2,955	2,909	2,909	2,909
Dakota College at Bottineau	524	474	502	518	518	518
Dickinson State University	1,959	1,454	1,201	1,176	1,200	1,224
Lake Region State College	988	973	943	978	980	975
Mayville State University	704	759	749	798	785	800
Minot State University	2,795	2,731	2,710	2,600	2,574	2,548
North Dakota State University	12,606	12,707	12,797	12,934	13,063	13,194
North Dakota State College of Science	2,366	2,354	2,295	2,272	2,372	2,472
University of North Dakota	12,319	12,729	12,606	12,420	12,471	12,512
Valley City State University	1,011	995	975	990	995	1,010
Williston State College	608	537	593	579	650	710
Total	39,089	38,703	38,326	38,174	38,517	38,872

[1]State Board of Higher Education policy provides that a full-time equivalent (FTE) undergraduate student is equal to 15 undergraduate student credit-hours completed per semester. The policy also provides that a graduate FTE student is equal to 12 graduate level student credit-hours completed per semester and a professional student is counted as one FTE student. The information presented in this schedule for the fall 2011 through fall 2014 semesters was provided by the North Dakota University System office. The estimates for the fall 2015 and fall 2016 semesters were provided by representatives of University System institutions.

HIGHER EDUCATION - TUITION RATES

The following is a schedule of tuition and fee rates at state institutions of higher education for the academic years 2011-12 through 2015-16. The 2001 Legislative Assembly removed tuition income from the appropriation process by providing a continuing appropriation for all special funds, including tuition. House Bill No. 1003 (2015) continues this authority through June 30, 2017. The State Board of Higher Education has the statutory responsibility for setting tuition rates.

Institution	2011-12	2012-13	2013-14	2014-15	2015-16[16]
Bismarck State College[1]					
Undergraduate					
Resident	$3,364	$3,364	$3,431	$3,510	$3,577
	0.0%	0.0%	2.0%	2.3%	1.9%
Minnesota resident[2]	$4,627	$4,793	$3,843	$3,931	$4,006
	5.6%	3.6%	(19.8%)	2.3%	1.9%
Contiguous state/province[3]	$4,205	$4,205	$4,289	$4,388	$4,471
	0.0%	0.0%	2.0%	2.3%	1.9%
Other nonresident	$8,982	$8,982	$9,162	$9,372	$9,550
	0.0%	0.0%	2.0%	2.3%	1.9%
Dakota College at Bottineau					
Undergraduate					
Resident	$3,120	$3,120	$3,223	$3,301	$3,384
	0.0%	0.0%	3.3%	2.4%	2.5%
Minnesota resident[2]	$4,627	$4,793	$3,610	$3,697	$3,790
	5.6%	3.6%	(24.7%)	2.4%	2.5%
South Dakota and Montana residents	$3,901	$3,901	$4,028	$4,126	$4,230
	0.0%	0.0%	3.3%	2.4%	2.5%
All Canadian provinces[4]	$3,120	$3,120	$3,223	$3,301	$3,384
	0.0%	0.0%	3.3%	2.4%	2.5%
Other nonresident	$4,680	$4,680	$4,834	$4,951	$5,075
	0.0%	0.0%	3.3%	2.4%	2.5%
Dickinson State University					
Undergraduate					
Resident	$4,414	$4,524	$4,704	$4,891	$5,013
	2.5%	2.5%	4.0%	4.0%	2.5%
Minnesota resident[2]	$4,797	$5,027	$5,268	$5,478	$5,615
	4.8%	4.8%	4.8%	4.0%	2.5%
Contiguous state/province[3]	$5,517	$5,655	$5,880	$6,113	$6,267
	2.5%	2.5%	4.0%	4.0%	2.5%
Other nonresident[5]	$11,784	$6,786	$7,055	$7,336	$7,520
	2.5%	(42.4%)	4.0%	4.0%	2.5%
Lake Region State College[6]					
Undergraduate					
Resident	$3,065	$3,065	$3,130	$3,197	$3,261
	0.0%	0.0%	2.1%	2.1%	2.0%
Minnesota resident[2]	$3,065	$3,065	$3,130	$3,197	$3,261
	0.0%	0.0%	2.1%	2.1%	2.0%
Contiguous state/province[3]	$3,065	$3,065	$3,130	$3,197	$3,261
	0.0%	0.0%	2.1%	2.1%	2.0%
Other nonresident	$3,065	$3,065	$3,130	$3,197	$3,261
	0.0%	0.0%	2.1%	2.1%	2.0%

Institution	2011-12	2012-13	2013-14	2014-15	2015-16[16]
International students	$7,662	$7,662	$7,826	$7,993	$8,152
	0.0%	0.0%	2.1%	2.1%	2.0%
Mayville State University					
Undergraduate					
Resident	$4,375	$4,484	$4,644	$4,810	$4,930
	2.5%	2.5%	3.6%	3.6%	2.5%
Minnesota resident[2]	$4,707	$4,983	$5,201	$5,387	$5,522
	3.7%	5.9%	4.4%	3.6%	2.5%
Contiguous state/province[3]	$5,468	$5,605	$5,805	$6,012	$6,163
	2.5%	2.5%	3.6%	3.6%	2.5%
All Canadian provinces except Saskatchewan and Manitoba	$6,562	$6,727	$6,966	$7,215	$7,395
	2.5%	2.5%	3.6%	3.6%	2.5%
Other nonresident	$6,562	$6,727	$6,966	$7,215	$7,395
	2.5%	2.5%	3.6%	3.6%	2.5%
International students	$11,680	$11,973	$12,400	$12,842	$13,164
	2.5%	2.5%	3.6%	3.6%	2.5%
Minot State University[7]					
Undergraduate					
Resident	$4,588	$4,703	$4,821	$4,942	$5,066
	2.5%	2.5%	2.5%	2.5%	2.5%
Minnesota resident[2]	$4,588	$4,703	$4,821	$4,942	$5,066
	2.5%	2.5%	2.5%	2.5%	2.5%
Contiguous state/province[3]	$4,588	$4,703	$4,821	$4,942	$5,066
	2.5%	2.5%	2.5%	2.5%	2.5%
Other nonresident	$4,588	$4,703	$4,821	$4,942	$5,066
	2.5%	2.5%	2.5%	2.5%	2.5%
Graduate					
Resident	$6,068	$6,220	$6,376	$6,535	$6,698
	2.5%	2.5%	2.5%	2.5%	2.5%
Minnesota resident[2]	$6,068	$6,220	$6,376	$6,535	$6,698
	2.5%	2.5%	2.5%	2.5%	2.5%
Contiguous state/province[3]	$6,068	$6,220	$6,376	$6,535	$6,698
	2.5%	2.5%	2.5%	2.5%	2.5%
Other nonresident	$6,068	$6,220	$6,376	$6,535	$6,698
	2.5%	2.5%	2.5%	2.5%	2.5%
North Dakota State University					
Undergraduate (basic rate)[8]					
Resident	$6,135	$6,135	$6,336	$6,604	$6,762
	8.8%	0.0%	3.3%	4.2%	2.4%
Minnesota resident[2]	$6,417	$6,708	$7,097	$7,396	$7,574
	6.9%	4.5%	5.8%	4.2%	2.4%
Contiguous state/province[3]	$9,203	$9,203	$9,504	$9,906	$10,144
	8.8%	0.0%	3.3%	4.2%	2.4%
Other nonresident	$16,381	$16,381	$16,918	$17,633	$18,056
	8.8%	0.0%	3.3%	4.2%	2.4%
Graduate (basic rate)[8]					
Resident	$6,580	$6,580	$6,796	$7,083	$7,253
	8.8%	0.0%	3.3%	4.2%	2.4%

Institution	2011-12	2012-13	2013-14	2014-15	2015-16[16]
Minnesota resident[2]	$7,795	$8,153	$8,631	$8,996	$9,211
	5.1%	4.6%	5.9%	4.2%	2.4%
Contiguous state/province[3]	$9,870	$9,870	$10,194	$10,625	$10,879
	8.8%	0.0%	3.3%	4.2%	2.4%
Other nonresident	$17,569	$17,569	$18,145	$18,913	$19,365
	8.8%	0.0%	3.3%	4.2%	2.4%
North Dakota State College of Science[9,10]					
Undergraduate					
Resident	$3,368	$3,368	$3,478	$3,592	$3,682
	0.0%	0.0%	3.3%	3.3%	2.5%
Minnesota resident[2]	$4,629	$4,793	$3,895	$4,023	$4,124
	5.6%	3.5%	(18.7%)	3.3%	2.5%
Contiguous state/province[3]	$4,209	$4,209	$4,347	$4,490	$4,602
	0.0%	0.0%	3.3%	3.3%	2.5%
Other nonresident	$8,991	$8,991	$9,286	$9,591	$9,831
	0.0%	0.0%	3.3%	3.3%	2.5%
Business and industry partnership program[11]					
Resident	$3,368	$3,368	$3,478	$3,592	$3,682
	0.0%	0.0%	3.3%	3.3%	2.5%
Minnesota resident[2]	$4,629	$4,793	$3,895	$4,023	$4,124
	5.6%	3.5%	(18.7%)	3.3%	2.5%
Contiguous state/province[3]	$3,368	$3,368	$3,478	$3,592	$3,682
	0.0%	0.0%	3.3%	3.3%	2.5%
Other nonresident	$3,368	$3,368	$3,478	$3,592	$3,682
	0.0%	0.0%	3.3%	3.3%	2.5%
University of North Dakota					
Undergraduate					
Resident	$5,793	$5,938	$6,159	$6,388	$6,548
	2.5%	2.5%	3.7%	3.7%	2.5%
Minnesota resident[2]	$6,417	$6,708	$6,898	$7,155	$7,333
	6.9%	4.5%	2.8%	3.7%	2.5%
Contiguous state/province[3]	$8,690	$8,907	$9,238	$9,582	$9,822
	2.5%	2.5%	3.7%	3.7%	2.5%
Other nonresident	$15,468	$15,854	$16,444	$17,056	$17,482
	2.5%	2.5%	3.7%	3.7%	2.5%
Graduate					
Resident	$6,232	$6,388	$6,626	$6,872	$7,044
	2.5%	2.5%	3.7%	3.7%	2.5%
Minnesota resident[2]	$7,795	$8,153	$8,415	$8,728	$8,946
	5.1%	4.6%	3.2%	3.7%	2.5%
Contiguous state/province[3]	$9,348	$9,582	$9,938	$10,309	$10,566
	2.5%	2.5%	3.7%	3.7%	2.5%
Other nonresident	$16,639	$17,055	$17,690	$18,350	$18,807
	2.5%	2.5%	3.7%	3.7%	2.5%
School of Law[12]					
Resident	$6,997	$7,172	$7,439	$7,715	$7,908
	2.5%	2.5%	3.7%	3.7%	2.5%
Minnesota resident[2]	$10,495	$10,758	$11,158	$11,573	$11,862
	2.5%	2.5%	3.7%	3.7%	2.5%

Institution	2011-12	2012-13	2013-14	2014-15	2015-16[16]
Contiguous state/province[3]	$10,495	$10,758	$11,158	$11,573	$11,862
	2.5%	2.5%	3.7%	3.7%	2.5%
Other nonresident	$18,682	$19,149	$19,862	$20,601	$21,116
	2.5%	2.5%	3.7%	3.7%	2.5%
School of Medicine and Health Sciences					
Resident	$24,722	$25,340	$26,283	$27,261	$28,079
	2.5%	2.5%	3.7%	3.7%	3.0%
Minnesota resident[2]	$27,194	$27,874	$28,911	$29,986	$30,886
	2.5%	2.5%	3.7%	3.7%	3.0%
Other nonresident	$45,760	$46,904	$48,649	$50,459	$51,973
	2.5%	2.5%	3.7%	3.7%	3.0%
Physical therapy[13]					
Resident	$11,426	$11,712	$12,148	$12,600	$12,978
	2.5%	2.5%	3.7%	3.7%	3.01%
Minnesota resident[2]	$11,426	$11,712	$12,148	$12,600	$12,978
	2.5%	2.5%	3.7%	3.7%	3.01%
Contiguous state/province[3]	$15,809	$16,204	$16,807	$17,432	$17,955
	2.5%	2.5%	3.7%	3.7%	3.01%
Other nonresident	$15,809	$16,204	$16,807	$17,432	$17,955
	2.5%	2.5%	3.7%	3.7%	3.01%
Valley City State University[14]					
Undergraduate					
Resident	$4,544	$4,657	$4,839	$5,027	$5,153
	2.5%	2.5%	3.9%	3.9%	2.5%
Minnesota resident[2]	$4,889	$5,175	$5,419	$5,631	$5,771
	3.8%	5.8%	4.7%	3.9%	2.5%
Contiguous state/province[3]	$5,680	$5,822	$6,048	$6,284	$6,441
	2.5%	2.5%	3.9%	3.9%	2.5%
Other nonresident	$12,131	$12,434	$12,919	$13,423	$13,759
	2.5%	2.5%	3.9%	3.9%	2.5%
Graduate					
Resident	$6,044	$6,195	$6,437	$6,688	$6,855
	2.5%	2.5%	3.9%	3.9%	2.5%
Minnesota resident[2]	$6,044	$6,195	$6,437	$6,688	$6,855
	2.5%	2.5%	3.9%	3.9%	2.5%
Contiguous state/province[3]	$6,044	$6,195	$6,437	$6,688	$6,855
	2.5%	2.5%	3.9%	3.9%	2.5%
Other nonresident	$6,044	$6,195	$6,437	$6,688	$6,855
	2.5%	2.5%	3.9%	3.9%	2.5%
Williston State College[15]					
Undergraduate					
Resident	$2,819	$3,020	$3,020	$3,235	$3,316
	7.7%	7.1%	0.0%	7.1%	2.5%
Minnesota resident[2]	$2,819	$3,020	$3,383	$3,623	$3,714
	7.7%	7.1%	12.0%	7.1%	2.5%
Contiguous state/province[3]	$2,819	$3,020	$3,020	$3,235	$3,316
	7.7%	7.1%	0.0%	7.1%	2.5%
Other nonresident	$2,819	$3,020	$3,020	$3,235	$3,316

Institution	2011-12	2012-13	2013-14	2014-15	2015-16[16]
	7.7%	7.1%	0.0%	7.1%	2.5%
International	$3,808	$4,080	$4,080	$4,370	$4,479
	45.5%	7.1%	0.0%	7.1%	2.5%

[1]Bismarck State College implemented a per-credit tuition model beginning in the 2000-01 academic year. The tuition rates shown are based on a credit load of 15 credit-hours per semester, which is the number of credit-hours taken by an average full-time student.

[2]Under the North Dakota/Minnesota reciprocity agreement, students pay the higher of the two states' rates, which allows North Dakota students attending Minnesota higher education institutions to pay the Minnesota resident rate while Minnesota students attending North Dakota higher education institutions generally pay the Minnesota rate, which is higher than the North Dakota rate. Beginning with the 2006-07 academic year, the University of North Dakota School of Law and School of Medicine and Health Sciences are removed from the reciprocity agreement. The university is allowed to establish its own tuition rates for Minnesota residents for these programs. Beginning with the 2009-10 academic year, the reciprocity agreement was revised to allow Lake Region State College, Minot State University, and Williston State College to charge Minnesota students the North Dakota resident tuition rate rather than the rate specified under the agreement. Beginning with the 2013-14 academic year, the reciprocity agreement was revised to charge Minnesota students attending North Dakota University System institutions 112 percent of resident undergraduate tuition rates and 127 percent of resident graduate tuition rates, with provisions to increase those rates to 115 percent and 130 percent in the future.

[3]The contiguous states and provinces are South Dakota, Montana, Saskatchewan, and Manitoba.

[4]Beginning with the 2002-03 academic year, Dakota College at Bottineau charges resident tuition rates to students from all Canadian provinces.

[5]Beginning with the 2012-13 academic year, the nonresident tuition rate at Dickinson State University is 150 percent of the resident tuition rate rather than 267 percent.

[6]Beginning with the 2009-10 academic year, Lake Region State College charges resident tuition rates to all students except international students.

[7]Beginning with the 2009-10 academic year, Minot State University charges resident tuition rates to all students.

[8]Beginning with the 2012-13 academic year, North Dakota State University charges a differentiated tuition rate for certain programs that combines tuition and program fees. The amounts shown reflect the basic undergraduate and graduate tuition rates.

[9]Beginning with the 2002-03 academic year, the North Dakota State College of Science is offering special reduced tuition rates to contiguous state/province and other nonresident students who live on campus with a meal plan. The following is a summary of the special reduced tuition rates:

	2011-12	2012-13	2013-14	2014-15	2015-16
Undergraduate					
Contiguous state/province	$3,368	$3,368	$3,478	$3,592	$3,682
Other nonresidents	$3,368	$3,368	$3,478	$3,592	$3,682

[10]The North Dakota State College of Science implemented a per-credit tuition model beginning in the 2004-05 academic year. The tuition rates shown are based on a credit load of 15 credit-hours per semester, which is the number of credit-hours taken by an average full-time student.

[11]Beginning with the 2001-02 academic year, the North Dakota State College of Science charges resident tuition rates to students who are enrolled in a business and industry partnership program except for students from Minnesota who are assessed tuition as specified in the reciprocity agreement between North Dakota and Minnesota.

[12]The University of North Dakota School of Law implemented a per-credit tuition model beginning in the 2008-09 academic year. The institution charges a per-credit (part-time) tuition rate for all credit-hours. The tuition rates shown are based on a credit load of 15 credit-hours per semester, which is the number of credit-hours taken by an average full-time law student.

[13]Physical therapy students pay undergraduate tuition rates during the first two years. In the students' junior year, students enter the physical therapy program and start paying tuition based on the physical therapy program tuition rates.

[14]Valley City State University implemented a per-credit tuition model beginning in the 2005-06 academic year. The undergraduate tuition rates shown are based on a credit load of 15 credit-hours per semester, which is the number of credit-hours taken by an average full-time student. The graduate tuition rates shown are based on a credit load of 12 credit-hours per semester, which is the number of credit-hours taken by an average full-time graduate student. Beginning with the 2010-11 academic year, Valley City State University charges the same online tuition rate to all graduate students.

[15]Williston State College implemented a per-credit tuition model beginning in the 2002-03 academic year. From the 2002-03 through the 2010-11 academic year, the institution charged a per-credit (part-time) tuition rate for all credit-hours except for the 14th, 15th, and 16th credits, which are at no charge. Beginning with the 2011-12 academic year, the institution charges students for all credits taken except the 15th and 16th credits. Beginning with the 2012-13 academic year, the institution charges students for all credits taken except the 16th credit. The tuition rates shown are based on a credit load of 15 credit-hours per semester, which is the number of credit-hours taken by an average full-time

student. Beginning with the 2009-10 academic year, Williston State College charges all students the resident tuition rate except for international students. International students were charged the resident tuition rate during the 2009-10 and 2010-11 academic years and began to be charged an international student tuition rate beginning with the 2011-12 academic year.

[16]Reflects 2015-16 academic year tuition rate increases approved by the State Board of Higher Education at its May 14, 2015, meeting.

North Dakota University System Office
Budget No. 215
House Bill Nos. 1003, 1021, 1051, 1151, and 1201

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**104.39**	**$154,629,019**	**$5,011,216**	**$159,640,235**
2015-17 base budget	112.91	111,561,723	2,299,912	113,861,635
Legislative increase (decrease) to base budget	(8.52)	$43,067,296	$2,711,304	$45,778,600

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$117,565,769**	**$37,063,250**	**$154,629,019**
2013-15 legislative appropriations	111,561,723	50,483,413	162,045,136
2015-17 legislative increase (decrease) to 2013-15 appropriations	$6,004,046	($13,420,163)	($7,416,117)
Percentage increase (decrease) to 2013-15 appropriations	5.4%	(26.6%)	(4.6%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the North Dakota University System office and Core Technology Services includes funding for 3 percent annual salary increases and health insurance increases reflecting revised premium estimates.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes for the University System office and Core Technology Services.		$347,641		$347,641
Added funding for 2015-17 biennium performance salary adjustments of 3 percent per year for University System office and Core Technology Services employees.		1,189,312		1,189,312
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		460,952		460,952
Transferred 1 FTE position and related federal funding for the State Approving Agency to the Department of Veterans' Affairs.	(1.00)		($288,696)	(288,696)

Removed 7.6 legal FTE positions and related funding. (This amount does not include any FTE positions or legal functions supported by campus assessments.)	(7.60)	(2,558,140)		(2,558,140)
Removed 3 internal audit FTE positions and related funding. (This amount does not include any FTE positions or internal audit functions supported by campus assessments.)	(3.00)	(771,964)		(771,964)
Adjusted the number of FTE positions for the University System office and Core Technology Services pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorizes the State Board of Higher Education to adjust FTE positions as needed subject to the availability of funds.	3.08			
Reduced funding for system governance.		(2,000,000)		(2,000,000)
Added funding for Core Technology Services initiatives relating to information technology security, centralized document imaging, identity management, predictive analytics reporting, and other student success programs. Of this amount, $2,821,500 is considered one-time funding.		5,799,800		5,799,800
Added funding for commendatory grants for faculty members. (Senate Bill No. 1201)		4,800		4,800
Increased funding for the Academic and Career and Technical Education scholarship programs for costs to continue the program.		4,054,677		4,054,677
Increased funding for needs-based student financial assistance grants to increase the maximum grant award from $1,650 per year to $1,950 per year.		4,388,597		4,388,597
Increased funding for student mental health services.		33,480		33,480
Added funding for an internal audit pool to be used for systemwide internal auditing.		300,000		300,000
Adjusted funding for the tribal college assistance grant program to provide that $500,000 is from the student loan trust fund rather than the general fund.		(500,000)	500,000	0
Added funding for centralized desktop support services for the University System office, of which $81,750 is considered one-time funding. (House Bill No. 1021)		175,350		175,350
Added one-time funding for costs relating to the retention of electronic mail messages. (House Bill No. 1051)		350,000		350,000
Added one-time funding for open education resources training.		110,000		110,000

Added one-time funding from the general fund and student loan trust fund to continue the higher education challenge grant program. (House Bill No. 1151)		21,000,000	2,500,000	23,500,000
Added one-time funding for a campus security pool to be distributed to campuses based on campus security and risk assessments.		3,000,000		3,000,000
Added one-time funding for a deferred maintenance funding pool to be distributed to certain campuses.		8,700,000		8,700,000
Reduced funding for capital bond payments to reflect lower estimated bond payments.		(2,067,209)		(2,067,209)
Added a contingent appropriation of $50,000 for costs to create a unified system of workforce education.		50,000		50,000
Added a contingent one-time appropriation of $1 million for University System office transition costs.		1,000,000		1,000,000
Total	(8.52)	$43,067,296	$2,711,304	$45,778,600

FTE Changes

The Legislative Assembly included funding for 104.39 FTE positions, 8.52 less than the 2013-15 biennium. The Legislative Assembly removed 7.6 legal FTE positions, 7.0 internal audit FTE positions, 1 State Approving Agency FTE position, and adjusted the FTE count to reflect the revised amount of positions supported by the general fund. Pursuant to Section 36 of House Bill No. 1003, the State Board of Higher Education is authorized to adjust FTE positions as needed during the 2015-17 biennium for entities under the control of the board. Any FTE adjustment must be reported to the Office of Management and Budget prior to submission of the 2017-19 budget request.

One-Time Funding

The Legislative Assembly identified $159,547,268 of funding from the general fund as one-time funding for the University System. These amounts are not to be considered part of the University System's base budget for the 2017-19 biennium, and the University System is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding. The table below summarizes one-time funding provided to the University System from the general fund for the 2015-17 biennium.

Major capital projects	$99,909,212
Higher education challenge fund (University System office)	21,000,000
University of North Dakota School of Medicine and Health Sciences - Health care workforce initiative plan and residency positions	18,514,806
Deferred maintenance pool (University System office)	8,700,000
Campus security pool (University System office)	3,000,000
Core Technology Services projects (University System office)	2,821,500
Williston State College extraordinary campus needs	2,500,000
Contingent appropriation for University System office reorganization (University System office)	1,000,000
Dickinson State University Theodore Roosevelt Center operations	800,000
North Dakota Museum of Art deferred maintenance	760,000
Electronic mail retention implementation (University System office)	350,000
Open education resource training (University System office)	110,000
University System office desktop support services (University System office)	81,750
Total	$159,547,268

Contingent Appropriations for University System Office Operations

House Bill No. 1003 includes the following contingent general fund appropriations for the University System office:

- **Unified System of workforce education** - Section 3 provides a contingent appropriation of $50,000 for costs associated with creating a unified system of workforce, vocational, and technical education. The appropriation is contingent upon the State Board of Higher Education certifying to the Office of Management and Budget that a unified workforce, vocational, and technical program has been established.
- **University System office transition costs** - Section 4 provides a contingent one-time appropriation of $1 million for the purpose of reorganizing the office of the Commissioner of Higher Education (Chancellor). The funding is available only if the State Board of Higher Education submits to the Budget Section a plan to reorganize the Commissioner's office. The plan must detail the proposed organizational structure of the office, priorities of the office, and process changes to increase University System efficiencies. The Budget Section may approve all or a portion of the contingent appropriation.

Competitive Research

The Legislative Assembly provided $7.05 million from the general fund for competitive research, the same amount as provided for the 2013-15 biennium. The following is a summary of funding for the competitive research program:

Biennium	General Fund
1995-97	$1,980,000
1997-99	$1,980,000
1999-2001	$1,971,000
2001-03	$4,000,000
2003-05	$4,750,000[1]
2005-07	$5,190,000
2007-09	$5,650,000
2009-11	$7,050,000[2]
2011-13	$7,050,000
2013-15	$7,050,000
2015-17	$7,050,000

[1]The 2003 Legislative Assembly provided that $100,000 of the $4,750,000 be used for a public-private partnership for establishment of a design center at UND.

[2]The 2009 Legislative Assembly provided that $400,000 of the $7,050,000 be used for the National Aeronautics and Space Administration Experimental Program to Stimulate Competitive Research.

System Governance

The Legislative Assembly provided $7,526,993 from the general fund for system governance. The table below details funding provided for system governance during the 2013-15 and 2015-17 bienniums.

	2013-15 Biennium Legislative Appropriation	2015-17 Biennium Legislative Appropriation	2015-17 Biennium Increase (Decrease) From 2013-15 Biennium
General fund	$12,377,806	$7,526,993	($4,850,813)
Special funds	288,696	0	(288,696)
Total	$12,666,502	$7,526,993	($5,139,509

Core Technology Services

The Legislative Assembly provided $45,980,965, of which $45,441,528 is from the general fund and $539,437 is from the student loan trust fund, for support of the Higher Education Computer Network, the Interactive Video Network, the On-line Dakota Information Network, and other related technology initiatives. The table below summarizes funding provided for system information technology services.

	2013-15 Biennium Legislative Appropriation	2015-17 Biennium Legislative Appropriation	2015-17 Biennium Increase (Decrease) From 2013-15 Biennium
General fund	$38,123,114	$45,441,528	$7,318,414
Student loan trust fund	539,437	539,437	0
Total	$38,662,551	$45,980,965	$7,318,414

Student Financial Assistance Grants

The Legislative Assembly provided $25,634,276 from the general fund for student financial assistance grants. This represents an increase of $4,388,597 from the 2013-15 biennium appropriation of $21,245,679. The additional funding will be used to increase the maximum grant award amount from $1,650 to $1,950 per year. To qualify, a student must be a resident undergraduate student who has graduated from a North Dakota high school and is attending a qualified postsecondary institution in North Dakota. The award of grants is based on student need. The following is a summary of funding for student financial assistance grants:

Biennium	Maximum Grant Award	Legislative Appropriations			
		General Fund	Federal Funds	Other Funds	Total
1995-97	$600	$2,032,478	$400,000	$1,350,000	$3,782,478
1997-99	$600	$1,495,000	$410,986	$2,574,400	$4,480,386
1999-2001	$600	$1,735,881	$140,000	$2,574,400	$4,450,281
2001-03	$600	$2,670,881	$214,000	$1,338,150	$4,223,031
2003-05	$600	$2,730,215	$200,000	$0	$2,930,215
2005-07	$1,000	$3,332,402	$172,000	$0	$3,504,402
2007-09	$1,000	$5,823,497	$164,000	$0	$5,987,497
2009-11	$1,500	$19,025,594	$348,428	$0	$19,374,022
2011-13	$1,500	$19,025,594	$348,428	$0	$19,374,022
2013-15	$1,650	$21,245,679	$0	$0	$21,245,679
2015-17	$1,950	$25,634,276	$0	$0	$25,634,276

Professional Student Exchange Program

The Legislative Assembly provided $4,275,015, of which $3,809,708 is from the general fund and $465,307 is from the student loan trust fund, for the professional student exchange program. The program assists North Dakota students enrolling in professional programs not offered in the state including dentistry, optometry, and veterinary medicine. The following is a summary of funding for the professional student exchange program:

Biennium	General Fund	Student Loan Trust Fund	Total
1995-97	$1,326,756		$1,326,756
1997-99	$1,389,801		$1,389,801
1999-2001	$1,310,716		$1,310,716
2001-03	$1,560,716		$1,560,716
2003-05	$1,678,300		$1,678,300
2005-07	$1,864,780	$262,500	$2,127,280
2007-09	$2,199,566	$523,380	$2,722,946
2009-11	$2,346,130	$990,970	$3,337,100
2011-13	$2,856,131	$465,307	$3,321,438
2013-15	$3,809,708	$465,307	$4,275,015
2015-17	$3,809,708	$465,307	$4,275,015

Scholars Program

The Legislative Assembly provided $2,113,584 from the general fund for the scholars program, the same amount as provided during the 2013-15 biennium. The scholars program provides full-tuition scholarships to resident students who score in the upper fifth percentile of North Dakota ACT test takers and enroll in an undergraduate program in the state. The following is a summary of funding for the scholars program:

Biennium	General Fund	Special Funds	Total
1995-97	$496,403		$496,403
1997-99	$473,786	$185,500	$659,286
1999-2001	$520,730	$185,500	$706,230
2001-03	$770,730		$770,730
2003-05	$816,386		$816,386
2005-07	$862,077		$862,077
2007-09	$1,478,566		$1,478,566
2009-11	$2,113,584		$2,113,584
2011-13	$2,113,584		$2,113,584
2013-15	$2,113,584		$2,113,584
2015-17	$2,113,584		$2,113,584

Native American Scholarship Program

The Legislative Assembly provided $649,267 from the general fund for Native American scholarships, the same as the 2013-15 biennium. The following is a summary of funding for the Native American scholarship program:

Biennium	General Fund
1995-97	$200,000
1997-99	$204,000
1999-2001	$204,082
2001-03	$204,082
2003-05	$204,086
2005-07	$251,988
2007-09	$380,626
2009-11	$381,292
2011-13	$574,267
2013-15	$649,267
2015-17	$649,267

Education Incentive Programs

The Legislative Assembly provided $3,349,000 from the general fund for education incentive programs, the same amount as provided for the 2013-15 biennium. Section 25 of House Bill No. 1003 provides the funding may be allocated for education incentive programs as determined by the State Board of Higher Education. The board may determine the program eligibility for education incentive programs and may reduce or eliminate specific programs. Examples of programs that have been supported through this appropriation include the teacher shortage loan forgiveness program and the science, technology, engineering, and mathematics occupations loan forgiveness program.

Career and Technical Education and Academic Scholarships

The Legislative Assembly provided $14,054,677 from the general fund for career and technical education and academic scholarships, an increase of $4,054,677 from the 2013-15 legislative appropriations of $10 million. The increased funding will be used to continue existing scholarship awards and for additional students becoming eligible to receive a scholarship.

To be eligible for a scholarship, a student must be a resident of the state, complete the requirements for a high school diploma, and meet the following program requirements for one of the programs as follows:

Career and Technical Education Scholarship	Academic Scholarship
Complete four units of English language arts	Complete four units of English language arts
Complete three units of mathematics, including one unit of Algebra II and two units of other mathematics	Complete one unit of Algebra II and one unit of mathematics for which Algebra II is a prerequisite
Complete three units of science	Complete three units of science
Complete three units of social studies	Complete three units of social studies
Complete one unit of physical education or one-half unit of physical education and one-half unit of health	Complete one unit of physical education or one-half unit of physical education and one-half unit of health
Complete two units of a coordinated study plan as recommended by the Department of Career and Technical Education	Complete two units of the same foreign language, the same Native American language, American sign language, or career and technical education from a coordinated study plan approved by the Superintendent of Public Instruction
Complete one unit selected from foreign language, Native American language, American sign language, fine arts, or career and technical education	Complete one unit selected from foreign language, Native American language, American sign language, fine arts, or career and technical education
Complete five additional units, two of which must be in the area of career and technical education	Complete any five additional units
Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship	Obtain a cumulative grade point average of at least 3.0 on a 4.0 grading scale for all courses taken or only for courses taken that are required for the scholarship
Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship	Obtain a grade of at least "C" in each unit or one-half unit required for the scholarship
Receive a composite score of at least 24 on the ACT or a score of at least 5 on each of three WorkKeys assessments	Receive a composite score of at least 24 on the ACT
	Fulfill one unit required for the scholarship through an advanced placement course or fulfill one-half unit required for the scholarship through a dual-credit course

Any student that meets the requirements for a career and technical education scholarship or an academic scholarship is to receive a scholarship of $750 per semester, or $500 per quarter, for each period the student is enrolled at a North Dakota higher education institution and maintains eligibility up to a maximum amount of $6,000.

Capital Construction Lease Payments

The Legislative Assembly provided $8,368,836 from the general fund for University System capital construction lease payments. The following is a summary of the 2015-17 biennium legislative appropriation compared to the 2013-15 biennium legislative appropriation:

	2013-15 Biennium Legislative Appropriation	2015-17 Biennium Legislative Appropriation	Increase (Decrease) From 2013-15 Biennium
Capital construction lease payments - General fund	$10,436,045	$8,368,836	($2,067,209)

Capital Improvements

The following schedule presents the higher education capital improvement funding contained in appropriations approved by the Legislative Assembly for the 2015-17 biennium:

Entity/Project	2015-17 Legislative Appropriations	
	General Fund	Special Funds
University System office		
Deferred maintenance pool	$8,700,000	
Total	$8,700,000	
Bismarck State College		
Campus infrastructure	$1,575,000	
Student Union lower level renovations		$600,000
Extraordinary repairs	417,673	
Total	$1,992,673	$600,000
Lake Region State College		
Switchgear, electrical, and other campus repairs	$1,648,423	
Extraordinary repairs	155,367	
Total	$1,803,790	
Williston State College		
Extraordinary repairs	$197,801	
Total	$197,801	
University of North Dakota		
School of Medicine and Health Sciences facility project - Phase II	$62,000,000	
Airport apron project	6,000,000	
Student engagement projects		$6,000,000
North Dakota Museum of Art repairs	760,000	
Extraordinary repairs	4,411,566	
Total	$73,171,566	$6,000,000
North Dakota State University		
Aquatics center project ($10 million of revenue bonding authorization)		$11,000,000
Minard Hall		600,000
Extraordinary repairs	$2,732,244	
Total	$2,732,244	$11,600,000
North Dakota State College of Science		
Infrastructure repairs	$13,298,000	
Extraordinary repairs	1,012,379	
Total	$14,310,379	
Dickinson State University		
Extraordinary repairs	$409,078	
Woods Hall renovation and purchase of student housing properties ($9.6 million of revenue bonding authorization)		$11,500,000
Total	$409,078	$11,500,000
Mayville State University		
Extraordinary repairs	$358,992	
Total	$358,992	
Minot State University		
Extraordinary repairs	$899,620	
Total	$899,620	

Entity/Project	2015-17 Legislative Appropriations	
	General Fund	Special Funds
Valley City State University		
Heating plant replacement	$14,289,000	
Health and wellness facility		$16,000,000
Extraordinary repairs	408,319	
Total	$14,697,319	$16,000,000
Dakota College at Bottineau		
Nelson Science Center	$1,098,789	
Dormitory upgrades ($2.9 million of revenue bonding authorization)		$3,784,076
Allied health facility		6,864,118
Extraordinary repairs	114,007	
Total	$1,212,796	$10,648,194
Forest Service		
Extraordinary repairs	$44,962	
Total	$44,962	
Total Higher Education	$120,531,220	$56,348,194

Contingent Appropriations for Capital Projects

Section 8 of Senate Bill No. 2015 provides the following contingent general fund appropriations for capital projects at University System institutions:

Project	Contingent General Fund Appropriation	Contingency Criteria
Valley City State University - Fine Arts building	$25,850,000	General fund revenues exceed legislative estimates made at the close of the 2015 legislative session for either the first six months of the 2015-17 biennium or the first year of the 2015-17 biennium by at least $126 million.
North Dakota State University - Dunbar Hall	$46,000,000	General fund revenues exceed legislative estimates made at the close of the 2015 legislative session for the first 18 months of the 2015-17 biennium by at least $250 million.

Other Income

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions and entities under the control of the State Board of Higher Education during the 2015-17 biennium. Consequently, the legislative appropriations for higher education institutions entities generally do not include a specific appropriation of other funds, except for capital projects.

Other Sections in House Bill No. 1003

Appropriation - Attorney General - Section 6 provides an appropriation of $1,136,994 from the general fund, of which $700,000 is one-time funding, for an intellectual property attorney and the continuation of contracted higher education legal services.

Severance payments - Section 7 requires severance payments provided to University System office employees to comply with North Dakota Century Code Section 54-14-04.3. **(The Governor vetoed this section.)**

Use of electronic mail, file server, database administration, application server, and hosting services - Section 8 requires entities under the control of the State Board of Higher Education to obtain electronic mail, file server administration, database administration, storage, application server, and hosting services through a delivery system established by the board.

Audits of computer systems - Open records - Section 9 exempts computer vulnerability audits from disclosure under open records laws.

Unified workforce education system - Sections 10 and 11 require the State Board of Higher Education to create a unified system for workforce, vocational, and technical education programs. A workforce education advisory council is also created to advise the board regarding workforce education.

Scholarships report - Section 12 creates a new section to Chapter 15-10 to require the State Board of Higher Education to provide the Legislative Management an annual report on academic and career and technical education scholarships.

Higher education funding formula - Sections 13 through 16 adjust the higher education funding formula, including the credit volume completion factor and institutional size factor. The sections also adjust the base credit-hour funding rates.

Student financial assistance grants amounts - Section 17 creates Chapter 15-62.4 to increase the maximum needs-based student financial assistance grant amount from $1,650 per year to $1,950 per year, to clarify that the awards can be distributed on a semester or quarter basis, and clarifies the definition of an eligible recipient to be consistent with the academic and career and technical education scholarship program.

Scholars program - Section 18 adds a new chapter to provide clarification regarding residency requirements for the scholars program and the ability to disburse awards on a semester or quarter basis.

Higher education audit and legal positions - Section 19 clarifies that the State Board of Higher Education may have an internal audit function and Section 20 allows Assistant or Special Attorneys General to examine educational records identified under the Family Educational Rights and Privacy Act.

State Board of Higher Education budget requests - Section 21 and 22 require State Board of Higher Education budget requests to include the same detail as other state agency budget requests.

Carryover authority - Section 23 continues the authorization through July 31, 2017, for institutions under the control of the State Board of Higher Education to continue unexpended appropriations at the end of a biennium.

Repealed chapter - Section 24 repeals Chapter 15-62.2 which related to the student financial assistance grant program and the scholars program. Two new chapters were created for the programs.

Systemwide funding pool transfers - Section 25 provides that the State Board of Higher Education may transfer funds from the deferred maintenance funding pool, campus security pool, internal audit funding pool, and the education incentive programs funding pool to institutions under its control.

Project management oversight - Section 26 requires capital projects authorized by the State Board of Higher Education to have adequate project oversight by an institution official or representative of an external entity.

Minard Hall project - Section 27 authorizes North Dakota State University to continue 2007-09 and 2009-11 biennium appropriations for the Minard Hall project into the 2015-17 biennium. The section also requires North Dakota State University to provide reports on the status of the project to Budget Section.

Minot State University football stadium project - Section 28 authorizes Minot State University to use up to $4 million of funds from the city of Minot and $1 million of local institution funds for the football stadium press box project.

Student loan trust fund - Section 29 provides that $3,504,744 of the special funds appropriated in the bill are from the student loan trust fund to be used for the professional student exchange program ($465,307), tribal college assistance grants ($500,000), campus leadership transition at Dickinson State University ($2 million), and for ConnectND positions ($539,437).

University of North Dakota School of Medicine and Health Sciences funding - Section 30 provides that a portion of the operations funding appropriated to the University of North Dakota be transferred to the University of North Dakota School of Medicine and Health Sciences consistent with the higher education student credit-hour funding method.

Continuing appropriation - Section 31 appropriates federal, private, and other local funds received by entities under the control of the State Board of Higher Education, including tuition revenue, during the 2015-17 biennium.

Transfer authority - Section 32 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

Performance funding pool carryover authority - Section 33 continues $4 million of the $5 million general fund appropriation for a performance funding pool provided during the 2013-15 biennium into the 2015-17 biennium and provides for the funds to be transferred to institutions affected by energy development.

Bismarck Family Practice Center skywalk project - Section 34 cancels the $750,000 2013-15 biennium general fund appropriation for the Bismarck Family Practice Center skywalk project.

Theodore Roosevelt Center project - Section 35 directs the Office of Management and Budget to cancel on July 1, 2016, the $6 million appropriation from the general fund appropriated for the Theodore Roosevelt Center by the 63rd Legislative Assembly, unless Dickinson State University certifies to the Office of Management and Budget that a project site has been selected, construction plans have been developed, and project construction will commence prior to January 1, 2017.

FTE positions - Section 36 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Bond issue authorization - Section 37 authorizes the State Board of Higher Education to arrange for $2.9 million of revenue bonds for dormitory projects at Dakota College at Bottineau and $10 million of revenue bonds for an aquatic center project at North Dakota State University.

Extraordinary repairs funding - Section 38 provides for a 2-to-1 matching requirement for the use of extraordinary repairs funding from the general fund in the capital assets line item.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium unless the institution receives Budget Section approval.

Dickinson State University financial report - Section 40 requires a report from the State Board of Higher Education to the Budget Section regarding efforts to improve the financial stability of Dickinson State University.

Attorney salaries - Section 41 provides legislative intent that all Assistant Attorneys General employed in the Attorney General's office be provided salary and benefits in accordance with uniform salary and benefits schedules established by the Attorney General.

State Board of Higher Education data inconsistencies - Section 42 requires the State Board of Higher Education to address identified data inconsistency issues and report to the 65th Legislative Assembly regarding the status of the inconsistencies.

Use of funding disbursed from permanent funds - Section 43 requires a report from the State Board of Higher Education to the 65th Legislative Assembly regarding the use of funds disbursed to higher education institutions from permanent funds established for the benefit of the institution in Article IX, Section 1, of the Constitution of North Dakota.

Extraordinary campus needs report - Section 44 requires a report from Williston State College to the 65th Legislative Assembly regarding the use of extraordinary campus needs funding provided to the institution.

Legislative Management studies - Sections 45, 46, and 47 provide for Legislative Management studies of institution missions, higher education course delivery methods, and institution administration costs.

Related Legislation

House Bill No. 1013 - Permanent funds distributions - Provides the following distributions to University System institutions from permanent funds established for the benefit of the institutions:

Institution	Distribution
North Dakota State University	$3,368,000
University of North Dakota	2,742,000
North Dakota State College of Science	1,066,000
Valley City State University	570,000
Mayville State University	382,000
Dakota College at Bottineau	78,000
Dickinson State University	78,000
Minot State University	78,000
Total	$8,362,000

House Bill No. 1045 - Private postsecondary institution reporting requirements - Requires private postsecondary institutions to notify the State Board of Higher Education or State Board of Career and Technical Education of any changes to the institution's accreditation status. The bill also requires private postsecondary institutions to notify current or potential students if a program or course complies with the certification requirements of the appropriate professional board in the state.

House Bill No. 1051 - Higher education information technology - Systemwide email - Email retention - Records retention - Requires all institutions under the control of the State Board of Higher Education to use systemwide email and to retain all emails for two years. The bill also clarifies that the State Board of Higher Education and the institutions under the control of the State Board of Higher Education are included in the state's records retention policies. The bill provides a one-time general fund appropriation of $350,000 for costs associated with implementing the email retention requirements.

House Bill No. 1052 - Higher education information technology reports - Requires the Chief Information Officer of the University System rather than the Commissioner of Higher Education (Chancellor) to coordinate with the Information Technology Department and to report to the Information Technology Committee.

House Bill No. 1127 - Residency for tuition purposes - Clarifies tuition residency requirements for veterans.

House Bill No. 1139 - Dickinson State University student housing - Provides a special funds appropriation of $11.5 million to Dickinson State University for the Woods Hall renovation project and to purchase student housing properties. The bill also authorizes Dickinson State University to issue $9.6 million of revenue bonds for the renovation project and to purchase the student housing properties.

House Bill No. 1151 - Higher education challenge grants - Continues the higher education challenge grant program into the 2015-17 biennium and appropriates $21 million from the general fund and $2.5 million from the student loan trust fund for grants.

House Concurrent Resolution No. 3046 - Study of higher education governance - Provides for a Legislative Management study of public higher education including governance of the University System.

Senate Bill Nos. 2074 and 2075 - Academic and career and technical education scholarships - Provides for various adjustments to the eligibility criteria to receive an academic or career and technical education scholarship.

Senate Bill No. 2150 - Student rights at disciplinary proceedings - Allows students to be represented by an attorney or other advocate at certain disciplinary hearings.

Bismarck State College
Budget No. 227
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**133.53**	**$38,155,826**	**$600,000**	**$38,755,826**
2015-17 base budget	126.96	33,071,327	0	33,071,327
Legislative increase (decrease) to base budget	6.57	$5,084,499	$600,000	$5,684,499

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$36,580,826**	**$1,575,000**	**$38,155,826**
2013-15 legislative appropriations	33,071,327	12,635,000	45,706,327
2015-17 legislative increase (decrease) to 2013-15 appropriations	$3,509,499	($11,060,000)	($7,550,501)
Percentage increase (decrease) to 2013-15 appropriations	10.6%	(87.5%)	(16.5%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	6.57			
Provided for higher education funding formula adjustments.		$2,700,606		$2,700,606
Provided for base credit rate adjustments.		808,893		808,893
Added funding for the student union lower level renovation project.			$600,000	600,000
Provided one-time funding for campus infrastructure projects.		1,575,000		1,575,000
Total	6.57	$5,084,499	$600,000	$5,684,499

FTE Changes

The Legislative Assembly authorized 133.53 FTE positions for Bismarck State College for the 2015-17 biennium, an increase of 6.75 FTE positions from the number of positions authorized by the 2013 Legislative Assembly. The 6.57 FTE positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $1,575,000 is for campus infrastructure repair and replacement at Bismarck State College. This amount is not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Deferred Maintenance Initiative

The Legislative Assembly appropriated $8.7 million from the general fund to the University System office for a deferred maintenance funding pool. Of this amount, up to $700,000 is to be transferred to Bismarck State College for deferred maintenance.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Capital Projects

Capital projects authorized by the Legislative Assembly for Bismarck State College for the 2015-17 biennium include $1,575,000 for campus infrastructure repair and replacement.

Other Sections in Bill

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 provides that an institution shall provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

Lake Region State College
Budget No. 228
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**50.19**	**$16,635,979**	**$0**	**$16,635,979**
2015-17 base budget	40.22	12,584,464	0	12,584,464
Legislative increase (decrease) to base budget	9.97	$4,051,515	$0	$4,051,515

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$14,987,556**	**$1,648,423**	**$16,635,979**
2013-15 legislative appropriations	12,584,464	5,650,184	18,234,648
2015-17 legislative increase (decrease) to 2013-15 appropriations	$2,403,092	($4,001,761)	($1,598,669)
Percentage increase (decrease) to 2013-15 appropriations	19.1%	(70.8%)	(8.8%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	9.97			
Provided for higher education funding formula adjustments.		$2,071,680		$2,071,680
Provided for base credit rate adjustments.		331,412		331,412
Provided one-time funding for switchgear, electrical services, and window replacement.		1,648,423		1,648,423
Total	9.97	$4,051,515	$0	$4,051,515

FTE Changes

The Legislative Assembly authorized 50.19 FTE positions for Lake Region State College for the 2015-17 biennium, an increase of 9.97 FTE positions from the number of positions authorized by the 2013 Legislative Assembly. The positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $1,648,423 is for switchgear, electrical services, and window replacement at Lake Region State College. This amount is not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Deferred Maintenance Initiative

The Legislative Assembly appropriated $8.7 million from the general fund to the University System office for a deferred maintenance funding pool. Of this amount, up to $500,000 is to be transferred to Lake Region State College for deferred maintenance.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Capital Projects

Capital projects authorized by the Legislative Assembly for Lake Region State College for the 2015-17 biennium include $1,648,423 for switchgear, electrical services, and window replacement.

Other Sections in Bill

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 provides that an institution shall provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

Williston State College
Budget No. 229
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**49.96**	**$12,748,265**	**$0**	**$12,748,265**
2015-17 base budget	44.15	12,981,307	0	12,981,307
Legislative increase (decrease) to base budget	5.81	($233,042)	$0	($233,042)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$10,248,265**	**$2,500,000**	**$12,748,265**
2013-15 legislative appropriations	12,981,307	13,390,354[1]	26,371,661[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	($2,733,042)	($10,890,354)	($13,623,396)
Percentage increase (decrease) to 2013-15 appropriations	(21.1%)	(81.3%)	(51.7%)

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $50,000 made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	5.81			
Provided for higher education funding formula adjustments.		($459,657)		($459,657)
Provided for base credit rate adjustments.		226,615		226,615
Total	5.81	($233,042)	$0	($233,042)

FTE Changes

The Legislative Assembly authorized 49.96 FTE positions for Williston State College for the 2015-17 biennium, an increase of 5.81 FTE positions from the number of positions authorized by the 2013 Legislative Assembly. The positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $2.5 million is for energy development impact at Williston State College. This amount is not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Deferred Maintenance Initiative

In Section 33 of House Bill No. 1003, the Legislative Assembly identified $4 million of funding appropriated from the general fund by the 2013 Legislative Assembly for a performance funding pool during the 2013-15 biennium that may be continued into the 2015-17 biennium. Of this amount, $1.5 million is to be transferred to Williston State College for deferred maintenance and extraordinary campus needs.

Deficiency Appropriations

Senate Bill No. 2023 contains a deficiency appropriation of $50,000 from the general fund for Williston State College to repair the roof of the boiler building.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Other Sections in Bill

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 provides that an institution shall provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

Extraordinary campus needs funding - Section 44 provides for Williston State College to report to the Appropriations Committees of the 65th Legislative Assembly on the use of $2.5 million appropriated for extraordinary campus needs and the need to continue the funding.

University of North Dakota
Budget No. 230
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**630.20**	**$240,445,904**	**$6,000,000**	**$246,445,904**
2015-17 base budget	633.60	154,094,571	0	154,094,571
Legislative increase (decrease) to base budget	(3.40)	$86,351,333	$6,000,000	$92,351,333

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$171,685,904**	**$68,760,000**	**$240,445,904**
2013-15 legislative appropriations[1]	154,094,571	72,790,000	226,884,571
2015-17 legislative increase (decrease) to 2013-15 appropriations	$17,591,333	($4,030,000)	$13,561,333
Percentage increase (decrease) to 2013-15 appropriations	11.4%	(5.5%)	6.0%

[1]The 2013-15 biennium legislative appropriations have been adjusted to reflect a transfer of $3,671,762 to the University of North Dakota (UND) School of Medicine and Health Sciences for operations funding as provided in Section 33 of 2013 Senate Bill No. 2003.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Provided for higher education funding formula adjustments.		$12,628,220		$12,628,220
Provided for base credit rate adjustments. Section 30 of House Bill No. 1003 requires the State Board of Higher Education to transfer a minimum of 25 percent of base credit rate adjustment funding for inflation to the UND School of Medicine and Health Sciences.		4,963,113		4,963,113
Added one-time funding for repairs to the North Dakota Museum of Art building.		760,000		760,000

Added one-time funding for Phase II of the UND School of Medicine and Health Sciences facility project.		62,000,000		62,000,000
Added one-time funding for the airport apron project.		6,000,000		6,000,000
Added one-time funding from local and other funds for student engagement and success capital projects.			$6,000,000	6,000,000
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	(3.40)			
Total	(3.40)	$86,351,333	$6,000,000	$92,351,333

FTE Changes

The Legislative Assembly authorized 630.20 FTE positions for UND for the 2015-17 biennium, a decrease of 3.40 FTE positions from the number authorized by the 2013 Legislative Assembly. The 3.40 FTE positions were removed pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $68.76 million is for one-time funding items at UND as follows:

	General Fund
UND School of Medicine and Health Sciences facility - Phase II	$62,000,000
Airport apron project	6,000,000
North Dakota Museum of Art building repairs	760,000
Total	$68,760,000

These amounts are not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Capital Projects

The following is a summary of capital projects authorized by the Legislative Assembly for UND during the 2015-17 biennium:

	General Fund	Other Funds	Total
UND School of Medicine and Health Sciences facility - Phase II	$62,000,000		$62,000,000
Airport apron project	6,000,000		6,000,000
Student engagement projects		$6,000,000	6,000,000
Total	$68,000,000	$6,000,000	$74,000,000

Deferred Maintenance Initiative

The Legislative Assembly appropriated $8.7 million from the general fund to the University System office for a deferred maintenance funding pool. Of this amount, the State Board of Higher Education may transfer up to $3.5 million to UND for deferred maintenance projects.

Other Sections in Bill

University of North Dakota School of Medicine and Health Sciences funding - Section 30 provides that a portion of the operations funding appropriated to UND be transferred to the UND School of Medicine and Health Sciences consistent with the higher education student credit-hour funding method.

Bismarck Family Practice Center skywalk project - Section 34 cancels the 2013-15 biennium general fund appropriation of $750,000 for the UND School of Medicine and Health Sciences Bismarck Family Practice Center skywalk project.

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 requires an institution to provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval. However, the section provides that the tuition rate increase limits do not apply to programs at the UND School of Medicine and Health Sciences.

University of North Dakota School of Medicine and Health Sciences
Budget No. 232
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**184.58**	**$71,437,396**	**$0**	**$71,437,396**
2015-17 base budget	156.55	52,762,590	0	52,762,590
Legislative increase (decrease) to base budget	28.03	$18,674,806	$0	$18,674,806

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$52,922,590**	**$18,514,806**	**$71,437,396**
2013-15 legislative appropriations[1]	52,762,590	7,414,806	60,177,396
2015-17 legislative increase (decrease) to 2013-15 appropriations	$160,000	$11,100,000	$11,260,000
Percentage increase (decrease) to 2013-15 appropriations	0.3%	149.7%	18.7%

[1]The 2013-15 biennium legislative appropriations have been adjusted to reflect a transfer of $3,671,762 from the University of North Dakota (UND) for operations funding as provided in Section 33 of 2013 Senate Bill No. 2003.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

	Changes to Base Budget			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for the UND School of Medicine and Science to provide Department of Pathology services to other state agencies.		$160,000		$160,000
Added one-time funding and related FTE position authority for temporary costs associated with the continued implementation of the health care workforce initiative.	21.00	13,814,806		13,814,806
Added one-time funding for establishing residency positions.		4,700,000		4,700,000
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	7.03			
Total	28.03	$18,674,806	$0	$18,674,806

FTE Changes

The Legislative Assembly authorized 184.58 FTE positions for UND School of Medicine and Health Sciences for the 2015-17 biennium, an increase of 28.03 FTE positions from the number authorized by the 2013 Legislative Assembly. Of this amount, 7.03 FTE positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the State Board of Higher Education to adjust positions at institutions under its control during the 2015-17 biennium. The Legislative Assembly also added authorization for 21 FTE positions for the continued implementation of the health care workforce initiative.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $13,814,806 is for the continued implementation of the health care workforce initiative and $4.7 million is for costs to establish student residency positions. These amounts are not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

University of North Dakota School of Medicine and Health Sciences Operating Funds

Section 30 of House Bill No. 1003 requires the State Board of Higher Education to transfer a minimum of 25 percent of inflation funding provided to UND for the 2015-17 biennium to the UND School of Medicine and Health Sciences for operating costs. Because the transfer of funds has not yet occurred, the appropriations amounts shown in this report do not reflect additional 2015-17 biennium operating funds for the UND School of Medicine and Health Sciences.

School of Medicine and Health Sciences Facility Project

The appropriation to UND includes $62 million of one-time funding from the general fund for Phase II of the UND School of Medicine and Health Sciences facility project.

Other Sections in Bill

University of North Dakota School of Medicine and Health Sciences funding - Section 30 provides that a portion of the operations funding appropriated to UND be transferred to the UND School of Medicine and Health Sciences consistent with the higher education student credit-hour funding method.

Bismarck Family Practice Center skywalk project - Section 34 cancels a 2013-15 biennium general fund appropriation of $750,000 for the UND School of Medicine and Health Sciences Bismarck Family Practice Center skywalk project.

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval. However, the section provides that the tuition rate increase limits do not apply to programs at the UND School of Medicine and Health Sciences.

North Dakota State University
Budget No. 235
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**537.10**	**$157,410,540**	**$11,600,000**	**$169,010,540**
2015-17 base budget	491.21	143,073,784	0	143,073,784
Legislative increase (decrease) to base budget	45.89	$14,336,756	$11,600,000	$25,936,756

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$157,410,540**	**$0**	**$157,410,540**
2013-15 legislative appropriations	143,073,784	28,120,000	171,193,784
2015-17 legislative increase (decrease) to 2013-15 appropriations	$14,336,756	($28,120,000)	($13,783,244)
Percentage increase (decrease) to 2013-15 appropriations	10.0%	(100.0%)	(8.1%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Provided for higher education funding formula adjustments.		$10,856,018		$10,856,018
Provided for base credit rate adjustments.		3,480,738		3,480,738
Added one-time funding for the aquatics center project. (Includes $10 million of revenue bonding authorization.)			$11,000,000	11,000,000
Added one-time funding for additional costs relating to the Minard Hall project.			600,000	600,000
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	45.89			
Total	45.89	$14,336,756	$11,600,000	$25,936,756

FTE Changes

The Legislative Assembly authorized 537.10 FTE positions for North Dakota State University (NDSU) for the 2015-17 biennium, an increase of 45.89 FTE positions from the number authorized by the 2013 Legislative Assembly. The 45.89 FTE positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Capital Projects

The following is a summary of capital projects authorized by the Legislative Assembly for NDSU during the 2015-17 biennium:

	Other Funds
Aquatic center	$11,000,000[1]
Minard Hall additional costs	600,000
Total	$11,600,000

[1]Includes $10 million of revenue bonds.

Contingent Appropriation for Dunbar Hall Project

Section 8 of Senate Bill No. 2015 provides a contingent general fund appropriation of $46 million for the Dunbar Hall project at NDSU. The appropriation is contingent on general fund revenues exceeding legislative estimates made at the close of the 2015 legislative session for the first 18 months of the 2015-17 biennium by at least $250 million.

Deferred Maintenance Initiative

The Legislative Assembly appropriated $8.7 million from the general fund to the North Dakota University System office for a deferred maintenance funding pool. Of this amount, the State Board of Higher Education may transfer up to $3.5 million to NDSU for deferred maintenance projects.

Other Sections in Bill

Minard Hall project - Section 27 authorizes NDSU to continue 2007-09 and 2009-11 biennium appropriations for the Minard Hall project into the 2015-17 biennium. The section also requires NDSU to provide reports to the Budget Section on the status of the project.

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Bond issue authorization - Section 37 authorizes the State Board of Higher Education to arrange for $2.9 million of revenue bonds for dormitory projects at Dakota College at Bottineau and $10 million of revenue bonds for an aquatic center project at NDSU.

Extraordinary repairs funding - Matching funds - Section 38 requires institutions to provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

North Dakota State College of Science
Budget No. 238
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**168.30**	**$58,029,764**	**$0**	**$58,029,764**
2015-17 base budget	171.87	39,193,835	0	39,193,835
Legislative increase (decrease) to base budget	(3.57)	$18,835,929	$0	$18,835,929

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$44,731,764**	**$13,298,000**	**$58,029,764**
2013-15 legislative appropriations	39,193,835	8,085,879	47,279,714
2015-17 legislative increase (decrease) to 2013-15 appropriations	$5,537,929	$5,212,121	$10,750,050
Percentage increase (decrease) to 2013-15 appropriations	14.1%	64.5%	22.7%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted FTE positions pursuant to Section 36 of Senate Bill No. 2003 (2013).	(3.57)			
Provided for higher education funding formula adjustments.		$4,548,799		$4,548,799
Provided for base credit rate adjustments.		989,130		989,130
Adjusted funding for campus infrastructure repairs.		13,298,000		13,298,000
Total	(3.57)	$18,835,929	$0	$18,835,929

FTE Changes

The Legislative Assembly authorized 168.30 FTE positions for North Dakota State College of Science for the 2015-17 biennium, a decrease of 3.57 FTE positions from the number of positions authorized by the 2013 Legislative Assembly. The positions were removed pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $13,298,000 is for campus water and sewer infrastructure repair and replacement at the North Dakota State College of Science. This amount is not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Capital Projects

Capital projects authorized by the Legislative Assembly for the North Dakota State College of Science for the 2015-17 biennium include $13,298,000 for campus water and sewer infrastructure repair and replacement.

Other Sections in Bill

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 provides that an institution shall provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

Dickinson State University
Budget No. 239
House Bill Nos. 1003 and 1139

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**120.26**	**$27,015,931**	**$13,500,000**	**$40,515,931**
2015-17 base budget	100.32	26,708,305	0	26,708,305
Legislative increase (decrease) to base budget	19.94	$307,626	$13,500,000	$13,807,626

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$26,215,931**	**$800,000**	**$27,015,931**
2013-15 legislative appropriations	26,708,305	12,800,000	39,508,305
2015-17 legislative increase (decrease) to 2013-15 appropriations	($492,374)	($12,000,000)	($12,492,374)
Percentage increase (decrease) to 2013-15 appropriations	(1.8%)	(93.8%)	(31.6%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Provided for higher education funding formula adjustments.		($1,072,073)		($1,072,073)
Provided for base credit rate adjustments.		579,699		579,699
Added one-time funding for document digitization and operations of the Theodore Roosevelt Center.		800,000		800,000
Added one-time funding from the student loan trust fund for campus leadership transition costs.			$2,000,000	2,000,000
Added one-time funding for the renovation of the Woods Hall dormitory and for the purchase of apartments for student housing. The funding includes revenue bonding authorization of $9.6 million. (House Bill No. 1139)			11,500,000	11,500,000
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	19.94			
Total	19.94	$307,626	$13,500,000	$13,807,626

FTE Changes

The Legislative Assembly authorized 120.26 FTE positions for Dickinson State University for the 2015-17 biennium, an increase of 19.94 FTE positions from the number authorized by the 2013 Legislative Assembly. The 19.94 FTE positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $800,000 is for document digitization and operations of the Theodore Roosevelt Center. This amount is not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Capital Projects

The Legislative Assembly, in House Bill No. 1139, appropriated $11.5 million of other funds to Dickinson State University during the 2015-17 biennium for the renovation of Woods Hall and for the purchase of apartments for student housing. As part of the appropriation, the Legislative Assembly authorized the State Board of Higher Education to issue $6.1 million of revenue bonds for the Woods Hall renovation project and to issue $3.5 million of revenue bonds for the acquisition of apartments for student housing.

Theodore Roosevelt Center Project

Section 35 of House Bill No. 1003 directs the Office of Management and Budget to cancel, on July 1, 2016, a 2013-15 biennium general fund appropriation of $6 million for the Theodore Roosevelt Center project unless Dickinson State University certifies to the Office of Management and Budget that a project site has been selected, construction plans have been developed, and project construction will commence prior to January 1, 2017.

Other Sections in House Bill No. 1003

Student loan trust fund - Section 29 provides that $3,504,744 of the special funds appropriated in the bill are from the student loan trust fund to be used for the professional student exchange program ($465,307), tribal college assistance grant ($500,000), campus leadership transition at Dickinson State University ($2,000,000), and for ConnectND positions ($539,437).

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 requires an institution to provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

Dickinson State University financial report - Section 40 requires a report from the State Board of Higher Education to the Budget Section regarding efforts to improve the financial stability of Dickinson State University.

Mayville State University
Budget No. 240
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**66.23**	**$16,739,145**	**$0**	**$16,739,145**
2015-17 base budget	62.78	14,723,416	0	14,723,416
Legislative increase (decrease) to base budget	3.45	$2,015,729	$0	$2,015,729

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$16,739,145**	**$0**	**$16,739,145**
2013-15 legislative appropriations	14,723,416	7,663,650	22,387,066
2015-17 legislative increase (decrease) to 2013-15 appropriations	$2,015,729	($7,663,650)	($5,647,921)
Percentage increase (decrease) to 2013-15 appropriations	13.7%	(100.0%)	(25.2%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Provided for higher education funding formula adjustments.		$1,645,585		$1,645,585
Provided for base credit rate adjustments.		370,144		370,144
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	3.45			
Total	3.45	$2,015,729	$0	$2,015,729

FTE Changes

The Legislative Assembly authorized 66.23 FTE positions for Mayville State University for the 2015-17 biennium, an increase of 3.45 FTE positions from the number authorized by the 2013 Legislative Assembly. The 3.45 FTE positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Deferred Maintenance Initiative

The Legislative Assembly appropriated $8.7 million from the general fund to the North Dakota University System office for a deferred maintenance funding pool. Of this amount, the State Board of Higher Education may transfer up to $500,000 to Mayville State University for deferred maintenance projects.

Other Sections in Bill

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 requires an institution to provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

Minot State University
Budget No. 241
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**204.10**	**$48,758,181**	**$0**	**$48,758,181**
2015-17 base budget	201.76	44,709,831	0	44,709,831
Legislative increase (decrease) to base budget	2.34	$4,048,350	$0	$4,048,350

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$48,758,181**	**$0**	**$48,758,181**
2013-15 legislative appropriations	44,709,831	6,031,389[1]	50,741,220[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$4,048,350	($6,031,389)	($1,983,039)
Percentage increase (decrease) to 2013-15 appropriations	9.1%	(100.0%)	(3.9%)

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $1,800,579 made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Provided for higher education funding formula adjustments.		$2,970,186		$2,970,186
Provided for base credit rate adjustments.		1,078,164		1,078,164
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	2.34			
Total	2.34	$4,048,350	$0	$4,048,350

FTE Changes

The Legislative Assembly authorized 204.10 FTE positions for Minot State University for the 2015-17 biennium, an increase of 2.34 FTE positions from the number authorized by the 2013 Legislative Assembly. The 2.34 FTE positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003 which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the State Board of Higher Education to adjust positions at institutions under its control during the 2015-17 biennium.

Deficiency Appropriations

The Legislative Assembly, in Senate Bill No. 2023, provided a 2013-15 biennium general fund deficiency appropriation of $1,800,579 for expenditures relating to flooding at Minot State University in 2010 and 2011.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Deferred Maintenance Initiative

In Section 33 of House Bill No. 1003, the Legislative Assembly provided that $4 million of funding appropriated from the general fund by the 2013 Legislative Assembly for a performance funding pool during the 2013-15 biennium may be continued into the 2015-17 biennium and transferred to campuses affected by energy development. Of this amount, $500,000 is for deferred maintenance and extraordinary campus needs at Minot State University.

Other Sections in Bill

Minot State University football stadium project - Section 28 authorizes Minot State University to use up to $4 million of funds from the city of Minot and $1 million of local institution funds for the football stadium press box project.

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 requires an institution to provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at North Dakota University System institutions unless an institution receives Budget Section approval.

Valley City State University
Budget No. 242
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**105.59**	**$39,758,668**	**$16,000,000**	**$55,758,668**
2015-17 base budget	97.29	21,099,454	0	21,099,454
Legislative increase (decrease) to base budget	8.30	$18,659,214	$16,000,000	$34,659,214

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$25,469,668**	**$14,289,000**	**$39,758,668**
2013-15 legislative appropriations	21,099,454	4,337,153[1]	25,436,607[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$4,370,214	$9,951,847	$14,322,061
Percentage increase (decrease) to 2013-15 appropriations	20.7%	229.5%	56.3%

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $152,000 made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Provided for higher education funding formula adjustments.		$3,807,016		$3,807,016
Provided for base credit rate adjustments.		563,198		563,198
Added one-time funding for the heating plant replacement project.		14,289,000		14,289,000
Added one-time other funds authority for the health and wellness facility project.			$16,000,000	16,000,000
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	8.30			
Total	8.30	$18,659,214	$16,000,000	$34,659,214

FTE Changes

The Legislative Assembly authorized 105.59 FTE positions for Valley City State University for the 2015-17 biennium, an increase of 8.30 FTE positions from the number authorized by the 2013 Legislative Assembly. The 8.30 FTE positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $14,289,000 is for the heating plant replacement project at Valley City State University. These amounts are not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Deficiency Appropriations

The Legislative Assembly, in Senate Bill No. 2023, provided a 2013-15 biennium general fund deficiency appropriation of $152,000 for the demolition of a retired science building at Valley City State University. The bill also provided a 2013-15 biennium deficiency appropriation of $3 million from the state disaster relief fund for the university's share of a flood protection project.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Capital Projects

The following is a summary of capital projects authorized by the Legislative Assembly for Valley City State University during the 2015-17 biennium:

	General Fund	Other Funds	Total
Heating plant replacement	$14,289,000		$14,289,000
Health and wellness facility		$16,000,000	16,000,000
Total	$14,289,000	$16,000,000	$30,289,000

Contingent Appropriation for Fine Arts Building Project

Section 8 of Senate Bill No. 2015 provides a contingent general fund appropriation of $25.85 million for the Fine Arts Building project at Valley City State University. The appropriation is contingent on general fund revenues exceeding legislative estimates made at the close of the 2015 legislative session for either the first six months of the 2015-17 biennium or the first year of the 2015-17 biennium by at least $126 million.

Other Sections in Bill

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 requires an institution to provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

Dakota College at Bottineau
Budget No. 243
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**46.96**	**$9,802,405**	**$10,648,194**	**$20,450,599**
2015-17 base budget	36.12	8,006,050	0	8,006,050
Legislative increase (decrease) to base budget	10.84	$1,796,355	$10,648,194	$12,444,549

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$8,703,616**	**$1,098,789**	**$9,802,405**
2013-15 legislative appropriations	8,006,050	1,173,820	9,179,870
2015-17 legislative increase (decrease) to 2013-15 appropriations	$697,566	($75,031)	$622,535
Percentage increase (decrease) to 2013-15 appropriations	8.7%	(6.4%)	6.8%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly provided higher education funding formula and base credit rate adjustments to institutions that are to be used to provide salary increases and health insurance increases during the 2015-17 biennium.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted FTE positions pursuant to Section 36 of 2013 Senate Bill No. 2003.	10.84			
Provided for higher education funding formula adjustments.		$505,107		$505,107
Provided for base credit rate adjustments.		192,459		192,459
Added funding for dormitory upgrades and the Allied Health and Wellness Center projects.			$10,648,194	10,648,194
Added one-time funding for the Nelson Science Center renovation.		1,098,789		1,098,789
Total	10.84	$1,796,355	$10,648,194	$12,444,549

FTE Changes

The Legislative Assembly authorized 46.96 FTE positions for Dakota College at Bottineau for the 2015-17 biennium, an increase of 10.84 FTE positions from the number of positions authorized by the 2013 Legislative Assembly. The positions were added pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1003, the Legislative Assembly identified $137,115,518 of funding from the general fund as one-time funding for the North Dakota University System. Of this amount, $1,098,789 is for Nelson Science Center repairs at Dakota College at Bottineau. This amount is not to be considered part of the institution's base budget for the 2015-17 biennium, and the institution is to report to the Appropriations Committees of the 65th Legislative Assembly on the use of this funding.

Deferred Maintenance Initiative

In Section 33 of House Bill No. 1003, the Legislative Assembly identified $4 million of funding appropriated from the general fund by the 2013 Legislative Assembly for a performance funding pool during the 2013-15 biennium that may be continued into the 2015-17 biennium. Of this amount, $500,000 is to be transferred to Dakota College at Bottineau for deferred maintenance and extraordinary campus needs.

Other Income Appropriation

Section 31 of House Bill No. 1003 appropriates on a continuing basis all other funds, including tuition income, received by the institutions of higher education during the 2015-17 biennium. As a result, the legislative appropriations for higher education do not include a specific appropriation of other funds, except for capital projects.

Capital Projects

The 2015-17 appropriation for Dakota College at Bottineau includes $11,746,983, of which $1,098,789 is from the general fund, for capital projects at Dakota College at Bottineau. Capital projects authorized by the Legislative Assembly for Dakota College at Bottineau include:

	General Fund	Other Funds	Total
Nelson Science Center renovation	$1,098,789		$1,098,789
Allied Health and Wellness Center		$6,864,118	6,864,118
Dormitory upgrades		3,784,076	3,784,076
Total	$1,098,789	$10,648,194	$11,746,983

Other Sections in Bill

FTE position adjustments - Section 36 provides that the State Board of Higher Education may adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control during the 2015-17 biennium.

Extraordinary repairs funding - Matching funds - Section 38 provides that an institution shall provide $2 of matching funds from operations or other sources for each dollar of base extraordinary repairs funding used.

Tuition rate increase limitations - Section 39 limits tuition rate increases to 2.5 percent per year during the 2015-17 biennium at University System institutions unless an institution receives Budget Section approval.

Forest Service
Budget No. 244
House Bill No. 1003

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**28.96**	**$5,007,844**	**$1,650,000**	**$6,657,844**
2015-17 base budget	29.00	4,701,189	1,650,000	6,351,189
Legislative increase (decrease) to base budget	(0.04)	$306,655	$0	$306,655

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$5,007,844**	**$0**	**$5,007,844**
2013-15 legislative appropriations	4,701,189	785,000	5,486,189
2015-17 legislative increase (decrease) to 2013-15 appropriations	$306,655	($785,000)	($478,345)
Percentage increase (decrease) to 2013-15 appropriations	6.5%	(100.0%)	(8.7%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative appropriations for the Forest Service include funding for salary increases of 3 percent per year and for estimated increases in health insurance premiums.

Changes to Base Budget

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.	(0.04)	$48,974		$48,974
Added funding for 2015-17 biennium performance salary adjustments of 3 percent per year.		161,434		161,434
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		96,247		96,247
				0
Total	(0.04)	$306,655	$0	$306,655

FTE Changes

The Legislative Assembly authorized 28.96 FTE positions for the Forest Service for the 2015-17 biennium, a decrease of 0.04 FTE positions from the number of positions authorized by the 2013 Legislative Assembly. The positions were removed pursuant to Section 36 of 2013 Senate Bill No. 2003, which authorized the State Board of Higher Education to adjust FTE positions at institutions under its control. Section 36 of 2015 House Bill No. 1003 continues the authorization of the board to adjust positions at institutions under its control during the 2015-17 biennium.

Other Sections in Bill

Carryover authority - Section 23 continues the authorization through July 31, 2017, for entities under the control of the State Board of Higher Education to carry over unexpended appropriations at the end of a biennium.

Federal, private, and other funds - Appropriation - Section 31 appropriates all funds from federal, private, and other sources for competitive grants or other funds the Legislative Assembly has not indicated the intent to reject, received by the institutions and entities under the control of the State Board of Higher Education.

Transfer authority - Section 32 provides that the State Board of Higher Education may transfer funds from an institution's operations line item to the institution's capital assets line item if the board determines that additional funds are needed for capital projects or extraordinary repairs.

FTE positions - Section 36 authorizes the State Board of Higher Education to adjust FTE positions as needed for institutions and entities under its control.

Emergency - Section 44 identifies Sections 9, 25, 28, 33, 34, and 37 and the capital assets, campus security pool, and deferred maintenance pool line items in Section 1 to be an emergency measure.

SECTION G - HUMAN SERVICES

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DEPARTMENT OF HUMAN SERVICES - SUMMARY

DEPARTMENTWIDE

Total funding - The table below provides a comparison of the legislative appropriation for the department for the 2015-17 biennium compared to the 2015-17 biennium base level.

Department of Human Services Total	2013-15 Biennium Appropriation			2015-17 Biennium Appropriation			Increase (Decrease)		
	Ongoing	One-Time	Total	Ongoing	One-Time	Total	Ongoing	One-Time	Total
Total all funds	$2,934,132,880	$15,319,714	$2,949,452,594	$3,512,929,481	$65,042,269	$3,577,971,750	$578,796,601	$49,722,555	$628,519,156
Less estimated income	1,767,650,372	10,686,093	1,778,336,465	2,198,898,815	46,870,102	2,245,768,917	431,248,443	36,184,009	467,432,452
General fund	$1,166,482,508	$4,633,621	$1,171,116,129	$1,314,030,666	$18,172,167	$1,332,202,833	$147,548,158	$13,538,546	$161,086,704
FTE	2,201.08		2,201.08	2,211.08		2,211.08	10.00		10.00

One-Time Funding

The Legislative Assembly identified $65,042,269 of one-time funding, of which $18,172,167 is from the general fund and $46,870,102 is from special and federal funds. The schedule below presents one-time funding for the 2015-17 biennium:

	General Fund	Special Funds	Total
Developmental disabilities equipment		$10,000	$10,000
Heating plant repairs and upgrades - State Hospital	$1,156,000		1,156,000
Heating plant repairs and upgrades - Life Skills and Transition Center	75,000		75,000
Window replacement - Life Skills and Transition Center	44,000		44,000
Equipment over $5,000 - State Hospital	275,000		275,000
Equipment over $5,000 - Life Skills and Transition Center	200,000		200,000
Extraordinary repairs - State Hospital	1,000,000		1,000,000
Extraordinary repairs - Life Skills and Transition Center	1,250,000		1,250,000
Eligibility systems computer modernization project (SB 2177)	14,012,167	46,860,102	60,872,269
Assistive technology services (SB 2287)	160,000		160,000
Total	$18,172,167	$46,870,102	$65,042,269

Salary Adjustments

FTE positions - The Department of Human Services is authorized a total of 2,211.08 FTE positions for the 2015-17 biennium, an increase of 10 FTE positions compared to the 2015-17 base level. Changes compared to the 2015-17 base level include:

- Adding 1 autism administrative staff officer FTE position.
- Adding 11 FTE positions for a 15-bed Tompkins program at the State Hospital.
- Removing 1 FTE position for the State Hospital.
- Transferring 1 central receiving FTE position to the Department of Corrections and Rehabilitation.

Annual performance salary increase - The Legislative Assembly increased salaries and wages funding by $12,378,700, of which $10,574,061 is from the general fund for performance salary increases of 2 to 4 percent per year of the biennium.

Employee health insurance premium increase - The Legislative Assembly increased funding by $7,916,885, of which $6,778,834 is from the general fund for a health insurance premium increase of $148.54 from $981.68 for the 2015-17 base level to $1,130.22 for the 2015-17 biennium.

Anticipated salary savings - The Legislative Assembly reduced salaries and wages funding by $4,581,770 from the general fund in anticipation of savings from vacant positions and employee turnover during the 2015-17 biennium. The total reductions relating to anticipated salary savings are:

	General Fund
State Hospital	$1,696,987
Life Skills and Transition Center	$738,692
Human Service Centers	
Northwest Service Center	$129,999
North Central Human Service Center	321,838
Lake Region Human Service Center	158,318
Northeast Human Service Center	308,943
Southeast Human Service Center	501,057
South Central Human Service Center	197,031
West Central Human Service Center	342,626
Badlands Human Service Center	186,279
Subtotal - Human service centers	$2,146,091
Total reduction	$4,581,770

Base payroll changes - The Legislative Assembly increased base payroll by $16,974,610, of which $10,201,220 is from the general fund, from the 2015-17 base level.

Inflationary Increases

Inflationary increases - The Legislative Assembly provided a 3 percent per year inflationary increase of $67,442,330, of which $36,010,331 is from the general fund, for human service providers.

Cost-to-Continue

Federal medical assistance percentage (FMAP) - The federal medical assistance percentage determines the state and federal share of Medicaid, foster care, and other program costs within the department. The schedule below presents recent and projected FMAPs for North Dakota. The Legislative Assembly provided $3,584,150 of additional general fund support as a result of a reduction of North Dakota's FMAP reductions projected from 52.27 to 50.00 for two months.

Federal Fiscal Year	North Dakota's FMAP	North Dakota's Enhanced FMAP
2009	63.15%	69.95%
2010	63.01%	69.95%
2011	60.35% (fourth quarter)	69.95% (first quarter) 66.95% (second quarter) 64.95% (third quarter)
2012	55.40% (actual)	N/A
2013	52.27% (actual)	N/A
2014	50.00% (actual)	N/A
2015	50.00% (actual)	N/A
2016	50.00% (estimate)	N/A
2017	50.00% (estimate)	N/A

Medicaid Expansion - State share percentage change - The Legislative Assembly provided $8,187,466 from the general fund for a reduction in federal matching for Medicaid Expansion from 100 to 95 percent beginning in January 2017. The schedule below presents the reduction in federal matching for Medicaid Expansion:

Federal Fiscal Year	Percentage of Medicaid Expansion Paid by Federal Government
2016	100%
2017	95%
2018	94%
2019	93%
After 2019	90%

Medicaid Expansion - Program cost, caseload, and utilization changes - The Legislative Assembly provided $541,804,955 for Medicaid Expansion for program cost, caseload, and utilization changes, an increase in total of $384,304,955, of which $8,187,466 is from the general fund, compared to the 2015-17 base level of $157.5 million. In addition, the 64th Legislative Assembly appropriated an additional $87 million from federal funds, for Medicaid Expansion costs, for the 2013-15 biennium, to provide a total of $244.5 million.

Cost, caseload, and utilization changes - The Legislative Assembly provided funding increases for costs, caseload, and utilization changes, of $439,651,560, of which $42,811,717 is from the general fund for the 2015-17 biennium. Excluding Medicaid Expansion, funding increases for costs, caseload, and utilization changes are $55,346,605, of which $34,624,251 is from the general fund.

Operating costs - The Legislative Assembly provided operating cost adjustments of $24,744,683, of which $11,771,802 is from the general fund, for the 2015-17 biennium.

Property Tax Relief

Property tax relief - The Legislative Assembly provided additional property tax relief for counties of $23,212,165 from the general fund, which includes the state paying $19,312,165 for costs previously paid by counties for child welfare programs, the service payments to the elderly and disabled programs, and technology costs beginning January 1, 2016, (SB 2206) and $3.9 million for grants to counties that have imposed an emergency human service levy (SB 2144).

Other Changes

Eligibility systems computer modernization project - The Legislative Assembly provided one-time funding of $60,872,269, of which $14,012,167 is from the general fund to continue the eligibility systems computer modernization project (SB 2177). The Legislative Assembly added a section to 2015 Senate Bill No. 2177 requiring the Department of Human Services to inform vendors that if federal funding is reduced or eliminated, the department will be required to request additional state funding to complete the project and if additional state funding is not received, the project would be discontinued.

Transfer to the Department of Corrections and Rehabilitation - The Legislative Assembly transferred to the Department of Corrections and Rehabilitation the high-risk sex offender treatment program, a reduction from the Department of Human Services 2015-17 base level of $2,290,297 from the general fund.

Funding flexibility - The Legislative Assembly authorized the department to transfer appropriation authority between line items within each subdivision of the department and between subdivisions of the department for the 2015-17 biennium. The department is to report to the Budget Section after June 30, 2016, on any transfers made in excess of $50,000 and to Appropriations Committees of the 2015 Legislative Assembly regarding any transfers made.

Other State Funding

Oil and gas impact grant funds - The Legislative Assembly provided funding from the oil and gas impact grant fund for oil and gas impact grants in 2015 House Bill No. 1176. These grants are not included in the Department of Human Services 2015-17 biennium appropriation, but relate to department programs. The grants include:

- $10 million to critical access hospitals in oil-producing counties and in counties contiguous to an oil-producing county to address the effects of oil and gas-related economic development activities.
- $6 million to emergency medical services providers for expenditures that would mitigate negative effects of oil and gas-related development affecting emergency medical services providers providing services in oil-producing counties, including the need for increased services, staff, equipment, coverage, and personnel training.
- $4 million to nursing homes, basic care facilities, and providers of home health services and hospice programs in oil-producing counties to address the effects of oil and gas-related developmental activities.
- $2 million to providers that serve individuals with developmental disabilities located in oil-producing counties to address the effects of oil and gas-related development activities.
- $2 million to domestic violence sexual assault organizations as defined in North Dakota Century Code Section 14-07.1-01 that are located in oil-producing counties to address the effects of oil and gas-related development activities.

MANAGEMENT

Management - The schedule below provides a comparison of funding for the management division of the Department of Human Services for the 2015-17 biennium compared to the 2015-17 base level. The management division includes administration and information technology services. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Salaries and wages** - The Legislative Assembly provided increased funding of $3,381,704 for employee annual performance salary increases of 2 to 4 percent per year ($987,351), employee health insurance premiums ($575,792), and base payroll adjustments from the 2013-15 biennium ($1,818,561).
- **Eligibility systems computer modernization projects** - The Legislative Assembly provided one-time funding of $60,872,269, of which $14,012,167 is from the general fund to continue the eligibility systems computer modernization project (SB 2177).
- **Medicaid management information system postproduction support** - The Legislative Assembly increased funding by $23,325,383 to provide a total of $30,062,045, of which $8,579,708 is from the general fund, for information technology services relating to post-production support of the Medicaid management information system health enterprise system.
- **Information Technology Department services** - The Legislative Assembly increased funding by $2,959,701 related to services provided by the Information Technology Department, including rate changes for central processing unit fees, technology fees, and software development fees.

	2013-15 Biennium Appropriation			2015-17 Biennium Appropriation			Increase (Decrease)		
Management	**Ongoing**	**One-Time**	**Total**	**Ongoing**	**One-Time**	**Total**	**Ongoing**	**One-Time**	**Total**
Salaries and wages	$23,949,306		$23,949,306	$28,036,577		$28,036,577	$4,087,271		$4,087,271
Operating expenses	67,749,348	$3,310,000	71,059,348	95,202,732		95,202,732	27,453,384	($3,310,000)	24,143,384
Capital assets	12,000		12,000	26,000		26,000	14,000		14,000
Eligibility system project					$60,872,269	60,872,269			60,872,269
Total all funds	$91,710,654	$3,310,000	$95,020,654	$123,265,309	$60,872,269	$184,137,578	$31,554,655	60,872,269	$89,116,924
Less estimated income	53,608,032	661,093	54,269,125	71,104,038	46,860,102	117,964,140	17,496,006	46,199,009	63,695,015
General fund	$38,102,622	$2,648,907	$40,751,529	$52,161,271	$14,012,167	$66,173,438	$14,058,649	$11,363,260	$25,421,909
FTE	147.10		147.10	147.10		147.10			

PROGRAM AND POLICY

Program and policy - The schedule below provides a comparison of funding for the program and policy division of the Department of Human Services for the 2015-17 biennium compared to the 2015-17 biennium base level. The program and policy division of the department includes economic assistance, child support, medical services, long-term care, aging services, children and family services, mental health and substance abuse program, developmental disabilities council, developmental disabilities, autism services, and vocational rehabilitation services. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Salaries and wages** - The Legislative Assembly provided increased funding of $5,364,245 for employee annual performance salary increases of 2 to 4 percent per year ($2,045,085), employee health insurance premiums ($1,248,534), and base payroll adjustments from the 2013-15 biennium ($2,070,626).
- **One-time funding item** - The Legislative Assembly identified $10,000 of one-time funding from other funds for developmental disabilities equipment and $160,000 of one-time funding from the general fund for assistive technology services.

	2013-15 Biennium Appropriation			2015-17 Biennium Appropriation			Increase (Decrease)		
Program and Policy	**Ongoing**	**One-Time**	**Total**	**Ongoing**	**One-Time**	**Total**	**Ongoing**	**One-Time**	**Total**
Salaries and wages	$52,422,982		$52,422,982	$58,161,872		$58,161,872	$5,738,890		$5,738,890
Operating expenses	107,894,413		107,894,413	109,708,891		109,708,891	1,814,478		1,814,478
Capital assets					$10,000	10,000		$10,000	10,000
Grants	449,313,620	$10,500,000	459,813,620	467,530,701	160,000	467,690,701	18,217,081	(10,340,000)	7,877,081
Grants - Medical assistance	1,919,660,462	425,000	1,920,085,462	2,413,864,603		2,413,864,603	494,204,141	(425,000)	493,779,141
Total all funds	$2,529,291,477	$10,925,000	$2,540,216,477	$3,049,266,067	$170,000	$3,049,436,067	$519,974,590	($10,755,000)	$509,219,590
Less estimated income	1,587,974,557	10,025,000	1,597,999,557	1,995,017,976	10,000	1,995,027,976	407,043,419	(10,015,000)	397,028,419
General fund	$941,316,920	900,000	$942,216,920	$1,054,248,091	$160,000	$1,054,408,091	$112,931,171	($740,000)	$112,191,171
FTE	347.50		347.50	348.50		348.50	1.00		1.00

Key Changes to Program and Policy Include:

Economic assistance - The schedule below provides a comparison of the funding for economic assistance for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Temporary assistance for needy families (TANF)** - Funding for TANF benefits is provided at $11,710,367, of which $1,733,390 is from the general fund, a decrease in total of $2,806,305, compared to the 2015-17 base level of $14,516,672.
  - Kinship care assistance increased $506,792 to $905,839, compared to the 2015-17 base level amount of $399,047.
- **Childcare assistance** - Funding for childcare assistance is provided at $31,706,038, of which $11,262,717 is from the general fund, an increase in total of $8,307,373, compared to the 2015-17 base level of $23,398,665.
  - The general fund increased by $8,510,031 from the 2015-17 base level amount of $2,752,686, to provide additional funds as a result of the following:
    - Increasing the income level to 85 percent of state medium income and decreasing the family co-payment.
    - Policy changes from the federal Child Care and Development Block Grant.
- **Supplemental nutrition assistance program (SNAP)** - Funding for SNAP or food stamp benefits is provided at $164,923,407 of federal funds, a decrease of $36,080,632, compared to the 2015-17 base level of $201,004,039.
- **Low-income home energy assistance program (LIHEAP)** - Funding for LIHEAP is provided at $53,170,874 of federal funds, an increase of $11,812,744, compared to the 2015-17 base level of $41,358,130.
  - Includes a decrease of $3 million related to a reduction of federal funds for the LIHEAP weatherization and case management program.
- **Indian welfare assistance to counties** - Funding for Indian welfare assistance to counties is provided at $5,942,875 from the general fund, an increase in total of $345,553, or 6 percent, compared to the 2015-17 base level of $5,597,322.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Economic assistance			
Total all funds	$309,602,357	$289,815,215	($19,787,142)
Less estimated income	298,633,748	268,068,621	($30,565,127)
General fund	$10,968,609	$21,746,594	$10,777,985

Aging services - The schedule below provides a comparison of funding for aging services for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Congregate meals** - Funding for congregate meals services is provided at $5,643,723, of which $2,150,000 is from the general fund, an increase in total of $449,270, compared to the 2015-17 base level amount of $5,194,453.
- **Home delivered meals** - Funding for home delivered meals services is provided at $3,244,630, of which $1,102,300 is from the general fund, an increase of $349,719, compared to the 2015-17 base level amount of $2,894,911.
  - Added funding of $502,300 from the general fund, to increase provider rates for the senior meals program.
- **Community support** - Funding for community support services is provided at $2,117,293 from federal funds, a decrease of $21,208, compared to the 2015-17 base level amount of $2,138,501.
- In addition, the Legislative Assembly:
  - Added $97,500 from the general fund, to increase the slots for guardianship establishments for vulnerable adults to 39, to support additional requests.
  - Added funding of $464,894 from the general fund, for the vulnerable adult protective services to increase resources for the implementation of mandatory reporting requirements.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Aging services			
Total all funds	$20,110,486	$21,501,927	$1,391,441
Less estimated income	12,957,559	13,051,972	94,413
General fund	$7,152,927	$8,449,955	$1,297,028

Medical services - The schedule below provides a comparison of funding for medical assistance grants for medical services for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Medicaid Expansion** - Funding for Medicaid Expansion is provided at $541,804,955, of which $8,187,466 is from the general fund, an increase in total of $384,304,955, or 244 percent, compared to the 2013-15 biennium appropriation of $157,500,000.

  In addition, the 64th Legislative Assembly appropriated an additional $87 million from federal funds, for Medicaid Expansion costs, for the 2013-15 biennium, to provide a total of $244.5 million.
- **Inpatient hospital** - Funding for inpatient hospital is provided at $186,470,892, of which $92,464,000 is from the general fund, an increase in total of $4,229,010, or 2 percent, compared to the 2013-15 biennium appropriation of $182,241,882.
- **Outpatient hospital** - Funding for outpatient hospital is provided at $84,277,208, of which $40,905,560 is from the general fund, an increase in total of $11,767,196, or 16 percent, compared to the 2013-15 biennium appropriation of $72,510,012.
- **Physician services** - Funding for physician services is provided at $130,679,192, of which $64,754,792 is from the general fund, an increase in total of $10,269,644, or 9 percent, compared to the 2013-15 biennium appropriation of $120,409,548.
- **Drugs** - Funding for drugs is provided at $42,401,666, of which $2,433,185 is from the general fund, a decrease in total of $1,959,089, or 4 percent, compared to the 2013-15 biennium appropriation of $44,360,755.
- **Premiums** - Funding for premiums is provided at $25,667,212, of which $12,186,287 is from the general fund, a decrease in total of $153,908, or 1 percent, compared to the 2013-15 biennium appropriation of $25,821,120.
- **Psychiatric residential treatment facilities** - Funding for psychiatric residential treatment facilities is provided at $25,615,188, of which $12,688,610 is from the general fund, an increase in total of $5,579,440, or 28 percent, compared to the 2013-15 biennium appropriation of $20,035,748.
- **Dental services** - Funding for dental services is provided at $29,474,584, of which $14,602,908 is from the general fund, an increase in total of $762,809, or 3 percent, compared to the 2013-15 biennium appropriation of $28,711,775.
- **Durable medical equipment** - Funding for durable medical equipment is provided at $10,353,608, of which $5,129,664 is from the general fund, an increase in total of $2,409,616, or 30 percent, compared to the 2013-15 biennium appropriation of $7,943,992.
- **Ambulance services** - Funding for ambulance services is provided at $9,332,120, of which $4,652,192 is from the general fund, an increase in total of $864,912, or 10 percent, compared to the 2013-15 biennium appropriation of $8,467,208.

  The Legislative Assembly included $1.25 million for ambulance rate increases, of which $625,000 is from the general fund.
- **Indian health service** - Funding for Indian health services is provided at $33,449,983 of federal funds, an increase in total of $3,120,463, or 10 percent, compared to the 2013-15 biennium appropriation of $30,329,520.
- **Other services** - Funding for other medical services is provided at $71,600,137, of which $14,572,154 is from the general fund, an increase in total of $9,831,437, or 16 percent compared to the 2013-15 biennium appropriation of $61,768,700.
- **Medicare Part D "clawback" payments** - The Legislative Assembly appropriated $32,541,513, of which $31,197,513 is from the general fund and $1,344,000 is from estate collections, for making Medicare Part D prescription drug "clawback" payments to the federal government for the estimated prescription drug costs paid by Medicare for individuals eligible for both Medicare and Medicaid. The amount provided is an increase of $2,805,849 from the 2015-17 base level amount of $29,735,664, of which $28,600,944 was from the general fund and $1,134,720 was from estate collections.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Medical services			
Total all funds	$813,133,734	$1,250,669,502	$437,535,768
Less estimated income	534,645,505	938,159,115	403,513,610
General fund	$278,488,229	$312,510,387	$34,022,158

Healthy steps - Funding for children's health insurance premiums (CHIP) or healthy steps is provided at $20,474,924, of which $1,037,208 is from the general fund, a decrease of $12,219,146, compared to the 2015-17 base level of $32,694,070.

- The Legislative Assembly reduced the general fund by $6,129,014 to reflect a federal matching percentage change from 65 to 88 percent.
- Provides health insurance coverage for an average of 2,668 children at a monthly premium of $319.82, compared to the 2013-15 biennium average of 4,456 children at a monthly premium of $311.79.

	2015-17 Base Level	2015-17 Biennium Appropriation[1]	Increase (Decrease)
Healthy steps			
Total all funds	$32,694,070	$20,474,924	($12,219,146)
Less estimated income	21,293,663	19,437,716	(1,855,947)
General fund	$11,400,407	$1,037,208	($10,363,199)

[1]Funding provided for the 2015-17 biennium includes a reduction of $6,129,014 from the general fund to reflect a federal matching percentage change from 65 to 88 percent. The total reduction is included with the appropriation for the healthy steps program, but the reduction is for all areas of CHIP programs. An allocation will be made during the 2015-17 biennium to distribute the reduction to these other areas.

Long-term care - The schedule below provides a comparison of funding for long-term care for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Nursing facility care** - Funding for nursing facility care is provided at $514,016,203, of which $256,321,876 is from the general fund, an increase in total of $15,667,212, or 3 percent, compared to the 2015-17 base level of $498,348,991.
- **Basic care assistance** - Funding for basic care assistance is provided at $35,706,935, of which $22,739,191 is from the general fund, a decrease in total of $3,177,303, or 8 percent, compared to the 2015-17 base level of $38,884,238.
- **Home and community-based services** - Funding for home and community-based services is provided at $84,065,913, of which $50,076,059 is from the general fund, an increase in total of $14,262,886, or 20 percent, compared to the 2015-17 base level of $69,803,027.

  Property tax relief - The Legislative Assembly provided additional property tax relief for counties of $577,952 from the general fund, relating to the state paying the counties' 5 percent share of the cost of the service payments to the elderly and disabled programs beginning January 1, 2016.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Long-term care			
Total all funds	$607,335,131	$634,102,251	$26,767,120
Less estimated income	292,168,385	304,651,925	12,483,540
General fund	$315,166,746	$329,450,326	$14,283,580

Developmental disabilities - The schedule below provides a comparison of funding for the developmental disabilities for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Family subsidy** - Funding for family subsidy is provided at $317,832, a decrease of $117,864, or 27 percent, compared to the 2015-17 base level amount of $435,696.
- **Intermediate care facility for intellectually disabled** - Funding for intermediate care facility for intellectually disabled is provided at $170,154,275, an increase of $4,711,048, or 3 percent, compared to the 2015-17 base level amount of $165,443,227.
- **Home and community-based services** - Funding for home and community-based services is provided at $378,293,926, an increase of $50,391,104, or 15 percent, compared to the 2015-17 base level amount of $327,902,822.
- **Developmental disabilities funding buckets** - Funding for developmental disabilities funding buckets is provided at $9,479,776, an increase of $544,196, or 6 percent, compared to the 2015-17 base level amount of $8,935,580.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Developmental disabilities			
Total all funds	$514,101,686	$568,985,588	$54,883,902
Less estimated income	261,949,323	288,899,296	26,949,973
General fund	$252,152,363	$280,086,292	$27,933,929

Children and family services - The schedule below provides a comparison of funding for children and family services for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Subsidized adoption grants** - Funding for subsidized adoption grants is provided at $26,367,715, an increase of $2,019,206, compared to the 2015-17 base level amount of $24,348,509.
- **Foster care maintenance, services, and therapeutics** - Funding for foster care maintenance, services, and therapeutics is provided at $88,693,229, an increase of $16,972,698, compared to the 2015-17 base level amount of $71,720,531.
- **Childcare licensing payments to counties** - Funding for childcare licensing payments to counties is provided at $1,020,086, an increase of $247,005, compared to the 2015-17 base level amount of $773,081.
- **Child abuse and neglect assessment payments to counties** - Funding for child abuse and neglect assessment payments to counties is provided at $7,715,605, an increase of $826,201, compared to the 2015-17 base level amount of $6,889,404.
- **Subsidized guardianship grants** - Funding for subsidized guardianship grants is provided at $985,435, an increase of $275,215, compared to the 2015-17 base level amount of $710,220.
- **Other grants** - Funding for other children and family services grants is provided at $44,027,521, an increase of $9,423,253, compared to the 2015-17 base level amount of $34,604,268.

  Property tax relief - The Legislative Assembly provided additional property tax relief for counties of $19,464,517 from the general fund, which includes the state paying $15,564,517 for the counties' share of the cost of the child welfare programs, beginning January 1, 2016, and $3.9 million for grants to counties that have imposed an emergency human service levy (SB 2206).

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Children and family services			
Total all funds	$150,027,077	$179,431,768	$29,404,691
Less estimated income	108,187,938	106,702,949	(1,484,989)
General fund	$41,839,139	$72,728,819	$30,889,680

Mental health and substance abuse program - The schedule below provides a comparison of funding for the mental health and substance abuse program for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Strategic prevention framework state incentive grants** - Funding for strategic prevention framework state incentive grants is provided at $3.7 million of federal funds, a decrease of $4.9 million, compared to the 2015-17 base level amount of $8.6 million.

  The federal grant program for strategic prevention framework state incentive grants will be ending on September 30, 2015.
- **Robinson Recovery Center** - Funding for controlled substance treatment services is provided at $2,303,920 from the general fund, an increase of $237,500 from the 2015-17 base level amount of $2,066,420.

  The Legislative Assembly added a section to Senate Bill No. 2012, which allows the department to reprocure the contract for methamphetamine treatment services if the current contractor is unable to provide the full capacity of services anticipated under the current contract for the 2015-17 biennium.
- **Mental health hotline services** - Funding for mental health hotline services is provided at $550,000, of which $542,800 is from the general fund, an increase of $107,800, compared to the 2015-17 biennium amount of $442,200.
- In addition, the Legislative Assembly:

  Added funding of $130,000 from the general fund, for a ND Care Task Force, which provides support for service members, veterans, families, and survivors.

  Added funding of $150,000 from the general fund, of which $75,000 is for a grant to a statewide family-controlled parent-to-parent support organization, and $75,000 is for a grant to a statewide family-to-family health information and education organization.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Mental health and substance abuse program			
Total all funds	$23,985,212	$20,168,759	($3,816,453)
Less estimated income	15,371,181	10,981,189	(4,389,992)
General fund	$8,614,031	$9,187,570	$573,539

Developmental Disabilities Council - The schedule below provides a comparison of funding for the developmental disabilities council for the 2015-17 biennium compared to the 2015-17 biennium base level.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Developmental Disabilities Council			
Total all funds	$921,841	$917,994	($3,847)
Less estimated income	921,841	917,994	(3,847)
General fund	$0	$0	$0

Autism services - The schedule below provides a comparison of grant funding for autism services for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Autism waivers** - Funding for autism waivers is provided at $5,795,847, of which $2,897,924 is from the general fund, an increase in total of $2,916,593 compared to the 2013-15 biennium appropriation of $2,897,254. Funding included $1.5 million for 25 additional autism waiver slots and $704,640 to increase the age limit for autism waivers through 9 years old and to add 12 additional autism waiver slots. Total autism waiver slots are 84.
- **Autism vouchers** - Funding for autism vouchers is provided at $1,325,009 from the general fund, an increase in total of $785,823 compared to the 2013-15 biennium appropriation of $539,186. Funding included $250,001 for 10 additional autism voucher slots. Total autism voucher slots are 53.
- **Administrative staff officer position** - The Legislative Assembly added funding of $174,078, of which $114,829 is from the general fund, for 1 autism administrative staff officer FTE position.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Autism services			
Total all funds	$4,076,056	$7,948,497	$3,872,441
Less estimated income	1,772,146	3,248,656	1,476,510
General fund	$2,303,910	$4,699,841	$2,395,931

Vocational rehabilitation services - The schedule below provides a comparison of funding for vocational rehabilitation services for the 2015-17 biennium compared to the 2015-17 biennium base level. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Traumatic brain injury slots** - Funding of $180,783 from the general fund for traumatic brain injury slots is added to provide 35 additional traumatic brain injury slots for extended services.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Vocational rehabilitation services			
Total all funds	$25,761,472	$26,297,860	$536,388
Less estimated income	20,145,139	20,146,322	1,183
General fund	$5,616,333	$6,151,538	$535,205

Child support program - The schedule below provides a comparison of total funding for the child support program for the 2015-17 biennium compared to the 2015-17 biennium base level.

- As of December 2014, the total child support caseload was 53,557 cases, which includes 39,234 of Title IV-D cases pursuant to the federal Social Security Act, and 14,323 of non-Title IV-D cases. For calendar year 2014, total child support collections were $152.75 million, which included $104.34 million from Title IV-D cases and $48.41 million from non-Title IV-D cases.

	2015-17 Base Level	2015-17 Biennium Appropriation	Increase (Decrease)
Child support program			
Total all funds	$27,402,061	$29,122,539	$1,720,478
Less estimated income	19,609,348	20,762,978	1,153,630
General fund	$7,792,713	$8,359,561	$566,848

FIELD SERVICES

Field services - The schedule below provides a comparison of funding for the field services division of the Department of Human Services for the 2015-17 biennium compared to the 2015-17 biennium base level. The field services division includes institutions and human service centers. The Legislative Assembly made adjustments to the 2015-17 base level, including:

- **Salaries and wages** - The Legislative Assembly increased funding by $28,524,246 for employee annual performance salary increases of 2 to 4 percent per year ($9,346,264), employee health insurance premiums ($6,092,559), and base payroll adjustments from the 2013-15 biennium ($13,085,423).
- **Savings from vacant positions and employee turnover** - The Legislative Assembly reduced funding for salaries and wages by $4,581,770 from the general fund in anticipation of savings from vacant positions and employee turnover during the 2015-17 biennium.
- **Operating costs** - The Legislative Assembly provided operating cost adjustments of $386,046, of which $120,847 is from the general fund, for the 2015-17 biennium.
- **Institutions:**

  One-time funding items - The Legislative Assembly added one-time funding of $4 million from the general fund for heating plant repairs and upgrades at the State Hospital ($1,156,000) and the Life Skills and Transition Center ($75,000), window replacement at a domestic violence shelter at the Life Skills and Transition Center ($44,000), equipment over $5,000 at the State Hospital ($275,000) and the Life Skills and Transition Center ($200,000), and extraordinary repairs at the State Hospital ($1 million) and the Life Skills and Transition Center ($1.25 million).

  15-bed unit at the Tompkins Rehabilitation and Correction Center - The Legislative Assembly added funding of $1,520,369 of other funds for a 15-bed unit at the Tompkins Rehabilitation and Corrections Center, which includes adding 2 addiction counselor FTE positions, 2 direct care supervisor FTE positions, and 7 direct care staff FTE positions for treating addiction and preventing addicted individuals from reoffending and returning to the correctional system.

  FTE reduction - The Legislative Assembly reduced 1 FTE position ($130,000) from the general fund from the State Hospital.
- **Human service centers:**

  Mobile on-call services - The Legislative Assembly increased funding by $250,000 for a total of $1.25 million from the general fund, related to expanding the mobile on-call crisis services, currently in the southeast region, to the west central region.

  10-bed crisis residential and transitional living unit - The Legislative Assembly added funding of $903,983, of which $685,895 is from the general fund, for a 10-bed crisis residential and transitional living unit in the north central region.

  4-bed unit alternative care 1services - The Legislative Assembly added funding of $283,500 from the general fund for an alternative care services 4-bed unit for the west central region.

	2013-15 Biennium Appropriation			2015-17 Biennium Appropriation			Increase (Decrease)		
Field Services	**Ongoing**	**One-Time**	**Total**	**Ongoing**	**One-Time**	**Total**	**Ongoing**	**One-Time**	**Total**
Human service centers	$182,433,538		$182,433,538	$198,671,235		$198,671,235	$16,237,697		$16,237,697
Institutions	130,697,211	$1,084,714	131,781,925	141,726,870	$4,000,000	145,726,870	11,029,659	$2,915,286	13,944,945
Total all funds	$313,130,749	$1,084,714	$314,215,463	$340,398,105	$4,000,000	$344,398,105	$27,267,356	$2,915,286	$30,182,642
Less estimated income	126,067,783		126,067,783	132,776,801		132,776,801	6,709,018		6,709,018
General fund	$187,062,966	$1,084,714	$188,147,680	$207,621,304	$4,000,000	$211,621,304	$20,558,338	$2,915,286	$23,473,624
FTE	1,706.48		1,706.48	1,715.48		1,715.48	9.00		9.00

Department of Human Services
Budget No. 325
Senate Bill Nos. 2012, 2048, 2177, and 2289; House Bill Nos. 1046 and 1410

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**2,211.08**	**$1,332,202,833**	**$2,245,768,917**	**$3,577,971,750**
2015-17 base budget	2,201.08	1,166,482,508	1,767,650,372	2,934,132,880
Legislative increase (decrease) to base budget	10.00	$165,720,325	$478,118,545	$643,838,870

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$1,314,030,666**	**$18,172,167**	**$1,332,202,833**
2013-15 legislative appropriations	1,166,482,508	4,633,621	1,171,116,129
2015-17 legislative increase (decrease) to 2013-15 appropriations	$147,548,158	$13,538,546	$161,086,704
Percentage increase (decrease) to 2013-15 appropriations	12.6%	292.2%	13.8%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Human Services is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015. Senate Bill No. 2015 also authorizes the department to receive a transfer from the targeted market equity funding pool to provide salary adjustments to employees in positions identified as having recruitment and retention challenges.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Department-Wide				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$10,201,220	$6,773,390	$16,974,610
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year, including funding source adjustments.		10,574,061	1,804,639	12,378,700
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		6,778,834	1,138,051	7,916,885

Adjusted overall operating expense reductions from $1.25 million to $576,748.	300,000	373,252	673,252
Management			
Administration			
Adjusted funding for operating expenses.	(148,144)	27,702	(120,442)
Information Technology			
Adjusted funding for operating expenses.	9,676,686	17,031,240	26,707,926
Changed funding source for the state to provide property tax relief for counties. (Senate Bill No. 2206)	1,317,405	(1,317,405)	0
Added one-time funding relating to the modernization of the department's eligibility systems. (Senate Bill No. 2177)	14,012,167	46,860,102	60,872,269
Program and Policy Division			
Economic Assistance Policy - Grants			
Adjusted funding for operating expenses.	349,445	(4,948,543)	(4,599,098)
Adjusted funding for grant cost and caseload changes.	9,787,284	(25,554,104)	(15,766,820)
Changed funding source for the state to provide property tax relief for counties. (Senate Bill No. 2206)	209,304	(209,304)	0
Child Support Enforcement			
Adjusted funding for operating expenses.	99,353	134,997	234,350
Medical Services			
Adjusted funding for operating expenses.	802,881	2,791,108	3,593,989
Adjusted funding for grant cost and caseload changes.	5,256,705	390,662,352	395,919,057
Added funding for provider inflationary increases at 3 percent each year of the biennium.	9,433,914	9,882,683	19,316,597
Reflected the additional state matching funds required due to changes in the state's federal medical assistance percentage (FMAP).	9,319,904	(9,319,904)	0
Changed funding source for the state to provide property tax relief for counties. (Senate Bill No. 2206)	1,374,020	(1,374,020)	0

Added funding to rebase the ambulance rate increase to a percentage of the Workforce Safety and Insurance fee schedule and to provide the same percentage to each category of the schedule.	625,000	625,000	1,250,000
Adjusted funding for physical, occupational, and speech therapy service provider rate increase to a 50 percent fee schedule. (Senate Bill No. 2272)	937,259	2,024,480	2,961,739
Adjusted funding relating to limit the expansion of the program of all-inclusive care for the elderly (PACE).	(500,415)	(546,181)	(1,046,596)
Reduced funding relating to Senate Bill No. 2043 to allow the department to negotiate additional rebates from drug manufacturers under the medical assistance program and allows the department to join a multistate supplemental drug rebate pool.	(950,574)	(950,574)	(1,901,148)
Added funding for Medicare drug clawback payments to reflect a premium rate increase.	2,183,214		2,183,214
Adjusted funding for the children's health insurance program (CHIP) to reflect a federal matching percentage change from 65 to 88 percent.	(6,129,014)	6,129,014	0
Long-Term Care			
Adjusted funding for grant cost and caseload changes.	3,744,115	6,854,613	10,598,728
Added funding for provider inflationary increases at 3 percent each year of the biennium.	8,258,171	7,261,687	15,519,858
Reflected the additional state matching funds required due to changes in the state's FMAP.	1,118,948	(1,118,948)	0
Continued funding for the 24-month bed layaway program of $546,786 from the health care trust fund.	0	0	0
Changed funding source for the state to provide property tax relief for counties. (Senate Bill No. 2206)	577,952	(577,952)	0
Adjusted the monthly maintenance needs allowance for a community spouse of a medical assistance recipient to $2,550 effective January 1, 2016.	269,919	269,919	539,838
Added funding for basic care provider payment changes relating to House Bill No. 1359.	814,890	61,589	876,479
Added funding for nursing home property limits due to changes resulting from House Bill No. 1234, of which $139,406 is from the health care trust fund, and $139,407 is		278,813	278,813

from federal funds.

DD Council			
Reduced funding for operating expenses.		(123,090)	(123,090)
Adjusted the funding source for salary increase allocation.	(11,224)	11,224	0
Aging Services			
Adjusted funding for operating expenses.	12,668	15,103	27,771
Added funding for provider inflationary increases at 3 percent each year of the biennium.	248,237		248,237
Added funding for vulnerable adult protective services relating to mandatory reporting requirements to provide total funding of $1.1 million.	464,894		464,894
Added funding for guardianship establishments to support additional requests to provide total funding of $908,000.	97,500		97,500
Added funding for the senior meals program.	502,300		502,300
Children and Family Services			
Adjusted funding for operating expenses.	(266,278)	3,720,702	3,454,424
Adjusted funding for grant cost and caseload changes.	7,111,035	7,590,592	14,701,627
Added funding for provider inflationary increases at 3 percent each year of the biennium.	3,764,822	2,236,823	6,001,645
Reflected the additional state matching funds required due to changes in the state's FMAP.	119,140	(119,140)	0
Added funding for the state to provide property tax relief for counties for the cost of the child welfare programs, the service payments to the elderly and disabled (SPED) program, and technology costs beginning January 1, 2016. (Senate Bill No. 2206)	15,564,517	(15,089,530)	474,987
Added funding from the general fund to establish a grant program for counties which use the emergency human services levy to cover the costs of county social services programs. (Senate Bill No. 2206)	3,900,000		3,900,000
Added federal funding relating to post adoption services.		130,168	130,168
Added funding for early childhood service grants.	400,000		400,000
Added funding relating to grants for head start program. (House Bill No. 1410)	4,900		4,900

Mental Health - Substance Abuse

Adjusted funding for operating expenses.	631,041	(4,733,934)	(4,102,893)
Added funding for provider inflationary increases at 3 percent each year of the biennium.	155,619	6,363	161,982
Changed funding source for the state to provide property tax relief for counties. (Senate Bill No. 2206)	128,145	(128,145)	0
Adjusted funding for extended services for individuals with serious mental illness to increase the number of new slots from 25 to 35.	388,492		388,492
Increased funding for traumatic brain injury prevocational skills training to increase from 2 to 6 hours the amount of time allocated each month for each of the 50 slots.	302,109		302,109
Added funding for the ND Cares Task Force which provides support for service members, veterans, families, and survivors.	130,000		130,000
Transferred to the Department of Corrections and Rehabilitation ($1,865,810) for the high-risk sex offender treatment program and reduces advocacy funding ($424,487) provided for the victims.	(2,290,297)		(2,290,297)
Provided funding for a grant to a statewide family-controlled parent-to-parent support organization ($75,000) and to a statewide family-to-family health information and education organization ($75,000).	150,000		150,000
Added funding to increase the contract with the Robinson Recovery Center to provide a total of $2,303,920.	237,500		237,500
Reduced operating fees relating to mental health hotline services.	(155,000)		(155,000)
Adjusted funding for substance use disorder innovation and substance use disorder needs assessment.	(353,570)		(353,570)
Added funding to provide life skills services, including evidence-based return-to-work model, provided for individuals with a traumatic brain injury. (House Bill No.1046)	375,000		375,000
Added funding to allow the department to coordinate services for individuals with traumatic brain injury in each human service region. (House Bill No. 1046)	50,000		50,000

Added funding to facilitate the behavioral health services, including developing formal discharge planning protocols for discharge or release of individuals with behavioral health issues and designing a resource support network to provide family support, assessment, and stabilization services that are assessable by families and custodial agencies. (Senate Bill No. 2048)	150,000		150,000
Added funding to establish and administer a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services provided by private licensed substance abuse treatment programs. (Senate Bill No. 2048)	750,000		750,000
Vocational Rehabilitation			
Adjusted funding for operating expenses.	182,703	(296,902)	(114,199)
Added funding for provider inflationary increases at 3 percent each year of the biennium.	18,752		18,752
Added funding for 35 additional traumatic brain injury slots for extended services.	180,783		180,783
Removed funding for professional development for stipends for vocational counselors to obtain master degree.	(35,571)	(131,429)	(167,000)
Added one-time funding to provide assistive technology services. (Senate Bill No. 2289)	160,000		160,000
Developmental Disabilities			
Adjusted funding for operating expenses.	3,796	(1,102,556)	(1,098,760)
Adjusted funding for grant cost and caseload changes.	14,691,101	16,982,757	31,673,858
Added funding for provider inflationary increases at 3 percent each year of the biennium.	12,031,138	11,965,765	23,996,903
Reflected the additional state matching funds required due to changes in the state's FMAP.	989,247	(989,247)	0
Added funding to provide leisure, recreational, and educational programs for individuals with intellectual or developmental disabilities.	150,000		150,000
Added one-time funding for equipment over $5,000.		10,000	10,000

		Autism Services		
Adjusted funding for operating expenses.		19,000	(23,586)	(4,586)
Adjusted funding for grant cost and caseload changes.		827,175	303,633	1,130,808
Added funding for provider inflationary increases at 3 percent each year of the biennium.		78,678	78,678	157,356
Reflected the additional state matching funds required due to changes in the state's FMAP.		9,858	(9,858)	0
Added funding for an autism administrative staff officer FTE position.	1.00	114,829	59,249	174,078
Adjusted funding for 25 new autism waiver slots.		734,006	734,005	1,468,011
Added funding to increase the age limit for autism waivers from 7 to 9 years old and adds 12 additional autism waiver slots. Total autism waiver slots are 84.		352,320	352,320	704,640
Provided 10 new autism voucher slots, total autism voucher slots are 53.		250,001		250,001
Field Services				
Adjusted funding for vacant position and employee turnover savings - Institutions.		(2,435,679)		(2,435,679)
Adjusted funding for vacant position and employee turnover savings - Human service centers.		(2,146,091)		(2,146,091)
		Institutions		
Adjusted operating expenses for State Hospital, and Life Skills and Transition Center.		(2,625,498)	991,197	(1,634,301)
Reflected the additional state matching funds required due to changes in the state's FMAP.		113,728	(113,728)	0
Changed the funding source for the 15-bed Tompkins program to collection from the Department of Corrections and Rehabilitation.	11.00		1,520,369	1,520,369
Transferred central receiving position to Department of Corrections and Rehabilitation.	(1.00)			0
Adjusted funding for extraordinary repairs to provide a total of $1.25 million - Life Skills and Transition Center.		648,505		648,505

Adjusted funding for equipment over $5,000 to provide a total of $200,000 - Life Skills and Transition Center.		23,000		23,000
Reduced 1 FTE position at State Hospital.	(1.00)	(130,000)		(130,000)
Adjusted equipment over $5,000 to provide a total of $275,000 - State Hospital.		23,487		23,487
Adjusted extraordinary repairs to provide a total of $1 million - State Hospital.		89,546		89,546
Added one-time funding for heating plant repairs and upgrades - State Hospital.		1,156,000		1,156,000
Added one-time funding for heating plant repairs and upgrades - Life Skills and Transition Center.		75,000		75,000
Added one-time funding for window replacement of the domestic violence shelter on the Life Skills and Transition Center campus.		44,000		44,000
Human Service Centers				
Adjusted funding for operating expenses.		2,769,720	(752,380)	2,017,340
Provided grant cost and caseload changes.		1,394,302		1,394,302
Added funding for provider inflationary increases at 3 percent each year of the biennium.		1,694,967		1,694,967
Changed funding sources for the state to provide property tax relief for counties. (SB 2206)		140,822	(140,822)	0
Adjusted funding for the state matching share to reflect changes in the state's FMAP.		100,791	(100,791)	0
Added funding for a 10-bed crisis residential and transitional living unit in the north central region.		685,895	218,088	903,983
Added funding for a 4-bed unit alternative care services for west central region.		283,500		283,500
Added funding to provide Mobile-on-Call crisis services in the west central region.		250,000		250,000
Adjusted funding for extraordinary repairs.		12,956		12,956
Adjusted funding for equipment over $5,000.		(345)		(345)
Removed funding for operating expenses for Good Health television services.		(73,375)	(9,825)	(83,200)
Total	10.00	$165,720,325	$478,118,545	$643,838,870

FTE Changes

The 2015-17 biennium appropriation includes funding for 2,211.08 FTE positions, an increase of 10 FTE positions from the 2015-17 biennium authorized base level of 2,201.08. The Legislative Assembly added 1 autism administrative staff officer FTE position, 11 FTE positions for a 15-bed Tompkins program at the State Hospital, and reduced 1 FTE position for the State Hospital, and transferred 1 central receiving FTE position to the Department of Corrections and Rehabilitation. The 11 FTE positions for a 15-bed Tompkins program at the State Hospital includes 2 addiction counselor FTE positions, 2 direct care supervisor FTE positions, and 7 direct care staff FTE positions.

One-Time Funding

In Section 2 of Senate Bill Nos. 2012, 2177, and 2289, the Legislative Assembly identified $65,042,269 of one-time funding, of which $18,172,167 is from the general fund and $46,870,102 is from special funds. These items, summarized as follows, are not to be considered part of the agency's base budget for preparing the 2017-19 executive budget, and the Department of Human Services is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

	General Fund	Special Funds	Total
Developmental disabilities equipment		$10,000	$10,000
Heating plant repairs and upgrades - State Hospital	$1,156,000		1,156,000
Heating plant repairs and upgrades - Life Skills and Transition Center	75,000		75,000
Window replacement - Life Skills and Transition Center	44,000		44,000
Equipment over $5,000 - State Hospital	275,000		275,000
Equipment over $5,000 - Life Skills and Transition Center	200,000		200,000
Extraordinary repairs - State Hospital	1,000,000		1,000,000
Extraordinary repairs - Life Skills and Transition Center	1,250,000		1,250,000
Eligibility modernization project (Senate Bill No. 2177)	14,012,167	46,860,102	60,872,269
Assistive technology services (Senate Bill No. 2289)	160,000		160,000
Total	$18,172,167	$46,870,102	$65,042,269

Deficiency Appropriations

Section 21 of Senate Bill 2012 provides a deficiency appropriation of $87 million from federal funds for defraying medical assistance grant costs relating to Medicaid Expansion.

Other Sections in Senate Bill No. 2012

Transfers - Section 3 provides the Department of Human Services may transfer appropriation authority between line items within each subdivision and between subdivisions for the 2015-17 biennium, and to notify the Office of Management and Budget and the Legislative Council of any transfer made. The department is to report to the Budget Section after June 30, 2016, on any transfers made in excess of $50,000 and to the Appropriations Committees of the 64th Legislative Assembly on any transfers made.

Medicaid management information system replacement project - Exemption - Section 4 provides for the continuation of previous legislative appropriations for the Medicaid management information system replacement project into the 2015-17 biennium.

Eligibility systems project modification - Exemption - Section 5 provides for the continuation of previous legislative appropriations for the modification of the eligibility systems project into the 2015-17 biennium.

Conveyance of land authorized - Section 6 allows the Department of Human Services to convey real property associated with the Life Skills and Transition Center, which includes conveyance of the Prairie View building.

Leisure, recreational, and educational programs - Exemption - Section 7 provides an exemption to the procurement requirements of North Dakota Century Code Chapter 54-44.4 for providing grants of $150,000 for services to provide leisure, recreational, and educational programs for individuals with intellectual or developmental disabilities in the northeast and southeast human service regions, and to limit the department's oversight only to receiving information relating to annual attendance numbers and expenditure of the appropriated funds for these services.

PACE - Limitation - Section 8 limits the expansion of the PACE program into a community that is not operating a program site on August 1, 2015.

Advance payment adjustments - 2013-15 biennium - Section 9 allows the Department of Human Services to provide advance payments during the remainder of the 2013-15 biennium to select enrolled providers related to the implementation of the new Medicaid management information system, and the department may advance funds appropriated for the 2015-17 biennium if funding is not available from funds appropriated for the 2013-15 biennium.

Medical facility infrastructure loan fund - Section 10 amends Section 6-09-47, relating to the medical facility infrastructure loan program to change the medical facility infrastructure loan fund to a revolving fund.

Behavioral health services quarterly report - Section 11 requires the Department of Human Services to publish a quarterly report of all behavioral health services provided by or supported by the department. The report is to include each type of behavioral health service, the number of clients for each type of service, and the amount of state and federal funds budgeted and spent for each service.

Rules for one-time funding items - Section 12 amends Section 50-06-16 relating to rulemaking authority, to exempt a department from adopting rules for the administration of one-time funding items.

Autism spectrum disorder program pilot project - Section 13 amends Section 50-06-32.1 to continue the autism spectrum disorder voucher program pilot project.

Developmental disabilities system reimbursement project - Section 14 amends Section 50-06-37 relating to the developmental disabilities system reimbursement project, to identify age groups, which includes providing a resource allocation model of tying funding to support intensity scale assessed needs of clients age 16 and older, and to add a state-approved assessment that assesses the needs of clients younger than age 16.

Developmental disabilities case management - Legislative intent - Section 15 provides legislative intent that the Department of Human Services provide case management services for individuals with a developmental disability within the ratio provided pursuant to North Dakota Administrative Code, and to allow the department to hire temporary staff or propose a change to North Dakota Administrative Code to meet the ratio requirement if case management services for individuals with a developmental disability exceed the ratio requirement.

Robinson recovery center funding - Section 16 allows the Department of Human Services to reprocure the contract for methamphetamine treatment services if the current contractor is unable to provide the full capacity of services anticipated under the current contract.

Payments to the county for local expenses of administration of the Medicaid program - Section 17 allows the Department of Human Services to reimburse counties for part of the local expenses of administration for determining eligibility for services under Chapter 50-24.1.

County reimbursements - 2015-17 biennium appropriation - Section 18 appropriates federal funds to the Department of Human Services for reimbursing counties for part of the local expenses of administration of the Medicaid program under Chapters 50-01.2 and 50-24.1.

Statewide family-controlled parent-to-parent support organization - Grants - Exemption - Section 19 designates $75,000 of the Department of Human Services appropriation for a grant to a statewide family-controlled parent-to-parent support organization with at least 50 percent of its board of directors consisting of members whose primary daily responsibilities include caring for a child with a mental health disorder.

Statewide parent-to-parent support - Grants - Exemption - Section 20 designates $75,000 of the Department of Human Services appropriation for a grant to a statewide family-to-family health information and education organization which provides parent-to-parent support for families and is located in a county with a population of less than 6,000 based on the 2010 decennial census.

Appropriation - 2013-15 biennium - Section 21 provides a deficiency appropriation of $87 million of federal funds for defraying medical assistance grant costs.

Mental health hotline services - Legislative Management study - Section 22 provides for a Legislative Management study of the various telephone contact numbers supported by state appropriations to access information regarding services and programs available and determine if multiple numbers are necessary to respond appropriately to the residents of the state.

Adult protective services program - Section 23 requires the Department of Human Services to provide a report to the Legislative Management regarding the adult protective services program, including the effectiveness of the program, information on services and outcomes, and funding by human service region and in total.

Autism services - Legislative Management study - Section 24 provides for a Legislative Management study of services for children with autism, which must include a review of services currently provided by the Department of Human Services, the Superintendent of Public Instruction, and other state and local agencies, and an evaluation of the effectiveness of the continuum of care, transition between programs, and outcomes.

Life Skills and Transition Center - Legislative Management study - Section 25 provides a Legislative Management study of the use of the structures and property of the Life Skills and Transition Center to determine the best and most efficient use of the properties. If conducted, the study must review the potential to transfer clients from the Life Skills and Transition Center to under-utilized facilities on the State Hospital campus or to a community-based setting. The study must also review potential alternative uses of structures on the Life Skills and Transition Center campus.

Behavioral Health Services - Legislative Management report - Section 26 requires the Department of Human Services to present its quarterly behavioral health services reports to the Legislative Management during the 2015-16 interim.

Medical facility infrastructure loan fund - Repeal - Section 27 repeals Section 3 of Chapter 84 of the 2013 Session Laws relating to balance transfers remaining in the medical facility infrastructure fund on July 31, 2017.

Related Legislation

Senate Bill No. 2003 - Legislative Management study - Medicaid fraud unit - Section 14 requires the Legislative Management to study the feasibility and desirability of establishing a Medicaid fraud unit in the state.

Senate Bill No. 2013 - Medicaid matching funds - Section 5 provides $323,611 from the general fund, included in integrated formula payments to school districts or special education units increased medical assistance rates provided in Senate Bill No. 2272.

Senate Bill No. 2015 - Targeted market equity salary adjustments and assistive technology services - Section 4 provides an appropriation of $3.75 million from the general fund and $740,000 of federal funds to the Office of Management and Budget for a state agency targeted market equity salary funding pool to provide compensation adjustments for state employees. Agencies eligible to receive a targeted market equity salary adjustment includes Adjutant General, Veterans' home, State Department of Health, Department of Human Services, and Protection and Advocacy Project. In addition, Section 22 designates funding of $160,000 provided in Senate Bill No. 2289 relating to assistive technology services as one-time funding.

Senate Bill No. 2043 - Licensed community paramedics and emergency medical technicians - Requires the Department of Human Services to adopt rules governing payments to licensed community paramedics and emergency medical technicians for health-related services provided to recipients of medical assistance. In addition, the bill allows the department to negotiate additional rebates from drug manufacturers and allows the department to join a multistate supplemental drug rebate pool.

Senate Bill No. 2046 - Behavioral health services - Adds a new section to Chapter 50-24.1 to require the Department of Human Services to allow marriage and family therapists to enroll and be eligible for payment for behavioral health services provided to recipients of medical assistance.

Senate Bill No. 2047 - Psychiatric residential treatment facilities - Amends sections in Chapter 25-03.2 related to psychiatric residential treatment facilities for children and rulemaking authority of the Department of Human Services.

Senate Bill No. 2048 - Behavioral health services - Legislative Management study - Adds a new section to Chapter 15.1-13 relating to teacher licensure requirements and a new section to Chapter 15.1-07 relating to mental health training provided by school districts. Provides an appropriation of $150,000 to the Department of Human Services to facilitate behavioral health services authorized by the Legislative Assembly, and provides an appropriation of $750,000 to the Department of Human Services to establish and administer a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services provided by private licensed substance abuse treatment programs. Provides for Legislative Management to study mental health resources for youth and adults, and to study behavioral health needs for youth and adults during the 2015-16 interim.

Senate Bill No. 2049 - Mental health - Provides for a study of statutory references to mental health professionals to determine whether changes in the law may help to more fully utilize these professionals within their scope of practice, as it relates to the responsibilities of the Department of Human Services to provide services or license facilities.

Senate Bill No. 2050 - Service payments for elderly and disabled - Prohibits the Department of Human Services from requiring certain individuals to apply for services under Chapter 50-24.1 for Medicaid as a condition of being eligible to apply for services under the service payments for elderly and disabled program, and prohibits the department from filing a claim against an estate to recover payments made on behalf of a recipient who was eligible for Medicaid under Section 50-24.1-37 and who received coverage through a private carrier.

Senate Bill No. 2062 - TANF - Amends sections relating to the administration of TANF.

Senate Bill No. 2063 - Termination of parental rights - Amends Section 27-20-45 relating to the Department of Human Services receiving a copy of the termination of parental rights petition and summons.

Senate Bill No. 2064 - Permanency - Amends Sections 27-20-02, 27-20-30.1, and 27-20-38 relating to the definition of permanency hearing, a foster care agreement with an agency or tribal council of a recognized Indian reservation in North Dakota, and the rights and duties of legal custodian.

Senate Bill No. 2065 - Long-term care facilities - Ombudsman program - Amends sections of Chapter 50-10.1 relating to appointment of state and local ombudsmen, ombudsmen access to facilities and records, posting information about the ombudsman program, and confidentiality of ombudsman records and files.

Senate Bill No. 2073 - Training - Department of Human Services - Amends Section 50-06-30 relating to an interagency agreement for training, consultation, and assistance provided by the Department of Corrections and Rehabilitation to the Department of Human Services.

Senate Bill No. 2079 - Basic care and nursing facilities - Allows for a transfer of nursing facility beds to basic care beds and extends the moratoria on basic care and nursing facility bed capacity.

Senate Bill No. 2080 - Early childhood services - Relates to the definition of self-declaration, early childhood services licensing requirements, prerequisites for issuance of a license or self-declaration, background investigations, penalty for provision of services, and early childhood services support services and grant program.

Senate Bill No. 2081 - Foster care - Creates a new section to Chapter 50-11 relating to immunity for a person providing foster care for approving reasonable and prudent activities, and amends Section 50-11-00.1 relating to definitions used in foster care homes for children and adults.

Senate Bill No. 2082 - Basic care assistance - Amends eligibility for basic care assistance. Establishes asset requirements for the basic care assistance program, for individuals eligible under Medicaid Expansion, consistent with those used for the Medicaid aged, blind, and disabled populations.

Senate Bill No. 2144 - County human services program levy insufficiency - Section 65 amends Section 50-03-06 to allow the Department of Human Services to provide a grant to a county which has experienced extraordinary human services program impact from meeting human services needs resulting from proximity to an Indian reservation or proximity to the State Hospital.

Senate Bill No. 2177 - Eligibility computer systems - Provides an appropriation of $60.87 million, of which $14 million is from the general fund, to the Department of Human Services for modification of the department's eligibility computer systems.

Senate Bill No. 2206 - Social service programs - Legislative Management study - Requires the Department of Human Services to assume responsibility for the costs of certain social service programs, to establish a grant program, to establish a social service financing commission, and to provide a Legislative Management study relating to social services finance program transition.

Senate Bill No. 2234 - Department of Human Services study - Developmental disability waivers - Requires the Department of Human Services to study eligibility for developmental disability waivers and report to the Legislative Management by January 1, 2016.

Senate Bill No. 2237 - Substance abuse treatment programs - Amends Section 50-31-06 relating to information received by the Department of Human Services for substance abuse treatment programs.

Senate Bill No. 2289 - Assistive technology services - Provides an appropriation of $160,000 from the general fund to the Department of Human Services for assistive technology services. This funding was designated as one-time funding in Section 22 of Senate Bill No. 2015.

Senate Bill No. 2320 - Medication therapy management program - Adds a new section to Chapter 50-06 to create a medication therapy management program for Medicaid-eligible individuals and requires the Department of Human Services to report to the 65th Legislative Assembly on the costs and benefits of the medication therapy management program.

Senate Bill No. 2364 - Health information technology loan fund - Amends sections of Chapter 54-59 relating to the health information technology loan fund and confidential health information and repeals Section 6-09-42 relating to the health information technology loan fund.

Senate Bill No. 2367 - Substance exposed newborns - Provides for the creation of a task force on substance exposed newborns.

House Bill No. 1035 - Health care delivery system - Provides for a Legislative Management study of the health care delivery system and a study of the feasibility of a behavioral health and addiction training initiative.

House Bill No. 1037 - Department of Human Services 2015-16 interim study - Provides for the Department of Human Services during the 2015-16 interim to study options for implementing income-based cost-sharing provisions for Medicaid and Medicaid Expansion programs.

House Bill No. 1041 - Medicaid Expansion - Amends the Medicaid Expansion law to provide for the implementation of pharmacy benefit management services.

House Bill No. 1046 - Traumatic brain injury - Provides an appropriation to the Department of Human Services of $375,000 for providing life skills services, including an evidence-based return-to-work model, provided for individuals with a traumatic brain injury, and an appropriation of $50,000 for coordinating services for individuals with traumatic brain injury in each human service region.

House Bill No. 1047 - Prevocational services - Exempts providers of prevocational services licensed or certified by the Department of Human Services from registering with the Labor Commissioner.

House Bill No. 1048 - Behavioral health licensure boards - Requires behavioral health licensure boards to each develop a plan, in collaboration with the other boards, for the administration and implementation of licensing and reciprocity standards for licensees.

House Bill No. 1049 - Addiction counselors - Adds a new section to Chapter 43-45 relating to loans for certain behavioral health professions, amends Section 43-45-04 relating to duties of the Board of Addiction Counseling Examiners, provides legislative intent relating to statewide assessment of viable internship sites for addiction counselors program, and transfers $200,000 from the student loan trust fund to the Bank of North Dakota for the addiction counselor internship loan program revolving fund.

House Bill No. 1108 - Developmentally disabled persons - Changes statutory references from "developmentally disabled persons" to "individual with a developmental disability" or "individuals with developmental disabilities."

House Bill No. 1109 - Health care facility residents' rights - Amends Section 50-10.2-02 relating to health care facility residents' rights.

House Bill No. 1111 - Child support - Requires the Department of Human Services to provide a report to the Legislative Management regarding the number of revoked obligor driver's licenses, the duration and effectiveness of revocations, including comparison of the state's driver's license revocation with other rural states, and a specific proposal that may limit the use of revocation of driver's licenses as a tool of enforcement.

House Bill No. 1176 - Oil and gas impact grant funds - Section 5 includes an appropriation from oil and gas impact grant funds which includes:

- $10 million for grants to critical access hospitals in oil-producing counties and in counties contiguous to an oil-producing county to address the effects of oil and gas-related economic development activities.
- $6 million for grants to emergency medical services providers for expenditures that would mitigate negative effects of oil and gas-related development affecting emergency medical services providers providing services in oil-producing counties, including the need for increased emergency medical services providers' services, staff equipment, coverage, and personnel training.
- $4 million for grants to nursing homes, basic care facilities, and providers of home health services and hospice programs in oil-producing counties to address the effects of oil and gas-related development activities.
- $2 million for grants to providers that serve individuals with developmental disabilities located in oil-producing counties to address the effects of oil and gas-related development activities.
- $2 million for grants to domestic violence sexual assault organizations as defined in Section 14-07.1-01 that are located in oil-producing counties to address the effects of oil and gas-related development activities.

House Bill No. 1234 - Nursing home rate determination - Amends Section 50-24.4-15 relating to nursing home rate determination, and increasing the per bed property cost limitation of a double occupancy room to $156,783 and the single occupancy room to $235,176.

House Bill No. 1247 - Early childhood service providers - Requires the Department of Human Services to adopt rules requiring early childhood service providers and their staff who are responsible for children under age 1 to complete a sudden infant death syndrome prevention training course, which would be approved by the Department of Human Services.

House Bill No. 1255 - Ambulance services - Classifies ambulance services for health insurance, workers' compensation benefits, and medical assistance into an emergency response or advanced life support assessment.

House Bill No. 1256 - Brain injury - Amends sections in Chapters 50-06.4, 50-24.1, 54-38, and 65-01 relating to the definition of brain injuries, and provides for a Legislative Management study of brain injury care.

House Bill No. 1277 - Nursing home rates - Amends Section 50-24.4-07, which requires the Department of Human Services to exclude sales tax revenue received from political subdivision or local taxing authority as an offset to cost for facility care in setting nursing home rates.

House Bill No. 1282 - Department of Commerce grant - Health care workforce needs in rural areas of state - Provides an appropriation of $200,000 from the general fund to the Department of Commerce to provide matching funds to an organization assisting in the recruitment, distribution, supply, quality, and efficiency of personnel providing health services in rural areas of the state.

House Bill No. 1285 - Department of Commerce grant - Domestic violence shelter - Provides an appropriation of $650,000 from the strategic investment and improvement fund to the Department of Commerce to provide grants to domestic violence sexual assault organizations as defined in Section 14-07.1-01 for constructing, renovating, or purchasing facilities to provide shelter to victims of domestic violence.

House Bill No. 1353 - Nursing home rates - Amends Section 50-24.4-07 related to nonallowable costs in determining nursing home rates.

House Bill No. 1359 - Basic care payment rates and assisted living facilities - Adds a new section to Chapter 50-24.5 relating to establishing procedures for determining basic care payment rates and establishing methods for annual limits, and amends Sections 50-32-02 and 50-32-04 relating to assisted living facilities.

House Bill No. 1378 - Legislative Management study - Affordable Care Act - Directs the Legislative Management to assign a committee to study the proposed and final federal rules issued by the federal Health and Human Services Department relating to the essential health benefits under the federal Affordable Care Act.

House Bill No. 1410 - Head Start program - Provides an appropriation of $4,900 from the general fund to the Department of Human Services for grants to Head Start programs.

House Bill No. 1455 - Legislative Management study - Contract nursing agencies - Provides for a Legislative Management study of contract nursing agencies in the state.

Concurrent Resolution 4021 - Mental disease - Medicaid reimbursement exclusion - Provides for a Legislative Management study of how the institution for mental disease Medicaid reimbursement exclusion impacts this state, including the impact Medicaid enrollees and on private and public sector providers.

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Office of Management and Budget
Budget No. 110
Senate Bill Nos. 2015 and 2304

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**122.50**	**$42,488,258**	**$22,725,390**	**$65,213,648**
2015-17 base budget	130.50	31,746,688	8,730,630	40,477,318
Legislative increase (decrease) to base budget	(8.00)	$10,741,570	$13,994,760	$24,736,330

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$35,458,249**	**$7,030,009**	**$42,488,258**
2013-15 legislative appropriations	31,546,688[1]	328,900,000	360,446,688[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$3,911,561	($321,869,991)	($317,958,430)
Percentage increase (decrease) to 2013-15 appropriations	12.4%	(97.9%)	(88.2%)

[1]The 2013-15 biennium general fund appropriation was reduced by $200,000 to reflect a transfer of appropriation authority made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Office of Management and Budget is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.	(8.00)	($6,614)	($1,477,206)	($1,483,820)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		599,321	118,363	717,684
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		351,077	69,587	420,664
Decreased funding for 2013-15 biennium adjustments related to the removal of prior biennium project funding.		(2,620,085)	(430,984)	(3,051,069)

Added funding for Central Services equipment.			200,000	200,000
Added funding for increases in utility costs.		650,000		650,000
Increased funding for Prairie Public Broadcasting ongoing operating costs to provide total funding of $1.7 million.		362,862		362,862
Increased funding for guardianship grants to provide total funding of $1,328,600.		500,000		500,000
Increased funding for community supervision grants to provide total funding of $500,000.		125,000		125,000
Added funding for a targeted equity funding pool.		3,750,000	740,000	4,490,000
Added one-time funding for the student internship program to provide total funding of $250,000.		50,000		50,000
Added one-time funding for mailroom equipment upgrades.		30,000		30,000
Added one-time funding for various improvement projects including $175,000 from the general fund for Governor's residence security enhancements, $50,000 from the general fund for west parking lot repairs, $310,000 from the Capitol building fund for legislative wing repairs, and $1.4 million from the Capitol building fund for Capitol entrance and building signs.		225,000	1,710,000	1,935,000
Added one-time funding for a health insurance pool for temporary employees.		2,500,000	2,500,000	5,000,000
Added one-time funding for an energy impact funding pool.		2,400,000	5,565,000	7,965,000
Added one-time funding for facility management projects related to heat pump replacement, carpet replacement, and other maintenance projects.		1,825,009		1,825,009
Added one-time funding for the construction of a new Governor's residence, of which $4 million is from the Capitol building fund and $1 million is from donations. (SB 2304)			5,000,000	5,000,000
Total	(8.00)	$10,741,570	$13,994,760	$24,736,330

FTE Changes

The 2015-17 biennium appropriation includes funding for 122.5 FTE positions, 8 FTE positions less than the 2013-15 authorized level of 130.5 FTE positions. The Legislative Assembly transferred 7 Facilities Management FTE positions to the State Historical Society and 1 vacant FTE position to the Information Technology Department.

One-Time Funding

The following is a summary of one-time appropriations for the 2015-17 biennium for the Office of Management and Budget:

	General Fund	Other Funds	Total
Student internship program	$50,000		$50,000
Facilities Management projects	2,030,009		2,030,009
Signage on the Capitol grounds		$1,400,000	1,400,000
West parking lot repair	50,000		50,000
Health insurance pool for temporary employees	2,500,000	2,500,000	5,000,000
Legislative wing electrical-related repairs		310,000	310,000
Energy impact funding pool	2,400,000	5,565,000	7,965,000
New Governor's residence (SB 2304)		5,000,000	5,000,000
Total	$7,030,009	$14,775,000	$21,805,009

Deficiency Appropriations

In Section 3 of Senate Bill No. 2023, the 2015 Legislative Assembly provided for a transfer of spending authority of $200,000 from the 2013-15 biennium state contingencies appropriation in the Emergency Commission contingency line item to the Commission on Legal Counsel for Indigents. As a result, the Office of Management and Budget's 2013-15 biennium appropriation was decreased, and the Commission on Legal Counsel for Indigents appropriation authority for the 2013-15 biennium was increased in lieu of providing the commission an additional deficiency appropriation.

State Memberships

The Legislative Assembly provided $641,000 from the general fund for state dues and memberships, an increase of $30,000 from the 2013-15 biennium. The schedule below provides information on statewide dues and memberships for the 2013-15 and 2015-17 bienniums.

	2013-15 Biennium	2015-17 Biennium
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	$145,000	$145,000
Council of State Governments	188,000	188,000
Governmental Accounting Standards Board	6,000	6,000
Western Governors' Association	74,300	74,300
National Governors Association	81,500	81,500
National Lieutenant Governors Association	1,200	1,200
Education Commission of the States	115,000	115,000
Western Interstate Commission for Higher Education		30,000
Total dues and memberships	$611,000	$641,000

Capital Improvements

The Legislative Assembly provided $1,947,928 from the general fund and $6,710,000 from other funds for the following extraordinary repairs and projects:

	General Fund	Other Funds	Total
Electrical improvements	$250,000		$250,000
Fire safety issues in the judicial wing	650,000		650,000
Install new entrance and building identification signs (Capitol building fund)		$1,400,000	1,400,000
Mailroom equipment upgrades	30,000		30,000
Mechanical improvements	725,000		725,000
Replace tractor and lawn mower	67,928		67,928
Security enhancements for the Governor's residence	175,000		175,000
West parking lot repair	50,000		50,000
Legislative wing repairs		310,000	310,000
Governor's residence (Capitol building fund and donations)		5,000,000	5,000,000
Total	$1,947,928	$6,710,000	$8,657,928

Transfers to the General Fund

Special funds transfers - In Section 3 of Senate Bill No. 2015, the Legislative Assembly provided for a transfer of $657 million from the tax relief fund to the general fund during the 2015-17 biennium.

Mill and Elevator Association transfers - The 2009 Legislative Assembly enacted North Dakota Century Code Section 54-18-19 requiring the Industrial Commission to transfer to the general fund 50 percent of the annual earnings and undivided profits of the Mill and Elevator after any transfers to other state agricultural-related programs. In Section 32 of Senate Bill No. 2014, the 2013 Legislative Assembly limited the transfer to $6,817,200 for the 2013-15 biennium. The 2015 Legislative Assembly did not limit the transfer in the 2015-17 biennium, resulting in an estimated transfer of $13,775,000.

Budget Stabilization Fund

Chapter 54-27.2 provides any amount in the general fund at the end of the biennium in excess of $65 million must be transferred to the budget stabilization fund except that the balance in the budget stabilization fund may not exceed 9.5 percent of the general fund budget approved by the most recently adjourned Legislative Assembly. The June 30, 2015, estimated general fund balance is $598,664,078, and general fund appropriations for the 2015-17 biennium are $6,026,162,678. The June 30, 2015, budget stabilization fund balance is $583,545,799, which exceeds the 9.5 percent limit of $572,485,454. As a result, a general fund transfer to the budget stabilization fund at the end of the 2013-15 biennium is not anticipated.

State Agency Targeted Market Equity Pool

Section 4 of Senate Bill No. 2015 appropriates $3.75 million from the general fund and $740,000 from other funds for a targeted market equity pool. The Office of Management and Budget must prepare a statewide plan that gives priority to employees whose salary is in the first or second quartile of their assigned salary range and to employees whose salary is below the average classified state employee salary level. One-half of the funding is available for market equity adjustments in July 2015 and the remaining amount is available in July 2016. The market equity adjustments must be provided after any general compensation increase authorized by the 64th Legislative Assembly. Employees of the Adjutant General, Veterans' Home, State Department of Health, Department of Human Services, and the Protection and Advocacy Project are eligible for market equity adjustments. Employees whose documented performance levels do not meet standards are not eligible for the market equity increases. The appropriation authority must be transferred from the targeted market equity salary pool line item to the eligible agencies for approved market equity salary adjustments. The Office of Management and Budget is required to report to the Legislative Management regarding its statewide plan and any appropriation authority transferred from the pool.

State Agency Energy Impact Pool

Section 5 of Senate Bill No. 2015 appropriates $2,400,000 from the general fund and $5,565,000 from other funds for a state agency energy development impact funding pool. The funding is considered a one-time funding item. The section allows a state agency to submit an application to the Office of Management and Budget to receive a transfer of funds from the pool for employee housing rental assistance and for temporary salary increases for employees affected by energy development. The section provides guidelines regarding the documentation required to be submitted by an agency as part of its application for a transfer of funds from the pool. The Office of Management and Budget is to review any submitted applications and provide a recommendation to the Emergency Commission for final approval or rejection. The Office of Management and Budget must report to the Legislative Management regarding the funding distributions, and state agencies must report to the Legislative Management on their plans to discontinue energy impact adjustments.

State Employee Compensation Package

Section 21 of Senate Bill No. 2015 provides 2015-17 biennium performance compensation adjustments for regular classified state employees are to be in a range of 2 to 4 percent for each year of the biennium. The Office of Management and Budget is to develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees in accordance with provisions of this section and Section 54-44.3-01.2. Salary increases for nonclassified employees are to be based on performance and market and are to be in a range of 2 to 4 percent for each year of the biennium. Section 20 of Senate Bill No. 2015 authorizes agencies to transfer appropriation authority between line items as it relates to compensation increases provided by the Legislative Assembly.

Contingent Funding - Department of Transportation - State Highway Investments

Section 7 of Senate Bill No. 2015 provides a contingent transfer of $20 million from the general fund to the highway fund and appropriates $20 million from the highway fund to the Department of Transportation for state highway investments. The $20 million is available only if actual general fund revenues for the period beginning February 1, 2015, and ending June 30, 2015, exceed the legislative estimates for the same period by at least $20 million.

Section 8 of Senate Bill No. 2015 provides a contingent transfer of $25.85 million from the strategic investment and improvements fund to the highway fund and appropriates $25.85 million from the highway fund to the Department of Transportation for state highway investments. The $25.85 million is available only if actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2015, exceed the legislative estimates for the same period by at least $126 million, or if actual general fund revenues for the period beginning July 1, 2015, and ending June 30, 2016, exceed the legislative estimates for the same period by at least $126 million.

Section 8 of Senate Bill No. 2015 provides a contingent transfer of $46 million from the general fund to the highway fund and appropriates $46 million from the highway fund to the Department of Transportation for state highway investments. The $46 million is available only if actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2016, exceed the legislative estimates for the same period by at least $250 million.

Contingent Funding - State Board of Higher Education - Building Projects

Valley City State University - Section 8 of Senate Bill No. 2015 provides a contingent appropriation of $25.85 million from the general fund to the State Board of Higher Education for the Valley City State University fine arts building project and the demolition of two existing buildings. The $25.85 million is available only if actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2015, exceed the legislative estimates for the same period by at least $126 million, or if actual general fund revenues for the period beginning July 1, 2015, and ending June 30, 2016, exceed the legislative estimates for the same period by at least $126 million. The State Board of Higher Education is required to report to the Budget Section regarding the status of the project if the funding becomes available.

North Dakota State University - Section 8 of Senate Bill No. 2015 provides a contingent appropriation of $46 million from the general fund to the State Board of Higher Education for the North Dakota State University Dunbar Hall project. The $46 million is available only if actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2016, exceed the legislative estimates for the same period by at least $250 million. The State Board of Higher Education is required to certify to the Budget Section that the project conforms to the master plan and space utilization study and receive Budget Section approval to proceed with the project. The State Board of Higher Education may not seek Budget Section approval to proceed with the project until the State Auditor's office completes a performance audit of the North Dakota University System's space utilization study.

Contingent Funding - Department of Public Instruction - Transportation Grants

Section 13 of Senate Bill No. 2015 provides contingent funding of $3 million from unspent 2015-17 biennium integrated formula payments funding to the Department of Public Instruction for additional transportation grants.

Appropriations to Other State Agencies

Department of Transportation - Section 6 of Senate Bill No. 2015 provides a transfer of $18 million from the general fund to the highway fund and appropriates $18 million from the highway fund to the Department of Transportation for state highway investments.

State Auditor - Section 9 of Senate Bill No. 2015 provides an appropriation of $200,000 from the fees charged to the University System for conducting information technology security audits of the 11 institutions in the University System.

Legislative Assembly meeting rooms - Section 10 of Senate Bill No. 2015 provides one-time funding of $160,000 from the general fund to the Legislative Assembly for purchasing and installing audio and visual equipment, tables, chairs, and other furnishings in legislative meeting rooms. Section 10 also requires the state court administrator to provide reports to the Legislative Procedure and Arrangements Committee regarding the status of the facility space expansion in the judicial wing.

Legislative Management study - Section 11 of Senate Bill No. 2015 provides one-time funding of $400,000 from the general fund to the Legislative Council for contracting with consultants for a Legislative Management study of oil and gas tax incentives and oil and gas recovery techniques as provided in Section 42 of the bill.

Judicial branch - Section 12 of Senate Bill No. 2015 provides one-time funding of $65,693 from the general fund to the judicial branch for additional costs related to the judicial wing remodeling project.

Legislative Management Studies

Budget Section functions study - Section 40 of Senate Bill No. 2015 provides for a Legislative Management study of the functions of the Budget Section including a review of the assigned duties and the ability of the Budget Section to authorize financial decisions.

Transportation funding distributions to political subdivisions study - Section 41 of Senate Bill No. 2015 provides for a Legislative Management study of special transportation funding distributions to political subdivisions including a review of the distribution methods, project coordination, and compliance with legislative intent.

Enhanced oil and gas recovery study - Section 42 of Senate Bill No. 2015 provides for a Legislative Management study of oil and gas recovery and enhanced recovery techniques and the estimated future annual economic impact that would best serve the interests of the state, political subdivisions, and fossil fuel energy production industries.

Other Sections in Senate Bill No. 2015

Capitol building fund - Section 14 identifies that $1.71 million of the estimated income line item is from the Capitol building fund for Capitol building entrance and signage projects ($1.4 million) and for legislative wing electrical and ceiling repairs ($310,000).

Community service supervision grants - Section 15 provides guidelines for the distribution of community service supervision grants. The section also provides appropriation authority for the Office of Management and Budget to distribute additional grants from any funds deposited in the community service supervision fund.

Unexpended appropriation continuation - Section 16 provides that amounts appropriated to the Fiscal Management Division in Section 1 of Chapter 15 of the 2013 Session Laws are not subject to the provisions of Section 54-44.1-11, which require unexpended appropriations to be canceled at the end of the biennium.

Legislative intent - Section 17 provides legislative intent for grants and special items.

State internship program - Section 18 authorizes the Human Resource Management Services Division to transfer appropriation authority for the state student internship program to other agencies.

Temporary employee health insurance pool - Section 19 authorizes the Office of Management and Budget to transfer appropriation authority from the health insurance pool - temporary employees line item to other agencies.

One-time funding - Assistive technology services - Section 22 designates the funding in Senate Bill No. 2289 related to assistive technology services as one-time funding.

Student loan trust fund - Dental health loan repayment program - Section 23 identifies $360,000 of funding in the estimated income line item in House Bill No. 1004 as funding from the student loan trust fund for the dental health loan repayment program.

Higher education vice chancellors - Section 24 requires the State Board of Higher Education to adopt a policy for the resignation of vice chancellors when a new Commissioner of Higher Education is appointed. **The Governor vetoed this section.**

Legislative public records - Section 25 identifies legislator requests for public records through the Legislative Council as public records.

Legislative meeting rooms - Section 26 clarifies the use of legislative meeting rooms during the interim to include new legislative meeting rooms in the judicial wing.

Retirement benefit changes - Sections 27 and 28 change the provisions of retirement benefits for employees first enrolled after December 31, 2015, to require a combined 90 years of service and age or reaching age 65 prior to retirement and to require an 8 percent per year reduction to benefits for early retirement. Section 29 allows state employees enrolled in the defined contribution retirement plan to transfer to the defined benefits retirement plan.

Alcohol at the Heritage Center - Section 30 allows alcoholic beverages to be served at the Heritage Center during private parties.

Education tax credits - Section 31 amends a subsection created in House Bill No. 1462 to clarify the amount of tax credits that may be claimed for charitable donations to a private institution of primary education effective after tax year 2014.

Enhanced oil recovery tax exemptions - Section 32 amends House Bill No. 1476 relating to a tax exemption for the use of carbon dioxide in enhanced oil recovery for tax events after December 31, 2015.

Eminent domain - Section 33 provides changes to the use of eminent domain by water resource boards. **The Governor vetoed this section.**

Parks and Recreation Department appropriation adjustment - Sections 34 and 35 amend Senate Bill No. 2019 to reduce funding to the Parks and Recreation Department by $310,299 from the general fund relating to a website application for snowmobile registration.

Management of school fund - Section 36 repeals Section 54-44-06 relating to the Office of Management and Budget's duty to manage the school fund.

University System contingent building project - Section 37 repeals Section 5 of House Bill No. 1003 relating to contingent appropriations for University System building projects. Similar contingent appropriations were added in Section 8 of Senate Bill No. 2015.

Severance payments restriction - Section 38 provides legislative intent to restrict the State Board of Higher Education from providing severance payments to University System legal services employees that transfer to the Attorney General's office.

Airport grants - Section 39 designates oil and gas impact grant funding to the Williston airport ($39 million) and the Dickinson airport ($5.8 million).

Emergency clauses - Section 44 provides an emergency clause for $1.55 million in House Bill No. 1018, for House Bill No. 1255 relating to air ambulance services, and for Section 30 relating to alcoholic beverages at the Heritage Center.

Related Legislation

House Bill No. 1033 - Requires the Office of Management and Budget to determine the amount equal to 15 percent of the principal balance of the legacy fund in accordance with Article X, Section 26, of the Constitution of North Dakota. **The Governor vetoed this bill.**

House Bill No. 1034 - Clarifies the use of the foundation aid stabilization fund and budget stabilization fund for state school aid payments in the event of a general fund revenue shortfall.

House Bill No. 1085 - Requires the Office of Management and Budget to report to the Budget Section on the amount of federal funds appropriated by the Legislative Assembly and the amount of federal funds received by state agencies.

Senate Bill No. 2190 - Provides for the Office of Management and Budget to transfer funds from the abandoned oil and gas well plugging and site reclamation fund to the environmental quality restoration fund.

Senate Bill No. 2304 - Provides an appropriation of $5 million, of which $4 million is from the Capitol building fund and $1 million is from donations, to the Office of Management and Budget for the construction of a new Governor's residence, provides for a selection committee to review at least three preliminary designs presented to the Capitol Grounds Planning Commission, and provides an appropriation of $50,000 from the general fund to the Governor's office for temporary housing expenses.

Information Technology Department
Budget No. 112
House Bill No. 1021 and Senate Bill No. 2016

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**350.30**	**$27,905,987**	**$151,713,039**	**$179,619,026**
2015-17 base budget	340.30	19,939,428	149,674,553	169,613,981
Legislative increase (decrease) to base budget	10.00	$7,966,559	$2,038,486	$10,005,045

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$24,105,987**	**$3,800,000**	**$27,905,987**
2013-15 legislative appropriations	19,939,428	1,315,000	21,254,428
2015-17 legislative increase (decrease) to 2013-15 appropriations	$4,166,559	$2,485,000	$6,651,559
Percentage increase (decrease) to 2013-15 appropriations	20.9%	189.0%	31.3%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Information Technology Department is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$72,504	$423,488	$495,992
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		434,529	2,264,521	2,699,050
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		197,413	1,021,803	1,219,216
Added funding to implement multifactor authentication, including funding for 4 information system security analyst FTE positions.	4.00	537,001	467,000	1,004,001

Added funding for higher education video services, including 1 telecommunications analyst FTE position.	1.00		225,000	225,000
Transferred 1 FTE position from the Office of Management and Budget for development, maintenance, and enhancement of ConnectND project.	1.00		225,000	225,000
Added funding for the Center for Distance Education for K-12 education, including 4 teacher FTE positions.	4.00	1,388,090	997,279	2,385,369
Added funding to implement desktop support services for state employees including 2 desktop support computer and network specialist FTE positions.	2.00		1,812,000	1,812,000
Added funding for the statewide longitudinal data system for ongoing operations and 1 programmer analyst FTE position.	1.00	3,500,000		3,500,000
Added funding for costs to continue operations of the K-12 network ($600,000) and for distance education college and career readiness ($250,000).		850,000		850,000
Increased funding for operational changes, including $2 million for anticipated increases in software maintenance fees from software vendors.		53,506	3,811,940	3,865,446
Added funding for operations equipment purchases including $8.6 million for information technology equipment purchases and replacement costs.			9,150,000	9,150,000
Added funding to provide desktop support services to certain state agencies (see desktop support services sections below).			1,233,055	1,233,055
Removed the 2013-15 capital assets and federal funds.		(608,111)	(19,250,600)	(19,858,711)
Removed the criminal justice information sharing system transferred to the Attorney General.	(3.00)	(2,258,373)	(842,000)	(3,100,373)
Added one-time funding from the general fund for the Education Technology Council for a grant program for K-12 education to provide wireless infrastructure, to provide students with access to Internet services, and to expand instructional coaching for teachers.		1,050,000		1,050,000
Added one-time funding from the general fund for contractor and development expenses to continue the statewide longitudinal data system project.		1,250,000		1,250,000
Added one-time funding from special funds, federal funds, or other funds to hire a consultant for a health care study.			500,000	500,000

Added one-time funding from the general fund for planning and coordinating the implementation of the statewide radio interoperability network. (SB 2016)		1,500,000		1,500,000
Total	10.00	$7,966,559	$2,038,486	$10,005,045

FTE Changes

The Legislative Assembly added 13 FTE positions and transferred 3 FTE positions to the Attorney General's office resulting from the transfer of the criminal justice information system to the Attorney General, for a total 350.30 FTE positions for the 2015-17 biennium, 10 FTE positions more than the 2013-15 biennium. The Legislative Assembly added 4 security analyst FTE positions, 4 teacher FTE positions at the Center for Distance Education, 2 desktop support FTE positions, 1 telecommunications analyst FTE position, 1 ConnectND FTE position, and 1 programmer analyst FTE position.

One-Time Funding

In Section 2 of House Bill No. 1021, the Legislative Assembly identified $2.3 million from the general fund and $500,000 of other funds as one-time funding items for the Information Technology Department. The Legislative Assembly also provided one-time funding of $1.5 million from the general fund to the Information Technology Department in Senate Bill No. 2016 for planning and coordinating the implementation of the statewide radio interoperability network. The schedule below summarizes one-time funding provided by the Legislative Assembly to the Information Technology Department for the 2015-17 biennium.

	General Fund	Other Funds	Total
K-12 Educational Technology Council grants	$1,050,000		$1,050,000
Statewide longitudinal data systems	1,250,000		1,250,000
Health care study		$500,000	500,000
Statewide radio interoperability network (SB 2016)	1,500,000		1,500,000
Total	$3,800,000	$500,000	$4,300,000

Statewide Radio Interoperability Network

Statewide radio interoperability network - Section 4 of Senate Bill No. 2016 provides an appropriation of $1.5 million from the general fund to the Information Technology Department for planning and coordinating the implementation of the statewide radio interoperability network. The funding is considered one-time funding.

Required Agency Desktop Support Services

Required desktop support services - Section 7 of House Bill No. 1021 requires certain agencies to receive desktop support services from the Information Technology Department. The following schedule lists the agencies required to receive desktop support services:

Agencies Required to Receive Desktop Support	
Tobacco Prevention and Control Executive Committee	Office of Administrative Hearings
Council on the Arts	Office of the Governor
Agriculture Commissioner	Commission on Legal Counsel for Indigents
Department of Labor and Human Rights	Public Employees Retirement System
Indian Affairs Commission	North Dakota University System office
Protection and Advocacy Project	Department of Career and Technical Education
Secretary of State	Department of Financial Institutions
State Treasurer	Department of Veterans' Affairs
State Auditor	Aeronautics Commission
Securities Department	

Funding for Desktop Support Services

The Legislative Assembly provided total funding of $1,876,714 to agencies for desktop support services for the 2015-17 biennium. Of this amount, $1,535,518 is from the general fund and $341,196 is from other funds. The Legislative Assembly appropriated $889,559 of desktop support services funding in separate agency budget bills and appropriated the remaining $987,155 of desktop support services funding to various agencies in Section 8 of House Bill No. 1021. The following schedule details funding appropriated for desktop support services in separate agency budget bills and in House Bill No. 1021:

Total Funding for Desktop Support Services						
	Funding in Separate Agency Budget Bills			Funding in House Bill No. 1021		
Agency	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Governor				$97,760		$97,760
Secretary of State (SB 2002)	$96,000		$96,000			
State Auditor (SB 2004)	69,200	$30,400	99,600			
State Treasurer (SB 2005)	20,880		20,880			
Office of Administrative Hearings					$17,600	17,600
Commission on Legal Counsel for Indigents				214,855		214,855
Public Employees Retirement System					152,950	152,950
North Dakota University System office				175,350		175,350
Department of Career and Technical Education				210,590		210,590
Center for Tobacco Prevention and Control Policy (HB 1024)		56,831	56,831			
Indian Affairs Commission (HB 1005)	21,775		21,775			
Department of Veterans' Affairs				34,635		34,635
Protection and Advocacy Project (SB 2014)	132,838		132,838			
Department of Labor and Human Rights (SB 2007)	46,118		46,118			
Securities Department (SB 2011)	46,805		46,805			
Department of Financial Institutions					66,325	66,325
Aeronautics Commission					17,090	17,090
Agriculture Commissioner (SB 2009)	352,912		352,912			
Council on the Arts (HB 1010)	15,800		15,800			
Total	$802,328	$87,231	$889,559	$733,190	$253,965	$987,155

The Legislative Assembly identified $600,561 of the desktop support services funding for one-time items as follows:

One-Time Funding for Desktop Support Services			
Agency	General Fund	Other Funds	Total
Governor	$45,200		$45,200
Office of Administrative Hearings		$14,040	14,040
Commission on Legal Counsel for Indigents	122,275		122,275
Public Employees Retirement System		77,370	77,370
North Dakota University System office	81,750		81,750
Department of Career and Technical Education	106,750		106,750
Center for Tobacco Prevention and Control Policy		35,371	35,371
Indian Affairs Commission	9,775		9,775
Department of Veterans' Affairs	26,895		26,895
Department of Financial Institutions		66,325	66,325
Aeronautics Commission		14,810	14,810
Total	$392,645	$207,916	$600,561

Other Sections in Bill

Transfers - Section 4 authorizes the Office of Management and Budget to make transfers of funds between line items of the Information Technology Department as may be requested by the Chief Information Officer as necessary for the development and implementation of information technology projects.

Legislative Intent - Radio communications - Section 5 provides legislative intent that the Information Technology Department be responsible for the oversight of the installation of any statewide radio communications equipment by an executive branch state agency in the most cost-effective manner.

Unemployment insurance wage data - Section 6 provides Job Service North Dakota is required to provide unemployment insurance wage data for education and workforce development program evaluations to the Information Technology Department, except any data identifying an individual.

Related Legislation

Radio communications - Section 5 of House Bill No. 1011 provides legislative intent that the Information Technology Department be responsible for the oversight of the installation of any radio communications equipment by an executive branch state agency and to develop a process to implement the recommendations of the North Dakota statewide radio system assessment and evolution study. Section 5 of Senate Bill No. 2016 provides additional legislative intent that the Information Technology Department is to enter into cost-sharing and roles and responsibilities agreements with political subdivisions and private entities if it is determined that it is feasible to proceed with the implementation of a statewide radio interoperability network.

Office of Administrative Hearings
Budget No. 140
House Bill Nos. 1017 and 1021

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**5.00**	**$0**	**$2,965,651**	**$2,965,651**
2015-17 base budget	5.00	0	2,818,896	2,818,896
Legislative increase (decrease) to base budget	0.00	$0	$146,755	$146,755

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Office of Administrative Hearings is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$25,478	$25,478
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			43,998	43,998
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			17,825	17,825
Added funding for other salaries and wages increases.			38,110	38,110
Added funding for increased office rent.			3,744	3,744
Added funding for Information Technology Department desktop support services, including $14,040 of one-time funding.			17,600	17,600
Total	0.00	$0	$146,755	$146,755

FTE Changes

The Legislative Assembly approved 5 FTE positions for the Office of Administrative Hearings for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

The Legislative Assembly provided $14,040 of one-time funding from the general fund in House Bill No. 1021 to the Office of Administrative Hearings for Information Technology Department desktop support services.

Related Legislation

Desktop support services - House Bill No. 1021 requires certain state agencies, including the Office of Administrative Hearings, to obtain desktop support services from the Information Technology Department.

Legislative Assembly
Budget No. 150
House Bill No. 1001 and Senate Bill No. 2015

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**0.00**	**$15,885,367**	**$0**	**$15,885,367**
2015-17 base budget	0.00	13,379,971	0	13,379,971
Legislative increase (decrease) to base budget	0.00	$2,505,396	$0	$2,505,396

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$14,180,557**	**$1,704,810**	**$15,885,367**
2013-15 legislative appropriations	13,379,971	542,000	13,921,971
2015-17 legislative increase (decrease) to 2013-15 appropriations	$800,586	$1,162,810	$1,963,396
Percentage increase (decrease) to 2013-15 appropriations	6.0%	214.5%	14.1%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

	Changes to Base Budget			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for cost-to-continue 2013-15 biennium legislators' monthly compensation, additional monthly compensation for legislative leaders, and legislative compensation for regular and organizational sessions.		$66,855		$66,855
Added funding for 2015-17 biennium compensation adjustments of 3 percent per year for regular and organizational sessions, legislators' monthly compensation, and additional monthly compensation for legislative leaders.		263,165		263,165
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		481,594		481,594
Added funding to increase the maximum monthly lodging expense reimbursement to $1,680 anticipated for the 2017 legislative session.		84,520		84,520
Adjusted funding for operating expenses, capital assets, and		(95,548)		(95,548)

National Conference of State Legislatures dues.				
Added one-time funding to replace computers and iPads.		603,050		603,050
Added one-time funding for LEGEND core maintenance upgrades.		191,760		191,760
Added one-time funding for support of hosting the 2015 Council of State Governments (CSG) Midwest Legislative Conference.		350,000		350,000
Added one-time funding for committee room renovations.		400,000		400,000
Added one-time funding for the installation of audio and visual equipment, tables, chairs, and other furnishings in legislative meeting rooms located within the former Information Technology Department space authorized under House Bill No. 1002. (Senate Bill No. 2015)		160,000		160,000
Total	0.00	$2,505,396	$0	$2,505,396

One-Time Funding

In Section 2 of House Bill No. 1001, the Legislative Assembly identified a total of $1,544,810 from the general fund for one-time funding items. Of this funding, $400,000 is for legislative wing equipment and improvements, $603,050 is for information technology equipment, $191,760 is for LEGEND maintenance, and $350,000 is for support of hosting the 2015 CSG Midwest Legislative Conference. The Legislative Assembly also provided, in Senate Bill No. 2015, one-time funding of $160,000 from the general fund for the installation of audio and visual equipment, tables, chairs, and other furnishings in legislative meeting rooms within the judicial facility space expansion of the former Information Technology Department space within the Capitol complex authorized under House Bill No. 1002. These amounts are not to be considered part of the Legislative Assembly's 2017-19 biennium base budget, and the Legislative Assembly is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

Legislative Pay Increases

The Legislative Assembly approved House Bill No. 1001 providing for legislative pay increases. Sections 6 and 7 increase legislators' daily pay during legislative sessions, monthly compensation, and additional monthly compensation for legislative leaders by 3 percent for each year of the 2015-17 biennium. Sections 9 and 10 of the bill increase legislators' interim meeting pay by 3 percent for each year of the 2015-17 biennium. The compensation adjustments are as follows:

	Current Compensation Rate	Rate Effective July 1, 2015	Rate Effective July 1, 2016
Monthly compensation	$467	$481	$495
Leaders' additional monthly compensation	$335	$345	$355
Daily session pay	$167	$172	$177
Interim meeting pay	$167	$172	$177

Other Sections in House Bill No. 1001

Transfers - Section 4 allows transfers of funds between line items of appropriations for the Legislative Assembly and the Legislative Council as requested by the Chairman of the Legislative Management.

Continuation of appropriation authority - Section 5 allows transfers of funds between line items of the 2013-15 biennium appropriations for the Legislative Assembly and the Legislative Council as requested by the Chairman of the Legislative Management. In addition, the section also provides unspent funds appropriated for the Legislative Assembly and the Legislative Council for the 2013-15 biennium be continued and that unexpended appropriations enacted prior to the 2013-15 biennium may be canceled as directed by the Chairman of the Legislative Management.

Compensation of members of the Legislative Assembly - Sections 6 and 7 increase legislators' daily pay during legislative sessions, monthly compensation, and additional monthly compensation for legislative leaders by 3 percent for each year of the 2015-17 biennium. Sections 9 and 10 increase legislators' interim meeting pay by 3 percent for each year of the 2015-17 biennium.

Legislative Council expenditures - Section 8 amends North Dakota Century Code Section 54-35-06 relating to Legislative Council expenditures to allow the Director of the Legislative Council to use available funds for salary adjustments to assist with staff recruitment, retention, and recognition of exceptional performance.

Legislative Management study - Bonding - Section 11 provides for a Legislative Management study of the use of bonding to finance state building, road, and water construction projects.

Related Legislation

Legislative Assembly housing reimbursement - House Bill No. 1199 allows housing reimbursement for members of the Legislative Assembly upon submission of a voucher and receipt.

House and Senate employment positions - House Concurrent Resolution No. 3011 designates House and Senate employment positions for the 2015 session and sets compensation rates for the positions.

Legislative Assembly rooms and halls - Section 10 of Senate Bill No. 2015 provides one-time funding of $160,000 from the general fund to the Legislative Assembly for the installation of audio and visual equipment, tables, chairs, and other furnishings in legislative meeting rooms within the former Information Technology Department space authorized under House Bill No. 1002. Section 26 of Senate Bill No. 2015 amends Section 48-08-04 to provide that during the interim, the Pioneer Room and three additional meeting rooms in the judicial wing are under the control of the legislative branch and may not be used without the authorization of the Legislative Council.

Records requests by members of the Legislative Assembly - Section 25 of Senate Bill No. 2015 creates a new section to Chapter 44-04 to provide any record of the Legislative Council relating to a request for public records made by the Legislative Council on behalf of a member of the Legislative Assembly is a public record. The Legislative Council must maintain a written or digital record of any request for public records made on behalf of a member of the Legislative Assembly. The record must identify the member of the Legislative Assembly who made the request.

Legislative Council
Budget No. 160
House Bill Nos. 1001 and 1015, Senate Bill No. 2015

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**37.00**	**$13,439,133**	**$70,000**	**$13,509,133**
2015-17 base budget	37.00	12,487,475	69,999	12,557,474
Legislative increase (decrease) to base budget	0.00	$951,658	$1	$951,659

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$12,773,673**	**$665,460**	**$13,439,133**
2013-15 legislative appropriations	12,487,475	375,000	12,862,475
2015-17 legislative increase (decrease) to 2013-15 appropriations	$286,198	$290,460	$576,658
Percentage increase (decrease) to 2013-15 appropriations	2.3%	77.5%	4.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Legislative Council is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$374,792	$1	$374,793
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		312,460		312,460
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		128,339		128,339
Removed market equity salary funding.		(100,000)		(100,000)

Added funding for 2015-17 biennium compensation adjustments of 3 percent per year for legislators' attendance at interim meetings.		27,158		27,158
Increased funding for travel related to committee and other meetings to reflect anticipated increases in registration fees, lodging rates, and other travel-related costs.		66,167		66,167
Reduced funding for operating expenses, including information technology--consulting, information technology--data processing, office supplies, and postage.		(522,718)		(522,718)
Added one-time funding to replace a copier.		30,000		30,000
Added one-time funding for desktop computer, laptop computer, monitor, and iPad replacements.		135,460		135,460
Added one-time funding for office improvements.		50,000		50,000
Added one-time funding for consulting services to assist with a Legislative Management study of incarceration issues. (House Bill No. 1015)		50,000		50,000
Added one-time funding to contract with consultants to study oil and gas tax incentives and oil and gas recovery techniques. (Senate Bill No. 2015)		400,000		400,000
Total	0.00	$951,658	$1	$951,659

FTE Changes

The Legislative Assembly approved 37 FTE positions for the Legislative Council for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

In Section 3 of House Bill No. 1001, the Legislative Assembly identified a total of $215,460 from the general fund for one-time funding items. Of this amount, $50,000 is for office improvements, $30,000 is for office equipment replacement, and $135,460 is for information technology equipment. The Legislative Assembly also provided a $50,000 one-time general fund appropriation for consulting services to assist with a Legislative Management study of incarceration issues in House Bill No. 1015 and a $400,000 one-time general fund appropriation to contract with consultants to study oil and gas tax incentives and oil and gas recovery techniques in Senate Bill No. 2015. This funding, summarized as follows, is not to be considered part of the agency's 2017-19 biennium base budget, and the Legislative Council is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

Office improvements	$50,000
Office equipment replacement	30,000
Information technology equipment	135,460
Incarceration issues study	50,000
Oil and gas tax incentives and recovery techniques study	400,000
Total	$665,460

Other Sections in House Bill No. 1001

Transfers - Section 4 allows transfers of funds between line items of appropriations for the Legislative Assembly and the Legislative Council as requested by the Chairman of the Legislative Management.

Continuation of appropriation authority - Section 5 allows transfers of funds between line items of the 2013-15 biennium appropriations for the Legislative Assembly and the Legislative Council as requested by the Chairman of the Legislative Management. In addition, the section also provides unspent funds appropriated for the Legislative Assembly and the Legislative Council for the 2013-15 biennium be continued and that unexpended appropriations enacted prior to the 2013-15 biennium may be canceled as directed by the Chairman of the Legislative Management.

Compensation of members of the Legislative Assembly - Sections 6 and 7 increase legislators' daily pay during legislative sessions, monthly compensation, and additional monthly compensation by 3 percent for each year of the 2015-17 biennium. Sections 9 and 10 increase legislators' interim meeting pay by 3 percent for each year of the 2015-17 biennium.

Legislative Council expenditures - Section 8 amends North Dakota Century Code Section 54-35-06 relating to Legislative Council expenditures to allow the Director of the Legislative Council to use available funds for salary adjustments to assist with staff recruitment, retention, and recognition of exceptional performance.

Legislative Management study - Bonding - Section 11 provides for a Legislative Management study of the use of bonding to finance state building, road, and water construction projects.

Related Legislation

Incarceration issues study - Section 4 of House Bill No. 1015 requires the Legislative Management to study pretrial services, sentencing alternatives, treatment options, and other related issues. The section also requires Legislative Management create an incarceration issues committee to conduct the study and identifies the members of the committee. Section 3 of House Bill No. 1015 provides a $50,000 appropriation from the general fund for consulting services to assist with the Legislative Management study of incarceration issues. Funding for consulting services related to the incarceration issues study is considered one-time funding.

Oil and gas tax incentives and recovery techniques study - Section 11 of Senate Bill No. 2015 provides one-time funding of $400,000 from the general fund to contract with consultants to study oil and gas tax incentives and oil and gas recovery techniques.

Records requests by members of the Legislative Assembly - Section 25 of Senate Bill No. 2015 creates a new section to Chapter 44-04 to provide any record of the Legislative Council relating to a request for public records made by the Legislative Council on behalf of a member of the Legislative Assembly is a public record. The Legislative Council must maintain a written or digital record of any request for public records made on behalf of a member of the Legislative Assembly. The record must identify the member of the Legislative Assembly who made the request.

Legislative Assembly rooms and halls - Section 26 of Senate Bill No. 2015 amends Section 48-08-04 to provide that during the interim, the Pioneer Room and three additional meeting rooms in the judicial wing are under the control of the legislative branch and may not be used without the authorization of the Legislative Council.

Judicial Branch
Budget No. 180
House Bill No. 1002; Senate Bill No. 2015

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**391.00**	**$112,630,994**	**$2,366,806**	**$114,997,800**
2015-17 base budget	363.00	97,133,117	2,175,589	99,308,706
Legislative increase (decrease) to base budget	28.00	$15,497,877	$191,217	$15,689,094

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$108,172,464**	**$4,458,530**	**$112,630,994**
2013-15 legislative appropriations	97,133,117	1,172,876	98,305,993
2015-17 legislative increase (decrease) to 2013-15 appropriations	$11,039,347	$3,285,654	$14,325,001
Percentage increase (decrease) to 2013-15 appropriations	11.4%	280.1%	14.6%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the judicial branch is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Judicial Branch				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$1,301,529	$230,398	$1,531,927
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		1,636,066	3,239	1,639,305
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		1,418,854		1,418,854
Supreme Court				
Added 1 guardian-related FTE position.	1.00	191,374		191,374

Added 1 account analyst FTE position.	1.00	191,374		191,374
Added funding for increased operating expenses.		225,506		225,506
Added funding for increased information technology maintenance costs.		59,483		59,483
Added one-time funding for Supreme Court facility expansion.		1,149,377		1,149,377
Added one-time funding from the general fund for defraying the additional costs of the remodeling project in the judicial wing to accommodate use of the legislative branch. (SB 2015)		65,693		65,693
District Courts				
Added 2 clerk of district court I FTE positions.	2.00	422,059		422,059
Added 13 clerk of district court II FTE positions.	13.00	1,851,480		1,851,480
Added 4 district judge FTE positions.	4.00	1,603,148		1,603,148
Added 4 court reporter FTE positions.	4.00	669,951		669,951
Added 1 paralegal FTE position.	1.00	161,962		161,962
Added 1 law clerk FTE position.	1.00	175,114		175,114
Added 1 electronic court recorder FTE position.	1.00	142,422		142,422
Added funding for increasing payments to counties for providing clerk of court services.		381,748		381,748
Added funding for juvenile court program services.		332,340		332,340
Added funding for increased operating expenses.		806,580	(90,917)	715,663
Added funding for increased information technology maintenance costs.		76,089		76,089
Reduced funding in anticipation of vacancies and employee turnover.		(650,000)		(650,000)
Added one-time funding for the information technology disaster recovery site.		$2,000,000		$2,000,000
Added one-time funding for a criminal case eFiling initiation project.		99,000		99,000
Added one-time funding for equipment over $5,000.		220,000		220,000
Added one-time funding for information technology equipment over $5,000.		924,460		924,460

Judicial Conduct Commission and Disciplinary Board				
Added funding for increased operating expenses.		42,268	48,497	90,765
Total	28.00	$15,497,877	$191,217	$15,689,094

FTE Changes

The 2015-17 biennium appropriation includes funding for 391 FTE positions, an increase of 28 FTE positions from the 2013-15 biennium authorized level of 363 FTE positions. The Legislative Assembly added 1 guardian-related position, 1 account analyst, 2 clerks of district court I, 13 clerks of district court II, 4 district court judges, 4 court reporters, 1 paralegal, 1 law clerk, and 1 electronic recorder.

One-Time Funding

The following is a summary of one-time funding items for the Judicial Branch for the 2015-17 biennium:

	General Fund	Other Funds	Total
Supreme Court			
Supreme Court facility expansion to renovate a portion of the former Information Technology Department space within the Capitol complex for use by the legislative branch and judicial branch (includes $65,693 appropriated in SB 2015).	$1,215,070		$1,215,070
District Court			
Information technology disaster recovery site	2,000,000		2,000,000
Equipment over $5,000	220,000		220,000
Information technology equipment over $5,000	924,460		924,460
Criminal case eFiling initiation project	99,000		99,000
Total	$4,458,530	$0	$4,458,530

Other Sections in House Bill No. 1002

Appropriation of additional funding - Section 2 provides that in addition to the amount appropriated as special funds, any other income received pursuant to federal acts and private gifts, grants, and donations received by the Supreme Court, district courts, and the Judicial Conduct Commission and Disciplinary Board is appropriated for the purposes designated for the 2015-17 biennium.

Transfers - Section 4 provides the Director of the Office of Management and Budget and the State Treasurer may transfer funds between line items of the appropriation for the judicial branch as requested by the Supreme Court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

District judges - Section 5 provides guidelines for the four new judgeships authorized in Section 1 of House Bill No. 1002.

Supreme Court justices' salaries - Section 6 provides the statutory changes increasing Supreme Court justices' salaries by 3 percent each year of the biennium. Supreme Court justices' annual salaries are increased from the current level of $147,996 to $152,436, effective July 1, 2015, and to $157,009, effective July 1, 2016. The Chief Justice of the Supreme Court is entitled to receive an additional $4,377 per year effective July 1, 2015, and $4,508 per year effective July 1, 2016.

District judges' salaries - Section 7 provides the statutory changes increasing district court judges' salaries by 3 percent each year of the biennium. District court judges' annual salaries are increased from the current level of $135,611 to $139,679, effective July 1, 2015, and $143,869, effective July 1, 2016. A presiding judge of a judicial district is entitled to receive an additional $4,035 per year effective July 1, 2015, and $4,156 per year effective July 1, 2016.

Related Legislation

Justice reinvestment study - Section 1 of House Bill No. 1165 provides the Legislative Management shall study, in conjunction with representatives of the executive and judicial branches and other stakeholders, justice reinvestment reforms.

District court chambers - Section 1 of House Bill No. 1166 removes the limit providing that no more than of 70 percent of the chambers of district judges may be located in cities with a population of more than 10,000.

Commission on Legal Counsel for Indigents
Budget No. 188
House Bill Nos. 1022 and 1021

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**40.00**	**$18,304,103**	**$2,106,914**	**$20,411,017**
2015-17 base budget	33.00	11,923,410	2,497,866	14,421,276
Legislative increase (decrease) to base budget	7.00	$6,380,693	($390,952)	$5,989,741

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$18,181,828**	**$122,275**	**$18,304,103**
2013-15 legislative appropriations	11,923,410	900,000[1]	12,823,410[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$6,258,418	($777,725)	$5,480,693
Percentage increase (decrease) to 2013-15 appropriations	52.5%	(86.4%)	42.7%

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $700,000 and a $200,000 transfer of appropriation authority from the state contingencies appropriation made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Commission on Legal Counsel for Indigents is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$302,556	$14,096	$316,652
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		260,335	6,915	267,250
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		142,598		142,598

Added funding for 1 attorney FTE position and 1 administrative FTE position and related operating expenses to establish a Watford City office.	2.00	539,555		539,555
Added funding to convert 5 temporary employees to FTE positions.	5.00	720,794		720,794
Decreased special funds as the result of less funding available in the defense administration fund.			(611,963)	(611,963)
Added funding for increased costs of legal fees, contract fees, case specific fees, and other costs related to increased caseloads		4,200,000		4,200,000
Added funding for desktop support from the Information Technology Department, including $122,275 of one-time funding from the general fund. (House Bill No. 1021)		214,855		214,855
Added one-time funding from the strategic investment and improvements fund for contract fees for legal services related to increased caseloads.			200,000	200,000
Total	7.00	$6,380,693	($390,952)	$5,989,741

FTE Changes

The Legislative Assembly added 1 attorney FTE position ($210,924) and 1 administrative assistant FTE position ($115,956) and related operating expenses ($212,675) to establish a Watford City office, and converted 5 temporary employees to FTE positions ($720,794).

One-Time Funding

In Section 2 of House Bill No. 1022, the Legislative Assembly identified $200,000 from the strategic investment and improvements fund as one-time funding for contract services fees for the 2015-17 biennium.

In Section 9 of House Bill No. 1021, the Legislative Assembly identified $122,275 from the general fund as one-time funding for desktop support services from the Information Technology Department for the 2015-17 biennium.

Deficiency Appropriations

In Section 1 of Senate Bill No. 2023, the Legislative Assembly provided a deficiency appropriation of $700,000 from the general fund to the Commission on Legal Counsel for Indigents to provide funding for expenses resulting from increased caseloads. In Section 3 of Senate Bill No. 2023, the Legislative Assembly provided $200,000 from the state contingencies appropriation in the Emergency Commission contingency fund line item in Section I of Chapter 15 of the 2013 Session Laws to the Commission on Legal Counsel for Indigents.

Other Sections in Bill

Legislative member per diem rate, travel and expenses - Section 3 amends North Dakota Century Code Section 54-61-01(6) to provide a legislative member on the Commission on Legal Counsel for Indigents is entitled to receive the per diem rate as provided under Section 54-53-10 and requires the Legislative Council pay the per diem, travel and expenses of a legislative member serving on the commission.

Legislative Assembly report - Section 4 requires the agency to report to the 65th Legislative Assembly regarding the effectiveness of limits and procedures used to ensure defense services are provided only to indigent clients.

Related Legislation

Desktop support - In Sections 7, 8, and 9 of House Bill No. 1021, the Legislative Assembly provided funding of $214,855 from the general fund, of which $122,275 is one-time funding, to the Commission on Legal Counsel for Indigents for desktop support services and included provisions requiring the agency to obtain desktop support services from the Information Technology Department.

Retirement and Investment Office
Budget No. 190
Senate Bill No. 2022

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**19.00**	**$0**	**$5,413,425**	**$5,413,425**
2015-17 base budget	19.00	0	4,899,369	4,899,369
Legislative increase (decrease) to base budget	0.00	$0	$514,056	$514,056

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Retirement and Investment Office is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$230,338	$230,338
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			148,434	148,434
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			67,734	67,734
Added funding for employee salary adjustments.			50,000	50,000
Adjusted funding for operating expenses.			17,550	17,550
Total	0.00	$0	$514,056	$514,056

FTE Changes

The Legislative Assembly approved 19 FTE positions for the Retirement and Investment Office for the 2015-17 biennium, the same as the 2013-15 biennium.

Other Sections in Bill

Appropriation line item transfers - Section 3 provides that the Retirement and Investment Office may transfer funds from its contingencies line item to other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Public Employees Retirement System
Budget No. 192
Senate Bill No. 2022; House Bill No. 1021

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**34.50**	**$0**	**$9,496,373**	**$9,496,373**
2015-17 base budget	33.00	0	7,650,450	7,650,450
Legislative increase (decrease) to base budget	1.50	$0	$1,845,923	$1,845,923

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Public Employees Retirement System (PERS) is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$429,614	$429,614
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			225,151	225,151
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			128,339	128,339
Added funding for 1 chief financial officer FTE position.	1.00		216,069	216,069
Added funding for 0.50 benefit support FTE position.	0.50		51,346	51,346
Added funding for additional workload due to the portability of retiree health credit.			43,052	43,052
Removed 2013-15 funding for costs of implementing provisions of 2013 House Bill No. 1452 relating to new employees eligible to participate in the defined contribution retirement plan.			(22,000)	(22,000)
Adjusted funding for general operating expenses.			134,470	134,470
Adjusted funding for PERSlink system refinements.			147,000	147,000
Adjusted funding for website redesign.			90,080	90,080
Added funding for a secure reception area.			27,500	27,500

Added funding for additional temporary support salaries.			122,352	122,352
Added one-time funding for additional temporary support salaries.			100,000	100,000
Added funding for desktop support services, including one-time funding of $77,370. (House Bill No. 1021)			152,950	152,950
Total	1.50	$0	$1,845,923	$1,845,923

FTE Changes

The Legislative Assembly added 1 chief financial officer FTE position and 0.50 benefit support FTE position to provide a total of 34.50 FTE positions for PERS for the 2015-17 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2022, the Legislative Assembly identified $100,000 from special funds as one-time funding, relating to additional temporary support salaries. In Section 9 of House Bill No. 1021, the Legislative Assembly identified $77,370 from special funds as one-time funding, relating to desktop support services provided by the Information Technology Department.

Other Sections in Bill

Appropriation line item transfers - Section 3 provides that the PERS may transfer funds from its contingencies line item to other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Membership of the PERS Board - Sections 4 and 5 amend North Dakota Century Code Section 54-52-01(17), relating to the Retirement Board, and Section 54-52-03, relating to changing the Retirement Board membership from seven to nine members, which includes adding two members of the Legislative Assembly appointed by the Chairman of the Legislative Management. In addition, Section 5 adds language to allow the State Health Officer to designate an individual to serve on behalf of the State Health Officer.

Rebid process for health insurance contracts - Section 6 adds a new section to amend Section 54-52.1-05, relating to the uniform group insurance contract and the process used to rebid health insurance contracts.

Insurance and provider privacy - Section 7 adds a section relating to insurance and provider privacy to limit the disclosure of health information to other health care delivery entities.

Health insurance reserve fund - Section 8 prohibits the PERS Board from spending funds in the health insurance reserve fund or any other source for the purpose of reducing any increase of the uniform group insurance premium amount beyond the rate used by the 64th Legislative Assembly for developing 2015-17 biennium state agency budgets.

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including PERS, to obtain desktop support services from the Information Technology Department.

House Bill No. 1038 - Telehealth - Makes changes to PERS uniform group insurance coverage of telehealth, and requires the PERS to provide a report to the 65th Legislative Assembly, which includes effects of the telehealth coverage requirement on the system's health insurance programs, information on the utilization and costs relating to the coverage, and a recommendation regarding whether the coverage should continue.

House Bill No. 1062 - Retirement Plans - Makes technical changes to the Highway Patrolmen's retirement plan and PERS defined benefit plan and defined contribution plan retirement benefits, health insurance plans, life insurance benefits, and employee assistance benefits coverage.

House Bill No. 1072 - Cancer treatment medications - Requires PERS health plan to provide coverage for cancer treatment medications that are patient-administered.

Senate Bill No. 2102 - National Guard retirement plans - Moves National Guard security employees from the National Guard retirement plan to the Bureau of Criminal Investigation Peace Officers retirement plan due to a reduction in the number of National Guard security employees.

Senate Bill No. 2174 - Legislative Management study - Health care delivery system - Provides for a Legislative Management study of the health care delivery system, which includes considering the feasibility of offering to the public, via the marketplace, a qualified public employees retirement system uniform group health plan.

Department of Trust Lands
Budget No. 226
House Bill No. 1013 and 1176

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**33.00**	**$0**	**$148,243,153**	**$148,243,153**
2015-17 base budget	31.00	0	8,092,245	8,092,245
Legislative increase (decrease) to base budget	2.00	$0	$140,150,908	$140,150,908

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Trust Lands is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			($31,258)	($31,258)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			226,866	226,866
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			116,132	116,132
Added funding for a land management FTE position ($198,278) and for an unclaimed property and compliance officer position ($186,968).	2.00		385,246	385,246
Added funding for office space rental.			90,000	90,000
Added funding for administrative costs of the energy infrastructure and impact office to provide total funding of $700,000 from the oil and gas impact grant fund.			163,922	163,922
Reduced funding for contingencies to provide total funding of $100,000.			(100,000)	(100,000)
Added funding from the oil and gas impact grant fund for grants to political subdivisions affected by oil and gas development activities. (House Bill No. 1176)			139,300,000	139,300,000
Total	2.00	$0	$140,150,908	$140,150,908

FTE Changes

The Legislative Assembly approved 33 FTE positions, an increase of 2 FTE position from the 2013-15 biennium authorized level of 31 FTE positions. The new positions include a land management position and an unclaimed property and compliance officer position.

Other Sections in House Bill No. 1013

Line item transfers - Section 3 allows the Commissioner of University and School Lands, upon approval of the Board of University and School Lands, to transfer funding between the various line items, including the contingencies line item. The Commissioner shall notify the Office of Management and Budget of each transfer made pursuant to this section.

Fund distributions - Section 4 provides permanent fund income distributions to state institutions as follows:

	2013-15 Legislative Appropriation	2015-17 Legislative Appropriation	Increase (Decrease)
Common schools	$130,326,000	$206,134,000	$75,808,000
North Dakota State University	2,066,000	3,368,000	1,302,000
University of North Dakota	1,814,000	2,742,000	928,000
Youth Correctional Center	810,000	1,372,000	562,000
School for the Deaf	720,000	1,180,000	460,000
North Dakota State College of Science	731,428	1,066,000	334,572
State Hospital	803,428	1,078,000	274,572
Veterans' Home	325,428	434,000	108,572
Valley City State University	372,000	570,000	198,000
North Dakota Vision Services - School for the Blind	331,428	534,000	202,572
Mayville State University	236,000	382,000	146,000
Dakota College at Bottineau	49,428	78,000	28,572
Dickinson State University	49,428	78,000	28,572
Minot State University	49,428	78,000	28,572
Total	$138,683,996	$219,094,000	$80,410,004

Exempt records - Section 5 creates a new section to North Dakota Century Code Chapter 44-04 to provide that the value of property paid or delivered to the state abandoned property office is exempt from open records laws. Section 8 includes an emergency clause related to the open records exemption.

Grant recommendations - Section 6 amends Section 57-62-05 to remove the requirement that the Director of the Energy Infrastructure and Impact Office provide oil and gas impact grant recommendations to the Board of University and School Lands at least quarterly.

Study of excess lands - Section 7 provides for a Legislative Management study of federal legislation to return excess lands related to the operation of Oahe Dam to the state.

Related Legislation

House Bill No. 1176 - Oil and gas impact grant fund - Section 5 of the bill appropriates $139.3 million ($140 million allocated to the fund less an estimated $700,000 for administrative costs) from the oil and gas impact grant fund to the Department of Trust Lands for oil impact grants. Of the $139.3 million, $6.8 million is undesignated and $132.5 million is designated as follows:

- $48 million for airports;
- $30 million for school districts;
- $10 million for law enforcement agencies, of which $750,000 is designated for grants to organizations that provide prevention and treatment services related to human trafficking in hub cities (SB 2199) and $250,000 is designated for sexual assault examiner programs (SB 2284);
- $10 million for critical access hospitals;

- $8 million for certain eligible counties;
- $6 million for emergency medical services providers;
- $5 million for eligible political subdivisions;
- $4 million for nursing homes, basic care facilities, and hospice programs;
- $3 million for fire protection districts;
- $2 million for providers serving individuals with developmental disabilities;
- $2 million for domestic violence sexual assault organizations;
- $2 million local district health units;
- $1.7 million to an eligible city; and
- $800,000 to certain eligible cities.

House Bill No. 1377 - Contingent transfers to legacy fund - Removes the requirement that 25 percent of strategic investment and improvements fund revenues be transferred to the legacy fund when the unobligated balance of the strategic investment and improvements fund exceeds $300 million.

State Library
Budget No. 250
Senate Bill No. 2013

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**29.75**	**$6,773,655**	**$2,438,751**	**$9,212,406**
2015-17 base budget	29.75	5,875,988	2,394,145	8,270,133
Legislative increase (decrease) to base budget	0.00	$897,667	$44,606	$942,273

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$6,523,655**	**$250,000**	**$6,773,655**
2013-15 legislative appropriations	5,875,988	0	5,875,988
2015-17 legislative increase (decrease) to 2013-15 appropriations	$647,667	$250,000	$897,667
Percentage increase (decrease) to 2013-15 appropriations	11.0%	N/A	15.3%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Library is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$56,853	$23,076	$79,929
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		128,060	10,835	138,895
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		96,254	10,695	106,949
Increased funding for state aid to libraries to provide a total of $2,133,000 from the general fund.		366,500		366,500

Added one-time funding for library repair and maintenance grants.		250,000		250,000
Total	0.00	$897,667	$44,606	$942,273

FTE Changes

The Legislative Assembly approved 29.75 FTE positions for the State Library for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2013, the Legislative Assembly identified $250,000 of one-time funding from the general fund for the 2015-17 biennium for library repair and maintenance grants. Library repair and maintenance grants require a 1:1 match and a written agreement that the library and its community will provide proof that the match can be met. Grants may not be used for new construction or to purchase new buildings.

This amount is not to be considered part of the State Library's 2017-19 biennium base budget, and the State Library is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

Other Sections in Bill

State aid to public libraries - Section 13 provides that the grants line item for the State Library includes $2,133,000 from the general fund for aid to public libraries, an increase of $366,500 from the $1,766,500 appropriated for the 2013-15 biennium. No more than one-half of the 2015-17 legislative appropriation may be expended during the first year of the biennium.

State Library operating fund - Section 21 creates a State Library operating fund. Funds received for book replacement, cataloging services, and other miscellaneous library services are to be deposited in the fund and may be spent pursuant to legislative appropriation.

Related Legislation

North Dakota Library Coordinating Council - Senate Bill No. 2091 relates to the membership of the North Dakota Library Coordinating Council.

School for the Deaf
Budget No. 252
Senate Bill No. 2013

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**45.61**	**$9,140,590**	**$1,689,210**	**$10,829,800**
2015-17 base budget	44.61	7,799,379	1,568,928	9,368,307
Legislative increase (decrease) to base budget	1.00	$1,341,211	$120,282	$1,461,493

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$9,140,590**	**$0**	**$9,140,590**
2013-15 legislative appropriations	7,799,379	0	7,799,379
2015-17 legislative increase (decrease) to 2013-15 appropriations	$1,341,211	$0	$1,341,211
Percentage increase (decrease) to 2013-15 appropriations	17.2%	0.0%	17.2%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the School for the Deaf is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$269,690	($91,285)	$178,405
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		141,193	8,438	149,631
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		184,510	4,433	188,943
Added funding for 1 adult services FTE position for the western part of the state.	1.00	129,600		129,600

Added funding for extraordinary repairs to provide a total of $192,174 from the general fund.		65,912		65,912
Added funding for equipment over $5,000 to provide a total of $75,000 from special funds for a lawn tractor ($15,000) and a skid steer tractor ($60,000).			52,500	52,500
Removed funding for information technology equipment over $5,000 provided during the 2013-15 biennium.			(43,000)	(43,000)
Increased funding for operating expenses.		50,306	89,196	139,502
Adjusted the funding source of operating expenses to increase funding from the general fund.		500,000	(500,000)	
Added one-time funding for boiler replacement and Smith Building projects.			600,000	600,000
Total	1.00	$1,341,211	$120,282	$1,461,493

FTE Changes

The 2015-17 biennium appropriations for the School for the Deaf include funding for 45.61 FTE positions, an increase of 1 FTE position from the 2013-15 biennium. The Legislative Assembly added 1 adult services FTE position for the western part of the state.

One-Time Funding

In Section 2 of Senate Bill No. 2013, the Legislative Assembly identified $600,000 of one-time funding from special funds for extraordinary repairs, including boiler replacement and Smith Building projects. This amount is not to be considered part of the School for the Deaf 's 2017-19 biennium base budget, and the School for the Deaf is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

Extraordinary Repairs and Capital Assets

The Legislative Assembly provided a total of $867,174, of which $192,174 is from the general fund and $675,000 is from special funds, for extraordinary repairs and capital assets, including:

	General Fund	Special Funds	Total
Activities building repairs (including pool skimmer covers, lockers, and mechanical room)	$20,174		$20,174
Kitchen coolers	46,000		46,000
Parking lot and lighting repairs	64,000		64,000
Asbestos testing and abatement	32,000		32,000
Dining room flooring and ceiling	30,000		30,000
Boiler replacement		$300,000	300,000
Smith Building projects		300,000	300,000
Skid steer tractor		60,000	60,000
Lawn tractor		15,000	15,000
Total	$192,174	$675,000	$867,174

Other Sections in Bill

Higher education interpreter grant program - Section 16 provides that $200,000 from the general fund included in the grants line item of the School for the Deaf is for the continuation of the grants program to assist institutions under the control of the State Board of Higher Education with the cost of interpreters and real-time captioning for students who are deaf or hearing-impaired for the 2015-17 biennium. Funding appropriated for this program is not subject to North

Dakota Century Code Section 54-44.1-11. In addition, the section requires the School for the Deaf to develop a formula for distribution of the funds based on a uniform hourly reimbursement and may not distribute more than 50 percent of the amount appropriated during the first year of the biennium. If any grant funding remains undistributed at the end of the biennium, the School for the Deaf is to provide additional prorated grants to institutions that during the biennium incurred hourly expenses in excess of the formula reimbursement level.

North Dakota Vision Services - School for the Blind
Budget No. 253
Senate Bill No. 2013

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**30.00**	**$5,081,484**	**$625,325**	**$5,706,809**
2015-17 base budget	30.00	4,501,586	743,427	5,245,013
Legislative increase (decrease) to base budget	0.00	$579,898	($118,102)	$461,796

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$5,081,484**	**$0**	**$5,081,484**
2013-15 legislative appropriations	4,501,586	3,192,507	7,694,093
2015-17 legislative increase (decrease) to 2013-15 appropriations	$579,898	($3,192,507)	($2,612,609)
Percentage increase (decrease) to 2013-15 appropriations	12.9%	(100.0%)	(34.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the School for the Blind is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$233,186	($200,739)	$32,447
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		68,192	14,829	83,021
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		102,263	11,815	114,078
Added funding to convert an existing vision assistant position to an orientation and mobility specialist position serving the western part of the state, including salaries and wages and operating expenses.		49,960		49,960

Added funding for extraordinary repairs to provide a total of $49,454 from the general fund.		14,097	(7)	14,090
Increased funding for operating expenses.		107,200		107,200
Added funding for operating expenses related to an annual one day low-vision clinic in public schools.		5,000		5,000
Added one-time funding for information technology equipment over $5,000 ($13,500) and operating expenses ($2,500) to install a server and wireless access points.			16,000	16,000
Added one-time funding to pay off a special assessment.			19,000	19,000
Added one-time funding for equipment less than $5,000, including lawn mower/tractor sweep attachment, wall unit air conditioners, floor cleaners, vacuums, washer, dryer, and refrigerator.			21,000	21,000
Total	0.00	$579,898	($118,102)	$461,796

FTE Changes

The 2015-17 biennium appropriations for the School for the Blind include funding for 30.00 FTE positions, the same as the 2013-15 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2013, the Legislative Assembly identified $56,000 of one-time funding from special funds for a server and access points ($16,000); equipment, including lawn mower/tractor sweep attachment, wall unit air conditioners, floor cleaners, vacuums, washer, dryer, and refrigerator ($21,000); and to pay off special assessments ($19,000). This amount is not to be considered part of the School for the Blind's 2017-19 biennium base budget, and the School for the Blind is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

Extraordinary Repairs and Capital Assets

The Legislative Assembly provided a total of $81,954, of which $49,454 is from the general fund and $32,500 is from special funds, for extraordinary repairs ($49,454), information technology equipment ($13,500), and special assessments payoff ($19,000).

Other Sections in Bill

Subscription and Braille fees - Section 15 provides that money collected for subscription fees or Braille fees must be deposited in the School for the Blind operating fund and is subject to appropriation by the Legislative Assembly.

Career and Technical Education
Budget No. 270
House Bill Nos. 1019, 1021, and 1393

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**26.50**	**$33,920,062**	**$9,697,887**	**$43,617,949**
2015-17 base budget	27.00	31,392,916	10,287,795	41,680,711
Legislative increase (decrease) to base budget	(0.50)	$2,527,146	($589,908)	$1,937,238

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$33,813,312**	**$106,750**	**$33,920,062**
2013-15 legislative appropriations	31,392,916	1,000,000	32,392,916
2015-17 legislative increase (decrease) to 2013-15 appropriations	$2,420,396	($893,250)	$1,527,146
Percentage increase (decrease) to 2013-15 appropriations	7.7%	(89.3%)	4.7%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Career and Technical Education is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.	(0.50)	$342,949	($289,908)	$53,041
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		187,789		187,789
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		96,254		96,254
Added funding to continue Cass County Area Technology Center.		500,000		500,000

Added funding to increase reimbursement rates and for secondary and postsecondary career and technical education programs, including $500,000 for cost-to-continue.		700,000		700,000
Added funding for new and expanded programs to increase course offerings.		700,000		700,000
Reduced funding for grants, including science, technology, engineering, and mathematics (STEM) program grants ($160,000), STEM network ($140,000), autism spectrum disorder grant ($250,000), and other grant adjustments ($10,436).		(310,436)	(250,000)	(560,436)
Discontinued farming for profit program.			(50,000)	(50,000)
Added funding for a STEM advancement initiative (House Bill No. 1393).		100,000		100,000
Added funding for desktop support services from the Information Technology Department, including $106,750 of one-time funding from the general fund (House Bill No. 1021).		210,590		210,590
Total	(0.50)	$2,527,146	($589,908)	$1,937,238

FTE Changes

The 2015-17 biennium appropriations for the Department of Career and Technical Education included funding for 26.50 FTE positions, a reduction of 0.50 FTE positions from the 2013-15 authorized level of 27 FTE positions. The Legislative Assembly removed a 0.50 vacant FTE position.

One-Time Funding

In Section 9 of House Bill No. 1021, the Legislative Assembly identified $106,750 from the general fund as one-time funding relating to desktop support services from the Information Technology Department.

Related Legislation

Desktop support services - In Sections 7, 8, and 9 of House Bill No. 1021, the Legislative Assembly provided funding of $210,590 from the general fund, of which $106,750 is one-time funding, to the Department of Career and Technical Education for desktop support services and required the agency to receive desktop support services from the Information Technology Department.

STEM advancement initiative - In House Bill No. 1393, the Legislative Assembly provided funding of $100,000 from the general fund, to the Department of Career and Technical Education for a STEM advancement initiative.

State Department of Health
Budget No. 301
House Bill No. 1004

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**365.00**	**$51,521,680**	**$144,170,964**	**$195,692,644**
2015-17 base budget	354.00	44,921,508	139,303,434	184,224,942
Legislative increase (decrease) to base budget	11.00	$6,600,172	$4,867,530	$11,467,702

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$51,185,680**	**$336,000**	**$51,521,680**
2013-15 legislative appropriations	44,921,508	1,800,900[1]	46,722,408[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$6,264,172	($1,464,900)	$4,799,272
Percentage increase (decrease) to 2013-15 appropriations	13.9%	(81.3%)	10.3%

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $720,900 made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Department of Health is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015. Senate Bill No. 2015 also authorizes the State Department of Health to receive a transfer from the targeted market equity funding pool to provide salary adjustments to employees in positions identified as having recruitment and retention challenges.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$110,666	($170,444)	($59,778)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		1,267,726	884,530	2,152,256
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		764,327	554,708	1,319,035

Adjusted funding for base budget changes related to bond payments, extraordinary repairs, and equipment.		(337,263)	821,785	484,522
Adjusted funding for base budget changes relating to the cost-to-continue programs, including operating expenses, grants, tobacco prevention, and Women Infants and Children (WIC) food payments.		505,169	(3,847,541)	(3,342,372)
Adjusted funding for the cardiac care system.		213	(2,055,906)	(2,055,693)
Increased funding for the universal vaccine program by $576,853 to provide a total of $3,076,853 from the general fund.		576,853		576,853
Added funding to contract with the University of North Dakota School of Medicine and Health Sciences to provide a total of $480,000 from the general fund to perform autopsies in the eastern part of the state, the same as the 2013-15 biennium appropriation. In addition, $160,000 from the general fund was added to the budget of the University of North Dakota School of Medicine and Health Sciences for Department of Pathology services to provide a total of $640,000 from the general fund, $160,000 more than the 2013-15 biennium.		480,000		480,000
Added funding for costs related to the Environmental Protection Agency lawsuit.		500,000		500,000
Added funding for 1 food and lodging inspector FTE position, including salaries and wages and operating expenses.	1.00	149,975	8,428	158,403
Added funding for 10 FTE positions in the Environmental Health section, including air quality (3 FTE positions), municipal facilities (2 FTE positions), waste management (2 FTE positions), and water quality (3 FTE positions) to meet increased demands in oil-impacted areas, including salaries and wages ($1,388,986) and operating expenses ($315,518).	10.00	1,204,494	500,010	1,704,504
Decreased funding for Women's Way to provide a total of $400,000 from the community health trust fund.			(500)	(500)
Reduced funding for operating expenses agencywide.		(300,000)		(300,000)
Added funding for cardiac system of care.		200,000		200,000
Adjusted funding for the behavioral risk factor state survey to provide $24,500 from federal or other funds, and $496,000 from the community health trust fund, instead of total funding of $520,500 from the community health trust fund, as provided in the department's cost to continue adjustment.				

Adjusted funding for the dental loan repayment program ($360,000) from the community health trust fund to the student loan trust fund. Funding for the dental loan repayment program was provided from the general fund and the community health trust fund in the department's base budget and in the department's cost to continue adjustment.			
Increased funding for the medical loan repayment program to provide a total of $698,800 from the general fund.	122,012		122,012
Increased funding for suicide prevention grants to provide a total of $830,000 from the general fund.	150,000		150,000
Increased funding for grants to local public health units to provide a total of $4.25 million from the general fund.	250,000		250,000
Increased funding for rural emergency medical services (EMS) grants to provide a total of $8.44 million, of which $1.25 million is from the insurance tax distribution fund and $7.19 million is from the general fund. Funding is provided for training grants ($940,000) and rural EMS grants ($7.5 million). In addition, a section is added to provide that of the $7.5 million provided for rural EMS grants, at least 85 percent be distributed to EMS providers that do not receive oil impact grant funding.	1,100,000		1,100,000
Increased funding for domestic violence and rape crisis grants to provide a total of $2.25 million, of which $1.91 million is from the general fund and $340,000 is from special funds.	200,000		200,000
Added funding for a mobile dental services grant.	100,000		100,000
Removed funding for regional public health network grants provided during the 2013-15 biennium.	(700,000)		(700,000)
Removed funding for a contingent family violence grant provided during the 2013-15 biennium.	(80,000)		(80,000)
Increased funding for tobacco prevention to provide for a grant from the Tobacco Prevention and Control Executive Committee to be used for the Centers for Disease Control and Prevention *Best Practices for Comprehensive Tobacco Prevention and Control Programs*.		500,000	500,000
Added federal funding authority for federal grants identified by the department, including funding for colorectal cancer screening capacity, stroke prevention, and Ebola emergency preparedness, laboratory capacity, and hospital preparedness.		5,472,350	5,472,350

Added one-time funding from federal funds for WIC food payments system replacement, including salaries and wages and operating expenses.			1,712,110	1,712,110
Added one-time funding for equipment related to the 3 new air quality FTE positions and for laboratory equipment.		292,000	488,000	780,000
Added one-time funding for digital x-ray equipment for the forensic examiner.		44,000		44,000
Total	11.00	$6,600,172	$4,867,530	$11,467,702

FTE Changes

The 2015-17 biennium appropriation includes funding for 365 FTE positions, an increase of 11 FTE positions from the 2013-15 biennium authorized level of 354 FTE positions. The following table summarizes FTE positions added by the Legislative Assembly:

Position	Legislative FTE Changes
Food and lodging inspector	1.00
Air quality environmental scientist II	3.00
Municipal facilities environmental engineer II	2.00
Waste management environmental scientist II	2.00
Water quality environmental scientist II	2.00
Water quality environmental scientist administrator I	1.00
Total	11.00

One-Time Funding

In Section 2 of House Bill No. 1004, the Legislative Assembly identified $2,536,110, of which $336,000 is from the general fund, as one-time funding for the 2015-17 biennium. The Legislative Assembly provided one-time funding from the general fund for digital x-ray equipment for the forensic examiner ($44,000) and for equipment related to the 3 new air quality FTE positions and laboratory equipment ($292,000). These amounts are not to be considered part of the State Department of Health's 2017-19 biennium base budget, and the State Department of Health is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

Deficiency Appropriations

The Legislative Assembly, in Senate Bill No. 2023, provided a 2013-15 biennium general fund deficiency appropriation of $720,900 for a shortfall in the local public health vaccine purchasing program ($470,900) and for additional costs associated with current or pending legal actions with the United States Environmental Protection Agency ($250,000).

Emergency Medical Services Funding

The Legislative Assembly provided a total of $8.44 million, of which $7.19 million is from the general fund and $1.25 million is from the insurance tax distribution fund, for rural EMS grants. Funding is provided for training grants ($940,000) and rural EMS grants ($7.5 million). This level of funding represents an increase of $1.1 million from the general fund compared to the 2013-15 biennium. In addition, House Bill No. 1176 provides $6 million from the oil and gas impact grant fund for grants to EMS providers for expenditures that would mitigate negative effects of oil and gas-related development affecting EMS providers providing services in oil-producing counties, including the need for increased EMS providers services, staff, equipment, coverage, and personnel training, $1 million less than was provided for EMS oil and gas impact grants during the 2013-15 biennium. Section 6 of House Bill No. 1004 provides that, of the $7.5 million provided for rural EMS grants in House Bill No. 1004, at least 85 percent be distributed to EMS providers that do not receive oil impact grant funding.

Dental Loan Repayment Program

The Legislative Assembly, in Senate Bill No. 2205, amended North Dakota Century Code Chapter 43-28.1 related to the dental loan repayment program to remove the maximum number of dentists that may receive a loan and to provide the council select dentists who will provide services in areas of defined need, including populated areas where there are public health needs. The dentists are eligible to receive funds, not to exceed a total of $100,000 per applicant, for the repayment of their educational loans. The funds are payable over a five-year period ($20,000 per year). The 2015 Legislative Assembly provided a total of $540,000, of which $180,000 is from the general fund and $360,000 is from the student loan trust fund, for the dentists' loan repayment program during the 2015-17 biennium, $20,000 more than the 2013-15 biennium legislative appropriation. The 2015-17 legislative appropriations also include $180,000 from the general fund for the loan repayment program for dentists who practice in a public health setting or a nonprofit dental clinic that uses a sliding fee schedule to bill patients. This funding is in addition to $540,000 provided for the dental loan repayment program. Senate Bill No. 2205 repealed Section 43-28.1-01.1 related to the loan repayment program for dentists in public health and nonprofit dental clinics and the $180,000 from the general fund is available for the dental loan repayment program, as amended in Senate Bill No. 2205. Total funding available for the combined dental loan repayment program based on defined need is $720,000, of which $360,000 is from the general fund and $360,000 is from the student loan trust fund.

Tobacco Prevention and Control Funding

The Legislative Assembly, in House Bill No. 1004, provided a total tobacco prevention appropriation of $6,910,177, of which $3,440,864 is from the community health trust fund, $2,969,313 is from federal funds, and $500,000 is from a grant provided by the Tobacco Prevention and Control Advisory Committee from the tobacco prevention and control trust fund. Funding from the community health trust fund provides for community health tobacco programs, the Tobacco Quitline, and a tobacco prevention coordinator. Certain tobacco-related programs currently provided through the State Department of Health qualify as best practices as outlined by the Centers for Disease Control and Prevention. As a result, the funding for the Tobacco Prevention and Control Executive Committee is adjusted accordingly. However, because the State Department of Health anticipates reductions in federal funding available for tobacco prevention and control, the Legislative Assembly increased 2015-17 biennium authority for the Tobacco Prevention and Control Executive Committee and the State Department of Health to provide for a $500,000 grant from the tobacco prevention and control trust fund to the State Department of Health. Funding for the comprehensive statewide tobacco prevention and control program is summarized as follows:

2015-17 Biennium	Community Health Trust Fund	Tobacco Prevention and Control Trust Fund	Federal Funds	Total
State Department of Health (SB 1004)				
Tobacco prevention and control	$3,440,864	$500,000[1]	$2,969,313	$6,910,177[1]
Tobacco Prevention and Control Executive Committee (SB 1024)				
Tobacco prevention and control		16,548,039[1]		16,548,039[1]
Total 2015-17 biennium funding	$3,440,864	$17,048,039[1]	$2,969,313	$23,458,216[1]

[1]Includes $500,000 provided as a grant from the Tobacco Prevention and Control Advisory Committee to the State Department of Health to be used for the Centers for Disease Control *Best Practices for Comprehensive Tobacco Prevention and Control Programs*.

Local Public Health Unit Funding

The Legislative Assembly provided a total of $4.25 million from the general fund for grants to local public health units, $250,000 more than the 2013-15 biennium. In addition, House Bill No. 1176 provides $2 million from the oil and gas impact grant fund for grants to local district health units that are located in oil-producing counties to address the effects of oil and gas-related development activities. Section 5 of House Bill No. 1004 provides that, of the $4.25 million provided for grants to local public health units, $250,000 from the general fund be made available for grants to local public health units serving non-oil-producing counties in the state during the 2015-17 biennium.

Other Sections in Bill

Environment and rangeland protection fund - Section 3 authorizes the department to spend $250,000 from the environment and rangeland protection fund for ground water testing programs. Of this amount, $50,000 is for a grant to the North Dakota Stockmen's Association for the environmental services program.

Veterinarian loan repayment program selection criteria - Section 4 amends Section 43-29.1-03 to require participants in the veterinarian loan repayment program be employed full time in the private practice of veterinary medicine.

Grants to local public health units - Section 5 provides that, of the $4.25 million made available for grants to local public health units during the 2015-17 biennium, it is the intent of the Legislative Assembly that $250,000 be made available for grants to local public health units serving non-oil-producing counties.

Rural emergency medical services grants - Section 6 provides that, of the $7.5 million provided for rural emergency medical services grants, it is the intent of the Legislative Assembly that at least 85 percent be distributed to EMS providers that do not receive oil impact grant funding.

University of North Dakota Forensic Pathology Center study - Section 7 provides for a Legislative Management study of the feasibility and desirability of the University of North Dakota acquiring the building that houses the University of North Dakota Forensic Pathology Center.

Waste management study - Section 8 provides for a Legislative Management study of onsite sewage disposal in the state, including areas of the state lacking environmental programs to address onsite sewage disposal, lack of uniform standards for disposal, regulation authority, and the impact of onsite sewage disposal and waste management on industry and the public.

Related Legislation

Health data study - Report to the Information Technology Committee - House Bill No. 1021, the appropriation bill for the Information Technology Department, includes $500,000 of one-time funding from special funds, federal funds, or other funds, for the Information Technology Department to hire a consultant to conduct a health data study during the 2015-17 biennium and requires the department report the findings of the consultant to the Information Technology Committee.

Evaluation of state programs to assist health professionals - House Bill No. 1036 requires the State Department of Health to evaluate state programs to assist health professionals, including behavioral health professionals, with a focus on state loan repayment programs and to provide reports to the Legislative Management. A fiscal note prepared by the State Department of Health indicates the department would need to contract with an outside vendor to complete the evaluation and study of programs at an estimated cost of $20,000.

Health statistics - House Bill No. 1116 amends sections of Century Code relating to health statistics to provide clarification and allows the State Department of Health to issue, through electronic means, verification of information contained on birth or death records filed with the State Registrar.

Mammography results - House Bill No. 1370 creates a new statutory section relating to mammogram result notices and the notification of registered owners of mammography equipment. A fiscal note prepared by the State Department of Health indicates this will have minimal fiscal impact as the department communicates with all entities included in the bill on a regular basis.

Licensing commercial oilfield special waste recyclers - House Bill No. 1390 requires the State Department of Health to select at least one commercial oilfield special waste recycling facility for a pilot project to assist the department in the development of standards for recycling oil field waste. The bill requires commercial oilfield special waste recycling facilities permitted after June 30, 2017, obtain a solid waste permit from the department and authorizes inspections of commercial oilfield special waste recycling facilities. A fiscal note prepared by the department indicates estimated expenditures of $64,483 during the 2015-17 biennium, including a .50 temporary FTE at a cost of $48,523 and operating expenses of $15,960 for travel, the purchase of one-time computer and office furniture, and general operation costs. The Legislative Assembly did not provide additional funding or FTEs for these duties.

Student loan repayment programs for health care professionals - House Bill No. 1396 creates a new statutory section to provide a student loan repayment program for health care professionals including physicians, clinical psychologists, advanced practice registered nurses or physician assistants, and behavioral health professionals, and repeals Chapters 43-12.2 and 43-17.2 related to medical personnel and physician loan repayment programs. A fiscal note prepared by the State Department of Health indicates funding included in House Bill No. 1004 will now be used for four categories of professionals for contracts entered into on or after August 1, 2015, rather than the existing two categories. Therefore, the legislation has no fiscal impact.

Tobacco settlement trust fund - Appropriation to the Attorney General - Senate Bill No. 2003 amends Section 54-27-25 related to tobacco settlement trust fund uses to provide funds received under subsection IX(c)(1) of the Master Settlement Agreement may be appropriated to the Attorney General for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement. Funds appropriated to the Attorney General from the tobacco settlement trust fund reduce funds available for transfer to other trust funds, including the community health trust for tobacco prevention and control and other health-related services. The 2015 Legislative Assembly appropriated $200,000 from the tobacco settlement trust fund for this purpose for the 2015-17 biennium.

Deficiency appropriation - Senate Bill No. 2023 provides a 2013-15 biennium general fund deficiency appropriation of $720,900 to the State Department of Health for a shortfall in the local public health vaccine purchasing program ($470,900) and for additional costs associated with current or pending legal actions with the United States Environmental Protection Agency ($250,000).

Dental loan repayment Program - Senate Bill No. 2205 changes the dentists' loan repayment program to apply to dentists providing dental services in cities or surrounding areas in the state, which the Health Council identifies as having a defined need for dental services. The bill also modifies the number of dentists selected in the loan repayment program and the eligibility criteria of the program and eliminates the dental new practice grants and the loan repayment program for dentists serving in a public health or nonprofit clinic. A fiscal note prepared by the State Department of Health indicates the bill has no fiscal impact because the number of dentists selected to participate in the loan repayment program is subject to funds available.

Sexual assault examiner programs - Oil and gas impact grants - Senate Bill No. 2284 requires the Board of University and School Lands to make available, from funds designated in House Bill No. 1176 for grants to law enforcement agencies impacted by oil and gas development, $250,000 for community-based or hospital-based sexual assault examiner program grants. Grant funds are to be made available through domestic violence and rape crisis programs and may not be used for nurses' salaries. The Board of University and School Lands must award the grants as directed by the Attorney General and any organization that receives a grant must report to the Attorney General and the Appropriations Committees of the 65th Legislative Assembly on the use of the funds and the outcomes of its program. The Attorney General must report to the 65th Legislative Assembly on the number of nurses trained; the number and location of nurses providing services related to sexual assault nurse examiner programs; and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, states attorneys, and sexual assault advocates.

Tobacco Prevention and Control Executive Committee
Budget No. 305
House Bill No. 1024

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**8.00**	**$0**	**$16,548,039**	**$16,548,039**
2015-17 base budget	8.00	0	15,815,828	15,815,828
Legislative increase (decrease) to base budget	0.00	$0	$732,211	$732,211

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Tobacco Prevention and Control Executive Committee is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

	Changes to Base Budget			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$52,924	$52,924
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			61,871	61,871
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			32,085	32,085
Adjusted funding for cost-to-continue current program operating expenses primarily relating to anticipated increases in professional fees and rent.			35,000	35,000
Removed funding for equipment over $5,000.			(6,500)	(6,500)
Increased funding for information technology for ongoing information technology costs related to securing desktop support services from the Information Technology Department.			21,460	21,460
Added one-time funding for computer installation fees related to Information Technology Department desktop support services.			35,371	35,371
Added funding to provide a grant to the State Department of Health to be used for the Centers for Disease Control *Best Practices for Comprehensive Tobacco Prevention and Control Programs*.			500,000	500,000
Total	0.00	$0	$732,211	$732,211

FTE Changes

The Legislative Assembly approved 8.00 FTE positions for the Tobacco Prevention and Control Executive Committee for the 2015-17 biennium, the same as the 2013-15 biennium.

Tobacco Prevention and Control Executive Committee

North Dakota voters approved initiated measure No. 3 in the November 2008 general election. The measure added seven new sections to the North Dakota Century Code and amended Section 54-27-25 to establish the **Tobacco Prevention and Control Advisory Committee** and an executive committee, develop and fund a comprehensive statewide tobacco prevention and control plan, and create a tobacco prevention and control trust fund to receive tobacco settlement dollars to be administered by the executive committee. The measure provided for the advisory committee, appointed by the Governor, to develop the initial comprehensive plan and select an executive committee responsible for the implementation and administration of the comprehensive plan. The initiated measure became effective 30 days after the election (December 4, 2008).

Tobacco settlement payments received by the state under the Master Settlement Agreement are derived from two subsections of the Master Settlement Agreement. Subsection IX(c)(1) of the Master Settlement Agreement provides payments on April 15, 2000, and on April 15 of each year thereafter in perpetuity, while subsection IX(c)(2) of the Master Settlement Agreement provides for additional strategic contribution payments that begin on April 15, 2008, and continue each April 15 thereafter through 2017. Section 54-27-25, created by 1999 House Bill No. 1475, did not distinguish between payments received under the separate subsections of the Master Settlement Agreement and provided for the deposit of all tobacco settlement money received by the state into the tobacco settlement trust fund. Money in the fund, including interest, is transferred within 30 days of deposit in the fund as follows:

- Ten percent to the community health trust fund.
- Forty-five percent to the common schools trust fund.
- Forty-five percent to the water development trust fund.

The measure provided for a portion of tobacco settlement dollars received by the state to be deposited in the tobacco prevention and control trust fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement continues to be deposited in the tobacco settlement trust fund and allocated 10 percent to the community health trust fund (with 80 percent used for tobacco prevention and control), 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement is deposited into the tobacco prevention and control trust fund. Interest earned on the balance in this fund is deposited in the fund. The fund is administered by the executive committee created by the measure for the purpose of creating and implementing the comprehensive plan.

The measure also provided that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The Legislative Assembly in Section 39 of 2009 House Bill No. 1015 provided that any money deposited in the water development trust fund under Section 54-27-25 may only be spent pursuant to legislative appropriation.

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the Master Settlement Agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. Beginning in 2009, tobacco settlement payments are deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25 as amended by the measure. The measure results in the following actual and estimated payments deposited in the tobacco prevention and control trust fund:

	Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund
Actual payment April 2008	N/A
Actual payment April 2009	$14.1 million
Actual payments 2009-11 biennium	23.5 million
Actual payments 2011-13 biennium	22.8 million
Estimated 2013-15 biennium	22.4 million
Estimated 2015-17 biennium	22.6 million
Total	$105.4 million

Comprehensive Tobacco Prevention and Control

The Tobacco Prevention and Control Advisory Committee is responsible for developing a comprehensive statewide tobacco prevention and control program that is consistent with the Centers for Disease Control and Prevention *Best Practices for Comprehensive Tobacco Prevention and Control Programs*. In 2014 based on 2013 dollars and using 2012 population estimates, the Centers for Disease Control and Prevention recommended annual investment for the state of North Dakota was $9.8 million, or $19.6 million for the biennium. The Tobacco Prevention and Control Executive Committee anticipates certain tobacco-related programs currently provided through the State Department of Health qualify as best practices as outlined by the Centers for Disease Control and Prevention. As a result, the funding for the Tobacco Prevention and Control Executive Committee is adjusted accordingly. However, because the State Department of Health anticipates reductions in federal funding available for tobacco prevention and control, the Legislative Assembly increased 2015-17 biennium authority for the Tobacco Prevention and Control Executive Committee and the State Department of Health to provide for a $500,000 grant from the tobacco prevention and control trust fund to the State Department of Health. Funding for the comprehensive statewide tobacco prevention and control program is summarized as follows:

2015-17 Biennium	Community Health Trust Fund	Tobacco Prevention and Control Trust Fund	Federal Funds	Total
State Department of Health (SB 1004)				
Tobacco prevention and control	$3,440,864	$500,000[1]	$2,969,313	$6,910,177[1]
Tobacco Prevention and Control Executive Committee (SB 1024)				
Tobacco prevention and control		16,548,039[1]		16,548,039[1]
Total 2015-17 biennium funding	$3,440,864	$17,048,039[1]	$2,969,313	$23,458,216[1]

[1]Includes $500,000 provided as a grant from the Tobacco Prevention and Control Advisory Committee to the State Department of Health to be used for the Centers for Disease Control Best Practices for Comprehensive Tobacco Prevention and Control Programs.

Other Sections in Bill

Tobacco prevention and control grant to the State Department of Health - Report to Legislative Management - Section 2 requires the Tobacco Prevention and Control Executive Committee and the State Department of Health to report to the Legislative Management by September 1, 2016, regarding grant expenditures, the granting process, and reporting requirements of the $500,000 grant to be provided to the State Department of Health during the 2015-17 biennium.

Veterans' Home
Budget No. 313
House Bill No. 1007

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**120.72**	**$8,697,725**	**$15,014,298**	**$23,712,023**
2015-17 base budget	120.72	7,161,853	15,081,100	22,242,953
Legislative increase (decrease) to base budget	0.00	$1,535,872	($66,802)	$1,469,070

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$8,566,895**	**$130,830**	**$8,697,725**
2013-15 legislative appropriations	7,161,853	560,500	7,722,353
2015-17 legislative increase (decrease) to 2013-15 appropriations	$1,405,042	($429,670)	$975,372
Percentage increase (decrease) to 2013-15 appropriations	19.6%	(76.7%)	12.6%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Veterans' Home is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015. Senate Bill No. 2015 also authorizes the Veterans' Home to receive a transfer from the targeted market equity funding pool to provide salary adjustments to employees in positions identified as having recruitment and retention challenges.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$326,514	($184,289)	$142,225
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		481,364	24,279	505,643
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		509,789	14,260	524,049
Adjusted operating expenses.		103,375	(206,225)	(102,850)
Adjusted funding for bond and interest payments.			(63,957)	(63,957)

Removed prior biennium capital assets.		(142,000)	(71,200)	(213,200)
Added funding for repairs to administrator's residence, including $15,000 to replace shingles and fascia, and $5,000 for bat removal.		5,000	15,000	20,000
Added funding for capital assets relating to 2015-17 bond payments.		121,000		121,000
Added one-time funding to complete an irrigation system.			83,000	83,000
Added one-time funding for equipment.		130,830	195,530	326,360
Added one-time funding from other funds for construction of a resident workshop. A total of $915,000 is available for the project, of which $788,200 is from other funds available during the 2013-15 biennium.			126,800	126,800
Total	0.00	$1,535,872	($66,802)	$1,469,070

FTE Changes

The Legislative Assembly approved 120.72 FTE positions for the Veterans' Home for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

In Section 2 of House Bill No. 1007, the Legislative Assembly identified $326,360 of one-time funding for equipment, of which $130,830 is from the general fund. In addition, the Legislative Assembly provided $83,000 of one-time funding from other funds to complete an irrigation system and $126,800 from other funds to complete construction of a resident workshop.

Other Sections in Bill

Veterans' Home construction project funding exemption - Section 3 allows the Veterans' Home to continue into the 2015-17 biennium funds appropriated for the construction of the Veterans' Home facility in 2009 and continued into the 2011-13 and 2013-15 bienniums. The Veterans' Home anticipates up to $232,191 of the construction costs may be continued into the 2015-17 biennium.

Capital assets line item transfer - Section 4 allows the Veterans' Home to transfer up to $132,500 from the operating expense line item to the capital assets line item during the 2013-15 biennium to remove asbestos from the old Veterans' Home facility ($84,500) and to install a new phone system ($48,000).

Shop addition project - Section 5 provides the Veterans' Home may use up to $788,200 from the Melvin Norgard memorial fund, litigation proceeds, or other funds for the cost of construction of a shop addition during the 2013-15 biennium.

Emergency - Section 6 provides Sections 4 and 5 related to the line item funding transfer and funding for the shop addition are emergency measures.

Indian Affairs Commission
Budget No. 316
House Bill No. 1005

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**5.00**	**$1,217,245**	**$0**	**$1,217,245**
2015-17 base budget	5.00	1,027,558	0	1,027,558
Legislative increase (decrease) to base budget	0.00	$189,687	$0	$189,687

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$1,207,470**	**$9,775**	**$1,217,245**
2013-15 legislative appropriations	1,027,558	0	1,027,558
2015-17 legislative increase (decrease) to 2013-15 appropriations	$179,912	$9,775	$189,687
Percentage increase (decrease) to 2013-15 appropriations	17.5%	N/A	18.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Indian Affairs Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$19,657		$19,657
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		34,267		34,267
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		17,825		17,825
Reduced funding for professional development.		(6,837)		(6,837)
Added funding for desktop support services and hardware, including one-time funding of $9,775.		21,775		21,775

Added funding for operating expenses.		3,000		3,000
Added funding for the transfer of the North Dakota American Indian Business Development Office from the Department of Commerce to the Indian Affairs Commission.		100,000		100,000
Total	0.00	$189,687	$0	$189,687

FTE Changes

The Legislative Assembly approved 5 FTE positions for the Indian Affairs Commission for the 2015-17 biennium, the same as the 2013-15 biennium.

One-Time Funding

In Section 2 of House Bill No. 1005, the Legislative Assembly identified $9,775 from the general fund as one-time funding relating to information technology hardware. The one-time funding item is not to be considered part of the agency's base budget for preparing the 2017-19 executive budget.

North Dakota American Indian Business Development Office

The Legislative Assembly transferred the North Dakota American Indian Business Development Office from the Department of Commerce to the Indian Affairs Commission, including funding of $100,000 from the general fund.

Other Sections in Bill

North Dakota American Indian Business Development Office - Section 3 creates a new section to North Dakota Century Code Chapter 54-36 to establish the North Dakota American Indian Business Development Office within the Indian Affairs Commission.

Repeal - Section 4 repeals Section 54-60-14, which established the North Dakota American Indian Business Development Office within the Department of Commerce.

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the Indian Affairs Commission, to obtain desktop support services from the Information Technology Department.

Department of Veterans' Affairs
Budget No. 321
House Bill Nos. 1025, 1021, and 1372

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**9.00**	**$1,612,495**	**$288,018**	**$1,900,513**
2015-17 base budget	8.00	1,420,703	0	1,420,703
Legislative increase (decrease) to base budget	1.00	$191,792	$288,018	$479,810

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$1,535,600**	**$76,895**	**$1,612,495**
2013-15 legislative appropriations	1,420,703	295,000	1,715,703
2015-17 legislative increase (decrease) to 2013-15 appropriations	$114,897	($218,105)	($103,208)
Percentage increase (decrease) to 2013-15 appropriations	8.1%	(73.9%)	(6.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Veterans' Affairs is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$70,244		$70,244
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		38,613	8,757	47,370
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		28,520	3,565	32,085
Transferred federal funding and 1 FTE position for the State Approving Agency from the North Dakota University System to the Department of Veterans' Affairs.	1.00		275,696	275,696

Added funding to purchase vans to transport veterans to medical appointments.		15,000		15,000
Added funding for stand down events to provide total funding of $20,000 from the general fund.		10,000		10,000
Adjusted funding for operating expenses.		(5,220)		(5,220)
Removed grants authorized during the 2013-15 biennium including $50,000 for services related to Agent Orange, and $50,000 for service dog training.		(100,000)		(100,000)
Added one-time funding for service dog training to provide dogs to veterans with posttraumatic stress disorder (PTSD).		25,000		25,000
Added contingent one-time funding for service dog training.		25,000		25,000
Added funding for grants to assist in the identification and the provision of services to North Dakota veterans who had been exposed to Agent Orange (House Bill No. 1372).		50,000		50,000
Added funding for desktop support services, including $26,895 of one-time funding from the general fund (House Bill No. 1021).		34,635		34,635
Total	1.00	$191,792	$288,018	$479,810

FTE Changes

The 2015-17 biennium appropriations for the Department of Veterans' Affairs include funding for 9 FTE positions, 1 FTE position more than the 2013-15 biennium. The Legislative Assembly transferred 1 FTE position for the State Approving Agency from the University System to the Department of Veterans' Affairs.

One-Time Funding

In Section 2 of House Bill No. 1025, the Legislative Assembly identified $25,000 from the general fund as one-time funding for service dog training for veterans with PTSD and another $25,000 from the general fund as one-time funding for service dogs contingent on the dogs having completed training, eligible and approved veterans being available to receive the dogs, and the department receiving Budget Section approval. Section 9 of House Bill No. 1021 identifies $26,895 of funding from the general fund for desktop support services as one-time funding.

Deficiency Appropriations

In Section 1 of House Bill No. 1364, the Legislative Assembly provided $380,000 of federal funds for the 2013-15 biennium to provide transportation services to veterans or for purchasing vehicles for transportation-related services to veterans.

Other Sections in Bill

Exemption - Section 3 provides the amounts appropriated to the Department of Veterans' Affairs for service dog training in Section 1 of Chapter 60 of the 2013 Session Laws are not subject to Section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the 2015-17 biennium.

Contingent funding - Service dogs - Section 4 provides the funding made available in the contingent service dogs line item in Section 1 of the bill, includes $25,000 from the general fund for service dogs to assist veterans with PTSD. The funding is contingent on service dogs that have completed training, eligible and approved veterans being available to receive the dogs, and the department receiving Budget Section approval.

Related Legislation

Desktop support services - In Sections 7, 8, and 9 of House Bill No. 1021, the Legislative Assembly required certain agencies use Information Technology Department centralized desktop support services and provided $34,635 from the general fund, of which $26,895 is one-time funding, to the Department of Veterans' Affairs for desktop support services.

Transportation-related services - House Bill No. 1364 provides an appropriation of $380,000 of federal funds for the 2013-15 biennium to provide transportation services to veterans or for purchasing vehicles for transportation-related services to veterans.

Services to North Dakota Veterans exposed to Agent Orange - House Bill No. 1372 provides an appropriation of $50,000 from the general fund for grants to assist in the identification of and the provision of services to North Dakota veterans exposed to Agent Orange during the Vietnam conflict.

Protection and Advocacy Project
Budget No. 360
Senate Bill No. 2014

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**27.50**	**$3,034,111**	**$3,432,853**	**$6,466,964**
2015-17 base budget	27.50	2,531,562	3,233,612	5,765,174
Legislative increase (decrease) to base budget	0.00	$502,549	$199,241	$701,790

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$3,034,111**	**$0**	**$3,034,111**
2013-15 legislative appropriations	2,531,562	0	2,531,562
2015-17 legislative increase (decrease) to 2013-15 appropriations	$502,549	$0	$502,549
Percentage increase (decrease) to 2013-15 appropriations	19.9%	0%	19.9%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Protection and Advocacy Project is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015. Senate Bill No. 2015 also authorizes the Protection and Advocacy Project to receive a transfer from the targeted equity funding pool to provide salary adjustments to employees in positions identified as having recruitment and retention challenges.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$19,152	$133,117	$152,269
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		181,324	2,162	183,486
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		98,459	1,360	99,819
Added funding for desktop support services from the Information Technology Department.		132,838		132,838

Increased funding for operating expenses, including $37,833 for building rent expense.		70,776		70,776
Added federal funding which may not be used for defraying the expenses of either a temporary position or a full-time equivalent position.			62,602	62,602
Total	0.00	$502,549	$199,241	$701,790

FTE Changes

The Legislative Assembly approved 27.50 FTE positions for the Protection and Advocacy Project for the 2015-17 biennium, the same as the 2013-15 biennium.

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the Protection and Advocacy Project, to obtain desktop support services from the Information Technology Department.

Job Service North Dakota
Budget No. 380
House Bill No. 1016

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**237.76**	**$2,116,191**	**$70,467,866**	**$72,584,057**
2015-17 base budget	250.76	1,910,235	77,301,032	79,211,267
Legislative increase (decrease) to base budget	(13.00)	$205,956	($6,833,166)	($6,627,210)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$2,026,691**	**$89,500**	**$2,116,191**
2013-15 legislative appropriations	1,910,235	120,000	2,030,235
2015-17 legislative increase (decrease) to 2013-15 appropriations	$116,456	($30,500)	$85,956
Percentage increase (decrease) to 2013-15 appropriations	6.1%	(25.4%)	4.2%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for Job Service North Dakota is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		($41,377)	$1,513,952	$1,472,575
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		6,541	1,349,305	1,355,846
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		3,694	798,422	802,116
Removed 13 FTE positions as a result of a reduction in anticipated federal funding to be received.	(13.00)		(1,743,316)	(1,743,316)

Adjusted operating expenses for decreases in expenditures due to cost-savings and for inflationary increases.		47,598	(8,751,529)	(8,703,931)
Added funding for Virtual OneStop application to allow access to Job Service North Dakota job listings, including $9,500 of one-time funding.		109,500		109,500
Added one-time funding to continue the oil and gas employment survey authorized by the 2013 Legislative Assembly.		80,000		80,000
Total	(13.00)	$205,956	($6,833,166)	($6,627,210)

FTE Changes

The Legislative Assembly removed 13 FTE positions as a result of reduced anticipated federal funding, approving 237.76 FTE positions for Job Service North Dakota for the 2015-17 biennium.

One-Time Funding

In Section 2 of House Bill No. 1016, the Legislative Assembly identified $89,500 from the general fund as one-time funding, $9,500 for the Virtual OneStop application, and $80,000 for continuing the oil and gas employment survey authorized by the 2013 Legislative Assembly.

Unemployment Insurance Computer Modernization Project - Reed Act

The Legislative Assembly provided a $12.4 million other funds appropriation from federal Reed Act distributions received in federal fiscal years 1957, 1958, 1999, and 2002 for developing a modernized unemployment insurance computer system.

Other Sections in Bill

Additional federal funding - Section 4 provides a continuing appropriation for Job Service North Dakota to receive and spend any additional federal funds available during the 2015-17 biennium.

Related Legislation

Sharing of unemployment insurance information - Section 1 of House Bill No. 1060 creates North Dakota Century Code Section 52-01-03 relating to the sharing of information obtained through the administration of the unemployment insurance program, limited to wage and employment number records of employers identified by the Department of Commerce as having received North Dakota state economic development assistance, in possession of Job Service North Dakota with the Department of Commerce.

Industrial Commission
Budget No. 405
House Bill No. 1014

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**121.75**	**$34,966,173**	**$30,619,769**	**$65,585,942**
2015-17 base budget	98.75	21,333,325	40,973,792	62,307,117
Legislative increase (decrease) to base budget	23.00	$13,632,848	($10,354,023)	$3,278,825

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$26,845,530**	**$8,120,643**	**$34,966,173**
2013-15 legislative appropriations	21,333,325	1,160,800	22,494,125
2015-17 legislative increase (decrease) to 2013-15 appropriations	$5,512,205	$6,959,843	$12,472,048
Percentage increase (decrease) to 2013-15 appropriations	25.8%	599.6%	55.4%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Industrial Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$201,132	($8,147)	$192,985
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		765,984	47,233	813,217
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		379,525	24,063	403,588
Added funding for engineering technician positions.	7.00	1,513,195		1,513,195
Added funding for a petroleum engineering position.	1.00	162,018		162,018
Added funding for a safety officer position.	1.00	187,717		187,717

Added funding for a human resources specialist position.	1.00	139,380		139,380
Added funding for a budget specialist position.	1.00	174,519		174,519
Added funding for a reclamation specialist position.	1.00	230,911		230,911
Added funding for a surface geologist position.	1.00	244,192		244,192
Added funding for survey engineering technician positions.	2.00	323,769		323,769
Added funding for a pipeline regulatory supervisor position.	1.00	240,339		240,339
Added funding for an administrative assistant position related to the pipeline regulatory program.	1.00	139,639		139,639
Added funding for an industrial water sales position.	1.00		150,000	150,000
Added funding for contingent petroleum engineering positions.	5.00	556,260		556,260
Decreased funding for bond payments.			(4,769,140)	(4,769,140)
Removed funding for lignite grants since the grants will be distributed pursuant to a continuing appropriation from the lignite research fund.			(19,500,000)	(19,500,000)
Adjusted operating expenses primarily related to increased travel expenses.		233,125	76,646	309,771
Added funding for ongoing core library operating expense increases related to the expansion project.		20,500		20,500
Added one-time funding for possible litigation costs.		2,500,000		2,500,000
Added one-time funding from the strategic investment and improvements fund for a core library expansion project.			13,625,322	13,625,322
Added one-time funding for Lignite Research Council grants.		5,000,000		5,000,000
Added one-time funding for aerial photography ($104,143), core analyses ($125,000), seismic profile digital conversion ($100,000), information technology costs ($250,000), and ATV's and trailers ($41,500).		620,643		620,643
Total	23.00	$13,632,848	($10,354,023)	$3,278,825

FTE Changes

The 2015-17 biennium appropriation includes funding for 121.75 FTE positions, an increase of 23 FTE positions from the 2013-15 biennium authorized level of 98.75 FTE positions. The Legislative Assembly added 7 engineer technician positions, 1 petroleum engineering position, 1 safety officer position, 1 human resources specialist position, 1 budget specialist position, 1 reclamation specialist position, 1 surface geologist position, 2 survey engineering technician positions, 1 pipeline regulatory supervisor position, 1 administrative assistant position related to the pipeline regulatory program, 1 industrial water sales position, and 5 contingent petroleum engineering contingency positions.

Of the FTE positions authorized by the 2015 Legislative Assembly, the Industrial Commission anticipates using the following 8 FTE positions for the implementation of a pipeline regulatory program (House Bill No. 1358):

- 4 engineering technician FTE positions;
- 1 reclamation specialist FTE position;
- 1 pipeline engineering technician FTE position;
- 1 pipeline regulatory supervisor FTE position; and
- 1 administrative assistant FTE position.

One-Time Funding

In Section 2 of House Bill No. 1014, the Legislative Assembly identified the following as one-time funding items:

	General Fund	Other Funds	Total
Possible litigation	$2,500,000		$2,500,000
Lignite research council grants	5,000,000		5,000,000
ATV's	41,500		41,500
Aerial photography	104,143		104,143
Contract analysis	125,000		125,000
Digital conversion	100,000		100,000
Migration to RBDMS.net	250,000		250,000
Core library expansion project		13,625,322	13,625,322
Total	$8,120,643	$13,625,322	$21,745,965

Lease Payments

The Legislative Assembly provided $15,040,829 for lease payments on outstanding bonded indebtedness, a decrease of $4,769,140 from the 2013-15 biennium appropriation of $19,809,969. The following schedule lists the 2013-15 and 2015-17 biennium lease payments:

	2013-15 Biennium	2015-17 Biennium	Increase (Decrease)
Higher education institutions	$10,436,045	$8,368,836	($2,067,209)
North Dakota University System energy conservation projects	$491,397	491,161	(236)
Department of Corrections and Rehabilitation - State Penitentiary	1,289,450	1,279,524	(9,926)
Department of Corrections and Rehabilitation energy conservation projects		16,206	16,206
State Department of Health	642,688	637,940	(4,748)
Job Service North Dakota	540,376	427,131	(113,245)
Adjutant General	28,586		(28,586)
Information Technology Department - ConnectND	2,504,100		(2,504,100)
Office of Management and Budget	665,272	664,952	(320)
Attorney General	765,851	765,483	(368)
State Historical Society	1,392,337	1,391,668	(669)
Parks and Recreation Department	73,627	73,592	(35)
Research and Extension Service	571,400	571,126	(274)
Veterans' Home	408,840	353,210	(55,630)
Total	$19,809,969	$15,040,829	($4,769,140)

Lignite Research Grants

The Legislative Assembly removed $19.5 million of appropriation authority from special funds for lignite grants. The grants will be distributed pursuant to a continuing appropriation from the lignite research fund under North Dakota Century Code Section 57-61-01.5. The Legislative Assembly provided $5 million of one-time funding from the general fund for Lignite Research Council grants for commercializing the capture, utilization, and storage of carbon dioxide and for next generation electric generation technology, including the Allam Cycle.

Section 14 of House Bill No. 1014 provides that up to $4.5 million of the lignite research grants funding is available to contract for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and jobs or that will lead to increased development of lignite and its products and create new lignite jobs and economic growth for the general welfare of this state. This section also provides that a portion of the funds appropriated may be used to contract for nonmatching studies and activities in support of the Lignite Vision 21 Project; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Money not needed for these purposes is available to the Industrial Commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

Section 19 of House Bill No. 1014 amends Section 54-17.5-02 to allow the Governor to appoint out-of-state residents to the Lignite Research Council.

Please refer to the **TRUST FUND ANALYSES** section of this report for an analysis of the lignite research fund.

Other Sections in Bill

Bond Payments - Section 3 provides legislative intent for bond payments, and Section 5 provides appropriation authority, subject to Emergency Commission approval, for bond issuances during the 2015-17 biennium.

Transfer authority - Section 6 allows the Industrial Commission to transfer up to $930,000 from special funds from the entities under the control of the commission for administrative services.

Contingency funding and FTE positions - Department of Mineral Resources - Section 15 provides that $556,260 in Section 1 of the bill may be used to hire up to 5 petroleum engineering FTE positions if the monthly average drilling rig count exceeds 140 drilling rigs. One new position and the related funding is added for every 15 drilling rigs above 140 drilling rigs.

Amendment to House Bill No. 1358 - Section 22 amends Section 9 of House Bill No. 1358 to provide technical corrections related to a transfer from the abandoned oil and gas well plugging and site reclamation fund to the oil and gas research fund.

Carryover authority - Section 24 provides an exemption for 2013-15 biennium possible litigation funding from the general fund to allow the funding to be spent in the 2015-17 biennium.

Core library expansion project - Section 25 requires the Industrial Commission to report to the Legislative Management on the progress of the core library expansion project and provides carryover authority for the funding into the 2017-19 biennium. Section 28 provides an emergency clause for the project.

Related Legislation

House Bill No. 1032 - Changes the allocation of oil and gas gross production tax collections to the abandoned oil and gas well plugging and site reclamation fund from $5 million per fiscal year to $7.5 million per fiscal year contingent upon the "large" trigger being ineffective during the first six months of the 2015-17 biennium.

House Bill No. 1358 - Requires controls, inspections, and bonding for underground gathering pipelines; expands the use of the fund to include reclamation of sites developed prior to August 1, 1983; and provides for studies related to pipelines and saltwater reclamation.

House Bill No. 1409 - Increases the allocation of oil and gas gross production tax to the North Dakota outdoor heritage fund from 4 percent limited to $15 million per fiscal year to 8 percent limited to $20 million per fiscal year and identifies projects that are not eligible for grants.

House Bill No. 1432 - Creates an environmental impact litigation advisory committee and an environmental impact litigation fund for possible litigation costs and transfers $1.5 million from the general fund to the newly created fund.

Senate Bill No. 2190 - Allows funding from the abandoned oil and gas well plugging and site reclamation fund to be used to address environmental emergencies.

Department of Labor and Human Rights
Budget No. 406
Senate Bill No. 2007

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**15.00**	**$2,511,761**	**$437,832**	**$2,949,593**
2015-17 base budget	13.00	1,847,425	437,926	2,285,351
Legislative increase (decrease) to base budget	2.00	$664,336	($94)	$664,242

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$2,435,626**	**$76,135**	**$2,511,761**
2013-15 legislative appropriations	1,847,425	0	1,847,425
2015-17 legislative increase (decrease) to 2013-15 appropriations	$588,201	$76,135	$664,336
Percentage increase (decrease) to 2013-15 appropriations	31.8%	N/A	36.0%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Labor and Human Rights is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$36,074	($94)	$35,980
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		88,426		88,426
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		53,474		53,474
Added 2 compliance investigator FTE positions and related funding.	2.00	364,109		364,109
Added funding for desktop support services from the Information Technology Department.		46,118		46,118

Added one-time funding for an information technology project to eliminate paper file storage and increase department efficiency.		56,135		56,135
Added one-time funding for overtime costs.		20,000		20,000
Total	2.00	$664,336	($94)	$664,242

FTE Changes

The Legislative Assembly added 2 compliance investigator FTE positions to provide a total of 15 FTE positions for the 2015-17 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2007, the Legislative Assembly identified $76,135 from the general fund as one-time funding, $56,135 for an information technology project to eliminate paper file storage and increase department efficiency and $20,000 for overtime funding.

Other Sections in Bill

Emergency - Section 3 declares $10,000 in the operating expenses line item for extraordinary repairs to be an emergency measure.

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the Department of Labor and Human Rights, to obtain desktop support services from the Information Technology Department.

Aeronautics Commission
Budget No. 412
House Bill Nos. 1006 and 1021

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**7.00**	**$1,000,000**	**$10,322,827**	**$11,322,827**
2015-17 base budget	6.00	550,000	12,463,427	13,013,427
Legislative increase (decrease) to base budget	1.00	$450,000	($2,140,600)	($1,690,600)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$1,000,000**	**$0**	**$1,000,000**
2013-15 legislative appropriations	550,000	6,000,000	6,550,000
2015-17 legislative increase (decrease) to 2013-15 appropriations	$450,000	($6,000,000)	($5,550,000)
Percentage increase (decrease) to 2013-15 appropriations	81.8%	(100.0%)	(84.7%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Aeronautics Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$75,504	$75,504
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			50,867	50,867
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			24,955	24,955
Added 1 account budget specialist I FTE position and related funding.	1.00		149,933	149,933

Increased airport grant funding from the general fund to provide total grants of $1 million from the general fund.		$450,000		450,000
Reduced airport grant funding from other funds to provide total grants of $6.5 million from other funds.			(2,450,000)	(2,450,000)
Added funding for operating expenses.			81,051	81,051
Decreased capital asset funding.			(90,000)	(90,000)
Added funding for desktop support services, including one-time funding of $14,810. (House Bill No. 1021)			17,090	17,090
Total	1.00	$450,000	($2,140,600)	($1,690,600)

FTE Changes

The Legislative Assembly authorized 7 FTE positions for the Aeronautics Commission for the 2015-17 biennium, 1 FTE position more than the 2013-15 biennium. The Legislative Assembly added 1 account budget specialist I FTE position and related funding of $149,933.

One-Time Funding

The Legislative Assembly, in House Bill No. 1021, approved one-time funding of $14,810 from other funds for desktop support services for the Aeronautics Commission during the 2015-17 biennium.

Airport Grants

The Legislative Assembly approved an increase from $550,000 to $1,000,000 in ongoing funding from the general fund for grants to airports.

Other Sections in Bill

Interest - Aeronautics special fund - Section 3 provides for the investment income of the Aeronautics Commission special fund, including investment income earned on aircraft excise tax collections deposited in the fund, to be retained in the fund rather than deposited in the general fund. The agency estimates the fiscal impact to be $8,500 for the 2015-17 biennium.

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the Aeronautics Commission, to obtain desktop support services from the Information Technology Department.

House Bill No. 1176 - Grants to airports impacted by oil and gas development - Provides $48 million from the oil and gas impact grant fund to the Commissioner of the Board of University and School Lands for grants to airports impacted by oil and gas development. The grants include cost-share requirements and give priority to airports that are eligible to receive federal funding.

Department of Financial Institutions
Budget No. 413
House Bill Nos. 1008 and 1021

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**30.00**	**$0**	**$8,455,767**	**$8,455,767**
2015-17 base budget	29.00	0	7,580,217	7,580,217
Legislative increase (decrease) to base budget	1.00	$0	$875,550	$875,550

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Financial Institutions is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$196,326	$196,326
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			250,654	250,654
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			106,949	106,949
Added funding for 1 credit union examiner position FTE and related operating expenses.	1.00		218,089	218,089
Increased funding for operating expenses.			37,207	37,207
Added one-time funding for desktop support services. (House Bill No. 1021)			66,325	66,325
Total	1.00	$0	$875,550	$875,550

FTE Changes

The 2015-17 appropriation for the Department of Financial Institutions includes funding for 30 FTE positions, an increase of 1 FTE position from the 2013-15 biennium. The Legislative Assembly added 1 credit union examiner FTE position ($187,489) and related operating expenses ($30,600).

One-Time Funding

The Legislative Assembly approved one-time funding of $66,325 from other funds for desktop support services in House Bill No. 1021 for the Department of Financial Institutions for the 2015-17 biennium.

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the Department of Financial Institutions, to obtain desktop support services from the Information Technology Department.

Senate Bill No. 2084 - Examination authority - Expands the authority of the Department of Financial Institutions to investigate a bank holding company that owns or controls a North Dakota chartered financial institution and may pursue and impose penalties. Expands the authority of the department to examine the books and records of any technology service provider that provides services to financial corporations and financial institutions under the Commissioner's supervision. Expands the authority of the department to conduct multiple visitations, inspections, or examinations of institutions under the department's authority if warranted and exempts acquisitions of voting securities of a North Dakota state chartered bank, if the acquiring person notifies the Commissioner within the allotted time and provides all requested information.

Securities Department
Budget No. 414
Senate Bill No. 2011

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**9.00**	**$2,237,326**	**$170,000**	**$2,407,326**
2015-17 base budget	9.00	2,063,005	170,000	2,233,005
Legislative increase (decrease) to base budget	0.00	$174,321	$0	$174,321

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$2,237,326**	**$0**	**$2,237,326**
2013-15 legislative appropriations	2,063,005	64,777	2,127,782
2015-17 legislative increase (decrease) to 2013-15 appropriations	$174,321	($64,777)	$109,544
Percentage increase (decrease) to 2013-15 appropriations	8.4%	(100.0%)	5.1%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Securities Department is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$27,901		$27,901
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		67,530		67,530
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		32,085		32,085
Added funding for desktop support services and hardware.		46,805		46,805
Total	0.00	$174,321	$0	$174,321

FTE Changes

The Legislative Assembly approved 9 FTE positions for the Securities Department for the 2015-17 biennium, the same as the 2013-15 biennium.

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the Securities Department, to obtain desktop support services from the Information Technology Department.

Bank of North Dakota
Budget No. 471
House Bill No. 1014

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**181.50**	**$0**	**$76,287,301**	**$76,287,301**
2015-17 base budget	179.50	0	53,150,147	53,150,147
Legislative increase (decrease) to base budget	2.00	$0	$23,137,154	$23,137,154

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Bank of North Dakota is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			($23,196)	($23,196)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			1,148,633	1,148,633
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			655,949	655,949
Added funding for a credit analyst position.	1.00		177,836	177,836
Added funding for an information technology security position.	1.00		209,809	209,809
Added funding for changes in operating expenses including $2.5 million for information technology costs and $800,000 for audit fees.			3,968,123	3,968,123
Added contingent one-time funding from the Bank of North Dakota's assets for a financial center building project.			17,000,000	17,000,000
Total	2.00	$0	$23,137,154	$23,137,154

FTE Changes

The Legislative Assembly approved 181.5 FTE positions, an increase of 2 FTE positions from the 2013-15 biennium authorized level of 179.5 FTE positions. The new positions include a credit analyst position and an information technology security position.

One-Time Funding

In Section 2 of House Bill No. 1014, the Legislative Assembly identified $17 million from the Bank of North Dakota's assets as one-time funding for a financial center.

Economic Development

The Legislative Assembly provided funding from transfers of Bank of North Dakota profits for the partnership in assisting community expansion fund (PACE), Ag PACE, biofuels PACE, and the beginning farmer revolving loan fund. The following is a comparison of the funding for the PACE fund, Ag PACE fund, biofuels PACE fund, and the beginning farmer revolving loan fund:

	2013-15 Biennium	2015-17 Biennium	Increase (Decrease)
PACE fund	$28,000,000	$28,000,000	$0
Ag PACE fund	2,000,000	3,000,000	1,000,000
Biofuels PACE fund	2,000,000	2,000,000	0
Beginning farmer revolving loan fund	6,000,000	7,000,000	1,000,000
Total	$38,000,000	$40,000,000	$2,000,000

Estimated Capital Structure

The following schedule provides an analysis of the Bank of North Dakota's estimated capital structure for the 2015-17 biennium:

Estimated beginning capital level	$645,000,000
Estimated 2015-17 biennium profits	240,000,000[1]
2015-17 biennium transfers relating to economic development (Sections 9 through 12 of House Bill No. 1014)	(40,000,000)
Transfer to the housing incentive fund (Section 7 of House Bill No. 1014)	(5,000,000)
Transfer to the infrastructure revolving loan fund (House Bill No. 1443)	(100,000,000)
Interest rate buydowns on school construction loans (Senate Bill No. 2178)	(7,875,000)
Estimated ending capital level[2]	$732,125,000[2]

[1]Actual calendar year 2014 profits were $111 million.

[2]Section 8 of House Bill No. 1014 provides for a contingent transfer of $5 million of Bank of North Dakota profits to the housing incentive fund if the Bank's profits for calendar year 2015 exceed $130 million.

Other Sections in Bill

Transfer to housing incentive fund - Section 7 provides for a transfer of $5 million from the Bank of North Dakota's profits to the housing incentive fund, and Section 28 includes an emergency clause for the transfer. Section 8 provides for a contingent transfer of $5 million from the Bank's profits to the housing incentive fund if the Bank's profits for calendar year 2015 exceed $130 million.

Transfer to PACE fund - Section 9 provides for a transfer of $28 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2015-17 biennium.

Transfer to Ag PACE fund - Section 10 provides for a transfer of $3 million from the Bank of North Dakota's current earnings and undivided profits to the Ag PACE fund for the 2015-17 biennium.

Transfer to biofuels PACE fund - Section 11 provides for a transfer of $2 million from the Bank of North Dakota's current earnings and undivided profits to the biofuels PACE fund for the 2015-17 biennium.

Transfer to the beginning farmer revolving loan fund - Section 12 provides for a transfer of $7 million from the Bank of North Dakota's current earnings and undivided profits to the beginning farmer revolving loan fund for the 2015-17 biennium.

Medical PACE program - Section 13 requires the Bank of North Dakota to develop an interest rate buydown program for medical infrastructure loans for the 2015-17 biennium. Section 28 provides an emergency clause for the program.

North Dakota financial center - Section 16 requires the Bank of North Dakota to make payments in lieu of taxes on a financial center building constructed on the Bank's property. Section 26 provides that the funding is available only if the Bank's profits for calendar year 2015 exceed $125 million. Section 26 also allows the funding for the construction of a financial center to continue in the 2017-19 biennium and requires the Bank to report to the Legislative Management on the progress of the project.

Flex PACE program - Section 21 amends Section 22 of Chapter 579 of the 2011 Session Laws to expand the flex PACE program from areas impacted by oil and gas development to the entire state and to extend the program until the end of the 2017-19 biennium.

Related Legislation

House Bill No. 1049 - Creates an addiction counseling internship revolving loan program administered by the Bank of North Dakota and provides for a transfer of $200,000 from the student loan trust fund to a revolving loan fund.

House Bill No. 1373 - Provides a continuing appropriation to the Bank of North Dakota and allows the Bank to charge an annual administrative fee for managing and promoting the North Dakota achieving a better life experience plan.

House Bill No. 1443 - Creates an infrastructure revolving loan program administered by the Bank of North Dakota and provides for a transfer of $100 million from the Bank's profits and $50 million from the strategic investment and improvements fund to the infrastructure revolving loan fund.

Senate Bill No. 2178 - Creates a school construction loan interest rate buydown program administered by the Bank of North Dakota and provides a transfer of $7,875,000 from the Bank profits for the buydowns.

Housing Finance Agency
Budget No. 473
House Bill No. 1014

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**46.00**	**$0**	**$37,520,089**	**$37,520,089**
2015-17 base budget	46.00	0	41,007,491	41,007,491
Legislative increase (decrease) to base budget	0.00	$0	($3,487,402)	($3,487,402)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$0**	**$0**	**$0**
2013-15 legislative appropriations	0	15,400,000	15,400,000
2015-17 legislative increase (decrease) to 2013-15 appropriations	$0	($15,400,000)	($15,400,000)
Percentage increase (decrease) to 2013-15 appropriations	N/A	(100.0%)	(100.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Housing Finance Agency is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			($273,502)	($273,502)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			277,212	277,212
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			158,641	158,641
Reduced funding for federal Housing and Urban Development grants.			(2,214,445)	(2,214,445)
Reduced funding for housing development grant programs.			(1,287,825)	(1,287,825)
Adjusted funding for operations.			(147,483)	(147,483)
Total	0.00	$0	($3,487,402)	($3,487,402)

FTE Changes

The Legislative Assembly approved 46 FTE positions for the Housing Finance Agency for the 2015-17 biennium, the same as the 2013-15 biennium.

Housing Incentive Fund

The Legislative Assembly in 2011 Senate Bill No. 2210 created a special revolving housing incentive fund, provided a continuing appropriation to the Housing Finance Agency for disbursements from the fund, and authorized a tax credit for income tax purposes for contributions to the fund, not to exceed an aggregate amount of $4 million per biennium for all eligible contributors. Senate Bill No. 2371 (2011) increased the aggregate tax credit limit to $15 million per biennium.

Senate Bill No. 2014 (2013) provided for a one-time transfer of $15.4 million from the general fund to the housing incentive fund. The bill created a new subsection to North Dakota Century Code Section 57-35.3-05 to provide for an income tax credit in an amount equal to any contribution to the housing incentive fund. The bill continued the housing incentive fund tax credit through the first two taxable years after December 31, 2012, and increased the aggregate amount of tax credits allowed to all eligible contributors from $15 million to $20 million per biennium. Similar provisions were also included in 2013 House Bill No. 1029.

House Bill No. 1014 (2015) continues the housing incentive fund into the 2015-17 biennium. Section 7 provides for a transfer of $5 million from the Bank of North Dakota's profits to the housing incentive fund. Section 8 provides for a contingent transfer of $5 million from the Bank's profits to the housing incentive fund if the Bank's profits exceed $130 million during calendar year 2015. Section 17 limits the origination fee to 5 percent per award. Section 20 increases the funding available to the housing incentive fund from income tax credits from $20 million to $30 million. Section 28 provides an emergency clause for the $5 million transfer in Section 7.

Other Sections in Bill

Unanticipated federal or other funds appropriation - Section 4 provides an appropriation of any additional income or unanticipated income from federal funds or other funds to the Housing Finance Agency for the 2015-17 biennium.

Exemption - Section 23 provides an exemption for 2013-15 biennium flood-impacted housing assistance funding from the state disaster relief fund to allow the funds to be used during the 2015-17 biennium.

Mill and Elevator Association
Budget No. 475
House Bill No. 1014

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**147.00**	**$0**	**$64,315,898**	**$64,315,898**
2015-17 base budget	135.00	0	52,123,557	52,123,557
Legislative increase (decrease) to base budget	12.00	$0	$12,192,341	$12,192,341

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Mill and Elevator Association is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases, for other base payroll changes, for 2015-17 biennium salary increase of 2 to 4 percent per year, and for recruitment and retention bonuses.			$4,393,389	$4,393,389
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			524,046	524,046
Added funding for mill operator positions.	3.00		426,278	426,278
Added funding for rail car loader positions.	3.00		390,138	390,138
Added funding for flour packer positions.	2.00		251,313	251,313
Added funding for utility worker positions.	2.00		249,916	249,916
Added funding for an electrician position.	1.00		176,636	176,636
Added funding for a maintenance worker position.	1.00		149,625	149,625
Added funding for increased operating expenses primarily related to the new G mill.			5,531,000	5,531,000
Increased funding for contingencies to provide total funding of $500,000.			100,000	100,000
Total	12.00	$0	$12,192,341	$12,192,341

FTE Changes

The 2015-17 biennium appropriation includes funding for 147 FTE positions, an increase of 12 FTE positions from the 2013-15 biennium authorized level of 135 FTE positions. The Legislative Assembly added 3 mill operator positions, 3 rail car loader positions, 2 flour packer positions, 2 utility worker positions, 1 electrician position, and 1 maintenance worker position.

Major Expansion and Renovation Projects

The schedule below provides information on major expansion and renovation projects:

Fiscal Year	Project Description	Cost
2002	Various upgrades resulting in a production capacity increase of 4,000 hundredweights (cwt) per day	$19.5 million
2005	Replaced the whole-wheat mill	$1.7 million
2007	Constructed a new C mill to increase spring wheat milling capacity	$6.3 million
2010	Constructed a new E mill resulting in a production capacity increase of 1,000 cwt per day of spring wheat and expanded the D mill resulting in a production capacity increase of 1,000 cwt per day of durum wheat	$2.4 million
2013	Three phase expansion of the K mill	$8.4 million
2015	Construction of a new G mill	$27.8 million

Transfer to the General Fund

North Dakota Century Code Section 54-18-19 provides for the transfer of 50 percent of the Mill's annual earnings and undivided profits to the general fund after any transfers to other state agricultural-related programs. The estimated transfer to the general fund for the 2015-17 biennium is $13,755,000.

Workforce Safety and Insurance
Budget No. 485
Senate Bill No. 2021

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**260.14**	**$0**	**$68,865,170**	**$68,865,170**
2015-17 base budget	250.14	0	63,322,422	63,322,422
Legislative increase (decrease) to base budget	10.00	$0	$5,542,748	$5,542,748

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for Workforce Safety and Insurance is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$2,051,066	$2,051,066
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			1,683,348	1,683,348
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			905,500	905,500
Added 6 FTE positions including 1 underwriter FTE position, 2 vocational rehabilitation case manager FTE positions, 2 nurse case manager FTE positions, and 1 physical therapist FTE position.	6.00		$878,474	$878,474
Converted temporary positions to FTE positions including: 3 claim adjuster FTE positions and 1 collections specialist FTE position.	4.00		499,217	499,217
Reduced operating expenses primarily relating to a reduction in information technology software ($1.5 million).			(1,999,857)	(1,999,857)
Removed data warehouse project funding authorized in the 2013-15 biennium.			(2,000,000)	(2,000,000)
Removed web portal project funding authorized in the 2013-15 biennium.			(1,500,000)	(1,500,000)

Removed policy replacement project funding authorized in the 2013-15 biennium.			(1,225,000)	(1,225,000)
Removed litigation contingency funding authorized in the 2013-15 biennium for the failed computer system project.			(750,000)	(750,000)
Added one-time funding for a computer software replacement project.			6,000,000	6,000,000
Added one-time funding for litigation costs for a failed computer software replacement project.			1,000,000	1,000,000
Total	10.00	$0	$5,542,748	$5,542,748

FTE Changes

The 2015-17 biennium appropriations for Workforce Safety and Insurance include funding for 260.14 FTE positions, an increase of 10 FTE positions from the 2013-15 biennium. The Legislative Assembly added the following 6 FTE positions:

	General Fund	Other Funds	Total
1 Underwriter	$0	$129,759	$129,759
2 Vocational rehabilitation case managers	0	259,518	259,518
2 Nurse case managers	0	279,146	279,146
1 Physical therapist	0	210,051	210,051
Total	$0	$878,474	$878,474

The Legislative Assembly converted the following temporary positions to FTE positions:

	General Fund	Other Funds	Total
3 Claims adjusters	$0	$378,083	$378,083
1 Collections specialist	0	121,134	121,134
Total	$0	$499,217	$499,217

One-Time Funding

The Legislative Assembly identified $7 million of other funds as one-time funding, including $6 million to complete a computer software replacement project and $1 million for litigation costs for a computer software replacement project.

Related Legislation

Premium payments - Section 2 of House Bill No. 1103 amends North Dakota Century Code Section 65-04-33(3) authorizing Workforce Safety and Insurance to assess a penalty of $5,000 of each premium period an employer is uninsured, a change from $2,000 of each premium period.

Roughrider Industries - Section 1 of House Bill No. 1120 amends Section 65-06.2-06 requiring Roughrider Industries to participate in the Workforce Safety and Insurance account for state entities.

Workers' compensation claim information - Section 1 of House Bill No. 1159 amends Section 65-05-30 authorizing health care providers, hospitals, or clinics to disclose information or render an opinion on a claim for workers' compensation, and provides an exemption from liability for the disclosure of the information or opinion.

Workers' compensation coverage - Section 1 of Senate Bill No. 2060 creates a new section to Chapter 65-05 providing requirements for coverage of chronic opioid therapy in workers' compensation.

Highway Patrol
Budget No. 504
House Bill No. 1011

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**215.00**	**$46,656,563**	**$13,062,541**	**$59,719,104**
2015-17 base budget	213.00	42,261,042	12,594,542	54,855,584
Legislative increase (decrease) to base budget	2.00	$4,395,521	$467,999	$4,863,520

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$45,906,613**	**$749,950**	**$46,656,563**
2013-15 legislative appropriations	42,261,042	5,347,000	47,608,042
2015-17 legislative increase (decrease) to 2013-15 appropriations	$3,645,571	($4,597,050)	($951,479)
Percentage increase (decrease) to 2013-15 appropriations	8.6%	(86.0%)	(2.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Highway Patrol is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$1,159,491	$154,075	$1,313,566
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		1,188,888	299,268	1,488,156
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		585,127	145,691	730,818
Added 2 traffic trooper FTE positions and related funding.	2.00	472,840	70,654	543,494
Adjusted base level funding to remove one-time startup costs for new troopers authorized in the 2013-15 biennium, federal funds changes, and other base adjustments.		(532,548)	(411,966)	(944,514)

Added funding for operating cost increases related to building leases ($116,000), information technology ($36,000), ammunition ($100,000), state fleet services rates ($188,000), and vehicle equipment installation costs ($520,000).		845,723	114,277	960,000
Provided one-time funding for mobile radio equipment replacement ($626,000), upgrades to an outdoor gun range ($80,000), and a skid car training system ($66,000).		676,000	96,000	772,000
Total	2.00	$4,395,521	$467,999	$4,863,520

FTE Changes

The 2015-17 biennium appropriations for the Highway Patrol include funding for 215 FTE positions, an increase of 2 FTE positions from the 2013-15 biennium. The Legislative Assembly added 2 traffic trooper FTE positions.

One-Time Funding

The following is a summary of one-time funding included in the 2015-17 legislative appropriations for the Highway Patrol:

	General Fund	Other Funds	Total
Mobile radio equipment replacements	$548,000	$78,000	$626,000
Outdoor gun range upgrades	70,000	10,000	80,000
Skid car training system	58,000	8,000	66,000
New trooper equipment costs	73,950	11,050	85,000
Total	$749,950	$107,050	$857,000

Other Sections in Bill

Funding from highway tax distribution fund - Section 3 provides that $6,687,330 of the special funds appropriation for the Highway Patrol is from the highway tax distribution fund.

Officer per diem - Section 4 provides officer per diem of $200 per month which is in lieu of reimbursement for meals and other expenses while in travel status within the state. This is the same amount of monthly officer per diem as provided during the 2013-15 biennium.

Legislative intent regarding radio communications - Section 5 provides legislative intent that the Information Technology Department is responsible for the oversight of the installation of any radio communications equipment by an executive branch state agency and that the Information Technology Department is to develop a process to implement the recommendations of the North Dakota statewide radio system assessment and evolution study.

Department of Corrections and Rehabilitation
Budget No. 530
House Bill No. 1015

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**836.29**	**$215,387,242**	**$38,362,706**	**$253,749,948**
2015-17 base budget	814.29	177,774,343	30,936,922	208,711,265
Legislative increase (decrease) to base budget	22.00	$37,612,899	$7,425,784	$45,038,683

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$212,748,931**	**$2,638,311**	**$215,387,242**
2013-15 legislative appropriations	177,774,343	4,276,593[1]	182,050,936[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$34,974,588	($1,638,282)	$33,336,306
Percentage increase (decrease) to 2013-15 appropriations	19.7%	(38.3%)	18.3%

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $1,135,547 made in Senate Bill No. 2023. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Corrections and Rehabilitation is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$4,105,206	$129,049	$4,234,255
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		4,109,141	246,020	4,355,161
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		2,659,116	171,458	2,830,574
Added funding for targeted equity salary increases for correctional officer positions.		2,126,442		2,126,442

Added funding for new parole and probation officer positions.	16.00	2,846,929		2,846,929
Added funding for a new juvenile corrections specialist position.	1.00	172,154		172,154
Added funding for a new Youth Correctional Center position.	1.00	133,713		133,713
Added funding for new adult services treatment positions.	2.00	240,000		240,000
Added funding to transfer James River Correctional Center central receiving positions from the Department of Human Services.	2.00	231,617	471,247	702,864
Adjusted funding relating to energy impact, operating fees and services, and grants.		(1,911,641)	1,422,282	(489,359)
Added funding for federal grant award changes.			409,728	409,728
Added funding to transfer community sex offender treatment from the Department of Human Services.		1,865,810		1,865,810
Removed funding for prior biennium equipment.			(1,300,000)	(1,300,000)
Increased funding for contract housing and programming to provide a total of $31,979,762.		9,243,102		9,243,102
Increased funding for food and clothing.		1,701,258		1,701,258
Increased funding for professional and medical services.		1,971,436		1,971,436
Added funding for hepatitis C treatment.		1,080,000		1,080,000
Increased funding for facility maintenance and operation.		393,405	600,000	993,405
Increased funding for information technology costs.		596,216		596,216
Increased funding for travel costs.		331,802		331,802
Increased funding for the Dakota Women's Correctional and Rehabilitation Center contract to provide a total of $11,216,204.		2,250,000		2,250,000
Added funding for equipment under $5,000 - Parole officer phones and radios.		298,225		298,225
Increased base funding for extraordinary repairs.		540,583	150,000	690,583
Reduced funding for bond payments.		(9,926)		(9,926)
Added one-time funding for extraordinary repairs.		1,425,267		1,425,267
Added one-time funding for the workforce scheduler information technology project.		616,144		616,144

Added one-time funding for equipment over $5,000.		244,400	226,000	470,400
Added one-time funding for State Penitentiary security camera upgrades.		202,500		202,500
Added one-time funding for the new license plate issue.			4,900,000	4,900,000
Added one-time funding for Department of Corrections Subject Tracking and Reporting System (DOCSTARS) maintenance.		150,000		150,000
Total	22.00	$37,612,899	$7,425,784	$45,038,683

FTE Changes

The Legislative Assembly authorized 836.29 FTE positions for the Department of Corrections and Rehabilitation for the 2015-17 biennium, an increase of 22 FTE positions from the 2013-15 biennium. The Legislative Assembly added 16 parole and probation FTE positions, 2 adult services treatment FTE positions, 2 receiving FTE positions at the James River Correctional Center, 1 juvenile corrections specialist FTE position, and 1 Youth Correctional Center FTE position.

One-Time Funding

The following is a summary of one-time funding items for the Department of Corrections and Rehabilitation for the 2015-17 biennium:

	General Fund	Other Funds	Total
Security camera upgrade	$202,500		$202,500
Equipment	244,400	$226,000	470,400
License plate issue		4,900,000	4,900,000
Information technology projects - Workforce scheduler	616,144		616,144
DOCSTARS maintenance	150,000		150,000
Extraordinary repairs	1,425,267		1,425,267
Total	$2,638,311	$5,126,000	$7,764,311

Deficiency Appropriations

Senate Bill No. 2023 contains a deficiency appropriation of $1,135,547 from the general fund for the Department of Corrections and Rehabilitation to repay a Bank of North Dakota loan and interest authorized for the State Penitentiary building project.

Inmate Population

The following table summarizes the 2015-17 biennium inmate population projections used to develop the legislative appropriation:

	Male	Female	Total
Fiscal year 2016			
July	1,576	216	1,792
August	1,581	216	1,797
September	1,587	217	1,804
October	1,594	217	1,811
November	1,601	218	1,819
December	1,608	219	1,827
January	1,617	220	1,837
February	1,625	222	1,847
March	1,635	223	1,858
April	1,645	224	1,869
May	1,655	226	1,881
June	1,666	228	1,894

	Male	Female	Total
Fiscal year 2017			
July	1,674	229	1,903
August	1,680	230	1,910
September	1,687	230	1,917
October	1,693	231	1,924
November	1,701	232	1,933
December	1,709	233	1,942
January	1,718	235	1,953
February	1,727	236	1,963
March	1,736	238	1,974
April	1,746	239	1,985
May	1,757	241	1,998
June	1,769	243	2,012

The following table shows the actual average male and female inmate populations for July 2013 through June 2015 compared to legislative population estimates for the 2013-15 biennium:

	Male Inmate Population Estimated v. Actual			Female Inmate Population Estimated v. Actual		
	Legislative Estimated Population	Actual Population	Actual Above (Below) Estimate	Legislative Estimated Population	Actual Population	Actual Above (Below) Estimate
Fiscal year 2014						
July	1,389	1,358	(31)	175	179	4
August	1,391	1,367	(24)	176	171	(5)
September	1,392	1,373	(19)	176	171	(5)
October	1,394	1,370	(24)	177	165	(12)
November	1,396	1,398	2	177	165	(12)
December	1,398	1,412	14	178	160	(18)
January	1,399	1,419	20	179	159	(20)
February	1,401	1,415	14	179	167	(12)
March	1,403	1,412	9	180	168	(12)
April	1,405	1,414	9	180	171	(9)
May	1,407	1,407	0	181	180	(1)
June	1,408	1,415	7	181	184	3
Fiscal year 2015						
July	1,410	1,424	14	182	178	(4)
August	1,412	1,438	26	182	173	(9)
September	1,414	1,455	41	183	184	1
October	1,415	1,467	52	184	191	7
November	1,417	1,482	65	184	200	16
December	1,419	1,494	75	185	206	21
January	1,421	1,515	94	185	201	16
February	1,423	1,523	100	186	202	16
March	1,424	1,532	108	186	211	25
April	1,426	1,546	120	187	217	30
May	1,428			187		
June	1,430			188		

Dakota Women's Correctional and Rehabilitation Center

The Legislative Assembly provided $11,216,204 from the general fund for a contract to house female inmates at the Dakota Women's Correctional and Rehabilitation Center in New England, an increase of $2,250,000 from the 2013-15 biennium appropriation.

Other Sections in Bill

Appropriation - Legislative Council - Section 3 provides a one-time general fund appropriation of $50,000 to the Legislative Council to obtain consulting services to assist with a Legislative Management study of incarceration issues.

Legislative Management study - Incarceration issues - Section 4 creates an incarceration issues committee to study pretrial services, sentencing alternatives, treatment options, and other related issues.

Legislative intent - Contract housing and programming - Section 5 provides legislative intent that the Department of Corrections and Rehabilitation give priority to in-state local and regional facilities for the placement of overflow inmates.

Related Legislation

House Bill No. 1030 - Defines manifest injustice and allows exceptions from mandatory minimum sentences.

House Bill No. 1106 - Provides for a Legislative Management study of criminal justice issues relating to defendants who are currently serving or who have served in the armed forces of the United States.

House Bill No. 1118 - Expands peace officer powers of probation and parole officers to enforce the law, conduct investigations, and make arrests on or within any premises under the control of the Department of Corrections and Rehabilitation.

House Bill No. 1120 - Provides for Workforce Safety and Insurance coverage for inmates engaged in work in a prison industries work program through Roughrider Industries.

House Bill No. 1165 - Provides for a Legislative Management study of strategies to enhance public safety and properly manage corrections and supervision populations.

House Concurrent Resolution No. 3006 - Provides for a Legislative Management study of the feasibility and desirability of state, federal, and tribal collaboration in providing services for tribal youth in the state who are adjudicated in tribal courts.

Senate Bill No. 2028 - Removes the manufacture, delivery, or possession of a controlled substance from the list of offenses for which a child 14 years of age or more may be transferred from juvenile to adult court.

Senate Bill No. 2030 - Adjusts the penalties for unlawful possession of certain drug paraphernalia.

Senate Bill No. 2070 - Provides immunity from criminal liability for an individual who reports a medical emergency involving drugs.

Senate Bill No. 2107 - Creates statutory provisions for prevention and remedies for human trafficking and provides that trafficking an adult is a Class A felony and trafficking a minor is a Class AA felony.

Senate Bill No. 2154 - Changes statutory provisions relating to sentencing for driving under the influence of alcohol or drugs.

Senate Bill No. 2327 - Requires the Department of Corrections and Rehabilitation to report incarcerated felons to the Secretary of State.

Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
Senate Bill No. 2016, House Bill No. 1018

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**234.00**	**$33,033,118**	**$208,152,527**	**$241,185,645**
2015-17 base budget	246.00	26,449,589	247,844,597	274,294,186
Legislative increase (decrease) to base budget	(12.00)	$6,583,529	($39,692,070)	($33,108,541)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$30,087,618**	**$2,945,500**	**$33,033,118**
2013-15 legislative appropriations	26,824,589[1]	4,326,240	31,150,829[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$3,263,029	($1,380,740)	$1,882,289
Percentage increase (decrease) to 2013-15 appropriations	12.2%	(31.9%)	6.0%

[1]This amount includes a contingent appropriation of $375,000 from the general fund provided in 2013 House Bill No. 1016 to provide tuition assistance to eligible members of the North Dakota National Guard. The appropriation was contingent upon the Adjutant General certifying to the Office of Management and Budget (OMB) that the National Guard received a new assignment in association with the Grand Forks Air Force Base. The contingency was not met for this appropriation.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Adjutant General is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015. Senate Bill No. 2015 also authorizes the Adjutant General to receive a transfer from the targeted market equity funding pool to provide salary adjustments to employees in positions identified as having recruitment and retention challenges.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.	(12.00)	$1,113,293	($4,317,591)	($3,204,298)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		566,384	743,809	1,310,193

Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.	336,960	472,289	809,249
Adjusted funding for base budget capital.	(7,509)	339,923	332,414
Reduced funding from federal grants relating to disaster costs and emergency services grants.		(40,700,000)	(40,700,000)
Added funding for operating costs of the ND Cares Task Force.	260,000		260,000
Increased funding for special assessments and payments in lieu of taxes.	74,000		74,000
Increased funding for civil air patrol operations.	11,000		11,000
Added funding for base map maintenance.	382,000		382,000
Added funding for next generation 911 maintenance.	209,280		209,280
Added funding for radio tower redundancy maintenance.	120,000		120,000
Added funding for a vulnerable adult population registry.	80,000		80,000
Added funding for records management system maintenance.	150,000		150,000
Added funding to realign state radio dispatch positions within the employee classification system.	192,621		192,621
Added funding for joint training involving the Department of Emergency Services, federal Health and Human Services Disaster Mortuary Operational Response Team, and other state and local emergency personnel. (House Bill No. 1018)	200,000		200,000
Removed funding for the book of veterans.	(50,000)		(50,000)
Added one-time funding for the veterans' bonus program.	500,000		500,000
Added one-time funding to purchase land for the Veterans' Cemetery.	69,500	69,500	139,000
Added one-time funding for the next generation 911 initial purchase.	386,000		386,000
Added one-time funding for radio tower infrastructure redundancy.	80,000		80,000
Added one-time funding for Microsoft SQL Enterprise for CAD system.	90,000		90,000
Added one-time funding for emergency response supplies - flooding and hazardous materials.	550,000		550,000

Added one-time funding from the state disaster relief fund for a disaster recovery assistance contract.			1,000,000	1,000,000
Added one-time funding from the state disaster relief fund for disaster volunteer coordination.			200,000	200,000
Added one-time funding for a message switch test server.		70,000		70,000
Added one-time funding from the state disaster relief fund for flood mitigation.			2,000,000	2,000,000
Added one-time funding for firefighter training grants.		1,200,000		1,200,000
Added one-time funding from the insurance tax distribution fund for firefighter training stipends.			500,000	500,000
Total	(12.00)	$6,583,529	($39,692,070)	($33,108,541)

FTE Changes

The Legislative Assembly approved 234 FTE positions for the Adjutant General for the 2015-17 biennium, a reduction of 12 FTE positions from the 2013-15 biennium. The Legislative Assembly removed 12 National Guard security officer and firefighter FTE positions as a result of a federal funding reduction for those positions.

One-Time Funding

The following is a summary of one-time funding items for the Adjutant General for the 2015-17 biennium:

	General Fund	Other Funds	Total
Veterans' bonus program	$500,000		$500,000
Veterans' Cemetery land purchase	69,500	$69,500	139,000
Next generation 911 initial purchase	386,000		386,000
Radio tower infrastructure redundancy	80,000		80,000
Microsoft SQL Enterprise for CAD system	90,000		90,000
Emergency response supplies - Flooding and hazardous materials	550,000		550,000
Disaster recovery assistance contract		1,000,000	1,000,000
Disaster volunteer coordination		200,000	200,000
Message switch test server	70,000		70,000
Flood mitigation - Rice Lake		2,000,000	2,000,000
Firefighter training grant	1,200,000		1,200,000
Firefighter training stipends		500,000	500,000
Total	$2,945,500	$3,769,500	$6,715,000

Capital Projects and Assets

The Legislative Assembly provided funding of $31,715,046 to the Adjutant General for 2015-17 biennium capital projects and assets as follows:

	General Fund	Other Funds	Total
Veterans' Cemetery land purchase	$69,500	$69,500	$139,000
Federal construction projects		30,000,000	30,000,000
National Guard special assessments and payments in lieu of taxes	230,046		230,046
Backup emergency operations center transfer switch		120,000	120,000

	General Fund	Other Funds	Total
National Guard facilities grounds equipment	25,000		25,000
Emergency response equipment	98,277	476,723	575,000
Radio tower infrastructure redundancy	80,000		80,000
Message switch test server	70,000		70,000
Microsoft SQL Enterprise for CAD system	90,000		90,000
Next generation 911 initial purchase	386,000		386,000
Total	$1,048,823	$30,666,223	$31,715,046

Deficiency Appropriations

Senate Bill No. 2023 contains a deficiency appropriation of $5 million from the state disaster relief fund to repay a Bank of North Dakota loan for the state's share of disaster costs.

Other Sections in Senate Bill No. 2016

Appropriation - State disaster relief fund - Section 3 provides an appropriation of $2 million from the state disaster relief fund to the Adjutant General for the purpose of providing for repair and replacement of infrastructure and removal of debris and other health hazards related to Rice Lake flooding.

Appropriation - Information Technology Department - Section 4 provides an appropriation of $1.5 million from the general fund to the Information Technology Department for planning and coordinating the implementation of the statewide radio interoperability network.

Legislative intent - Information Technology Department - Section 5 provides legislative intent that the Information Technology Department consult with representatives of political subdivisions and private entities affected by the implementation of the statewide radio interoperability network to determine participation in the project. Section 5 also provides for reports on the project to the appropriations committees of the 65th Legislative Assembly.

State Radio dispatch positions - Section 6 identifies of the amount provided for salaries and wages in subdivision 2 of Section 1, $192,621 from the general fund is to realign State Radio dispatch positions within the employee classification system.

Firefighter training stipends - Section 7 identifies of the amount appropriated from the insurance tax distribution fund for fire department payments in Section 2 of Senate Bill No. 2010, $500,000 shall be used for stipends to firefighters participating in training.

Veterans' Cemetery maintenance fund - Section 8 provides an additional appropriation for any funds which are received and deposited in the Veterans' Cemetery maintenance fund pursuant to North Dakota Century Code Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery for the 2015-17 biennium.

Maintenance and repairs - Section 9 provides that the Adjutant General may transfer up to $500,000 from various line items to the operating expenses and capital assets line items for the maintenance and repair of state-owned armories during the 2015-17 biennium. Any amounts transferred must be reported to OMB.

Funding transfers - State employee compensation adjustments - Section 10 provides that the Adjutant General may transfer appropriation authority between line items and subdivisions in Section 1 of the bill as it relates to state employee compensation increases.

Exemption - Radio communications - Section 11 provides that any unexpended general or special funds appropriation authority in the radio communications line item relating to the statewide seamless base map, State Radio tower package, computer-aided dispatch upgrade, and the voice incident recorder for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2015-17 biennium.

Exemption - Computer-aided dispatch - Section 12 provides that any unexpended general or special funds appropriation authority in the operating expenses line item relating to the computer-aided dispatch upgrade and the disaster coordination contract for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2015-17 biennium.

Exemption - Record of veterans - Section 13 provides that any unexpended general or special funds appropriation authority in the operating expenses line item for the writing, publishing, and distribution of a record of all North Dakota veterans for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2015-17 biennium.

Exemption - Tuition, recruiting, and retention - Section 14 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2015-17 biennium.

Exemption - National Guard tuition assistance - Section 15 provides that any unexpended general or special funds appropriation authority in the tuition, recruiting, and retention line item relating to the contingent appropriation for the purpose of providing tuition assistance to eligible members of the National Guard for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2015-17 biennium. Funding authority is contingent upon the Adjutant General certifying to OMB that the National Guard has received a new assignment in association with the Grand Forks Air Force Base.

Exemption - Veterans' bonus program - Section 16 provides that any unexpended general fund appropriation authority relating to the $5 million appropriated for the payment of adjusted compensation to veterans during the 2005-07, 2007-09, 2009-11, 2011-13, and 2013-15 bienniums is not subject to the provisions of Section 54-44.1-11 and must be transferred to the Veterans' Cemetery trust fund during the 2015-17 biennium.

Exemption - Radio communications - Section 17 provides that any unexpended general or special funds appropriation authority in the radio communications line item relating to State Radio tower package for the 2011-13 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2015-17 biennium.

Exemption - Disaster costs - Section 18 provides that any unexpended general or special funds appropriation authority in the disaster costs line item relating to flood relief or disaster mitigation projects for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2015-17 biennium.

Exemption - Flood-impacted housing rehabilitation - Section 19 provides that any unexpended general or special funds appropriation authority in the disaster costs line item relating to grants to cities and counties for flood-impacted housing rehabilitation for the 2013-15 biennium is not subject to the provisions of Section 54-44.1-11 and may be continued and expended during the 2015-17 biennium.

Emergency - Section 20 provides that $500,000 from the general fund in the grants line item relating to the veterans' bonus program, $386,000 from the general fund in the radio communications line item relating to next generation 911, $209,280 from the general fund in the operating expenses line item relating to next generation 911, $382,000 from the general fund in the operating expenses line item relating to statewide base map maintenance, and $2 million from the state disaster relief fund in Section 3 relating to repair and replacement of infrastructure and removal of debris and other health hazards are declared to be an emergency measure.

Related Legislation

Senate Bill No. 2102 - Places National Guard security officers and firefighters retirement plans and retirement contributions under the Public Employees Retirement System.

House Bill No. 1018 - Section 10 of this bill provides an appropriation of $200,000 to the Adjutant General to coordinate and conduct joint training involving the Department of Emergency Services, federal Health and Human Services Disaster Mortuary Operational Response Team, and other state and local emergency personnel.

House Bill No. 1105 - Provides for criminal history record checks for Adjutant General employees and volunteers working with the recruiting and retention, sexual assault, and youth programs.

House Bill No. 1107 - Allows political subdivisions with a population fewer than 25,000 to receive public safety answering point services from the Division of State Radio and be charged the apportioned amount consistent with the actual costs of providing the service per telephone access line and wireless access line.

House Bill No. 1112 - Amends law relating to state disaster or emergency response and recovery to allow funding for Governor declared disasters for which a presidential disaster declaration is denied.

House Bill No. 1395 - Provides for a Legislative Management study of the benefit a statewide emergency information program would have on current 911 and emergency services communication systems.

Department of Commerce
Budget No. 601
House Bill Nos. 1018, 1282, and 1285 Senate Bill No. 2151

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**69.40**	**$56,203,701**	**$75,169,473**	**$131,373,174**
2015-17 base budget	69.25	42,157,060	51,707,386	93,864,446
Legislative increase (decrease) to base budget	0.15	$14,046,641	$23,462,087	$37,508,728

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$36,637,245**	**$19,566,456**	**$56,203,701**
2013-15 legislative appropriations	42,157,060	22,300,000	64,457,060
2015-17 legislative increase (decrease) to 2013-15 appropriations	($5,519,815)	($2,733,544)	($8,253,359)
Percentage increase (decrease) to 2013-15 appropriations	(13.1%)	(12.3%)	(12.8%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Commerce is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$290,288	($465,785)	($175,497)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		388,513	96,460	484,973
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		192,351	50,066	242,417
Added funding to change a 0.85 tourism administrator FTE position to a 1.00 FTE position.	0.15	11,276		11,276
Added funding for partner programs to provide total funding of $2.1 million.		300,000		300,000

Added funding for miscellaneous changes.	213,416	655,788	869,204
Added funding for program changes.	(15,659)	1,115,689	1,100,030
Transferred American Indian Business Office to Indian Affairs Commission.	(100,000)		(100,000)
Removed grants authorized in the 2013-15 biennium including homeless shelter grants ($2 million), childcare facility grants ($2.6 million), tribal college grants ($5 million), and rural health service grants ($400,000).	(10,000,000)		(10,000,000)
Added one-time funding from the general fund for expansion of the tourism marketing campaign in Midwest markets.	1,000,000		1,000,000
Added one-time funding from the general fund for unmanned aerial systems, including $1.2 million for a business incentive match fund. In addition, the department was authorized to continue $1.5 million from the 2013-15 biennium.	2,718,620		2,718,620
Added one-time funding from the general fund to continue the Research North Dakota program.	4,500,000		4,500,000
Added one-time funding from the general fund to continue the childcare facility grant program which provides grants of up to $187,500 for new and expanded licensed childcare facilities and essential equipment for the facilities.	2,250,000		2,250,000
Added one-time funding from the general fund for tourism infrastructure grants to attract, retain, and entertain North Dakota citizens and visitors.	750,000		750,000
Added one-time funding from the general fund for workforce enhancement grants. In addition, the agency was authorized to continue $500,000 from the 2013-15 biennium.	1,000,000		1,000,000
Added one-time funding from the general fund for a "Find the Good Life" grant program to provide a statewide workforce recruiting campaign by providing a dollar-for-dollar match of employer contributions.	300,000		300,000
Added one-time funding from the general fund for educators and industry externships.	50,000		50,000
Added one-time funding from the general fund for base retention grants.	1,500,000		1,500,000
Added one-time funding of $2 million from the general fund and $1 million from the student loan trust fund for tribal college workforce grants to create and expand workforce development programs.	2,000,000	1,000,000	3,000,000

Added one-time funding from the general fund for Innovate North Dakota, and to provide grants to entrepreneurial centers and startup technology and innovative businesses.		1,750,000		1,750,000
Added one-time funding from the general fund to continue the homeless shelter grant program.		1,500,000		1,500,000
Added one-time funding from the general fund for an international tourism campaign.		247,836		247,836
Added one-time funding from the strategic investment and improvements fund for a contingent grant for the enhanced use lease grant program to provide grants for developing the infrastructure required for an enhanced use lease, $3.1 million is contingent on construction and agreement of a first private sector single-tenant or multitenant building on the property, the remaining $4.4 million is contingent on agreement of a second private sector single-tenant or multitenant building on the property or after an agreement is reached with any data intensive tenant for data connectivity and redundancy infrastructure requirements or for data services.			7,500,000	7,500,000
Added one-time funding of federal funds from the Community Block Grant Disaster Recovery for flood impact grants.			12,859,869	12,859,869
Added funding from the general fund to provide matching funds to an organization assisting in the recruitment, distribution, supply, quality, and efficiency of personnel providing health services in rural areas of the state. The funding requires a dollar-for-dollar match from nonstate sources. (House Bill No. 1282)		200,000		200,000
Added funding from the strategic investment and improvements fund for grants to domestic violence sexual assault organizations for constructing, renovating, or purchasing facilities to provide shelter to victims of domestic violence. (House Bill No. 1285)			650,000	650,000
Added funding from the general fund to provide early childhood education grants. (Senate Bill No. 2151)		3,000,000		3,000,000
Total	0.15	$14,046,641	$23,462,087	$37,508,728

FTE Changes

The Legislative Assembly provided funding for 69.40 FTE positions in the 2015-17 biennium, an increase of 0.15 FTE positions from the 2013-15 biennium authorized level of 69.25 FTE positions.

One-Time Funding

In Section 2 of Senate Bill No. 1018, the Legislative Assembly identified $40,926,325 of funding as one-time funding items for the Department of Commerce, of which $19,566,456 is from the general fund and $21,359,869 is from other funds. The table below summarizes one-time funding provided by the Legislative Assembly to the Department of Commerce for the 2015-17 biennium.

	General Fund	Other Funds	Total
Tourism marketing campaign in Midwest markets	$1,000,000		$1,000,000
Tourism international	247,836		247,836
Tourism large infrastructure grants	750,000		750,000
Unmanned aircraft system	2,718,620		2,718,620
Research North Dakota	4,500,000		4,500,000
Childcare facility grant program	2,250,000		2,250,000
Educators and industry externships	50,000		50,000
Workforce enhancement grants	1,000,000		1,000,000
Workforce recruitment	300,000		300,000
Base realignment grants	1,500,000		1,500,000
Tribal college grants	2,000,000	$1,000,000	3,000,000
Entrepreneurial grants and vouchers	1,750,000		1,750,000
Homeless shelter grants	1,500,000		1,500,000
Enhanced use lease grant (strategic investment and improvements fund)		7,500,000	7,500,000
Flood impact grants and loans (federal funding)		12,859,869	12,859,869
Total	$19,566,456	$21,359,869	$40,926,325

Centers of Excellence and Centers of Research Excellence

The 2015 Legislative Assembly did not appropriate any new funding for either the centers of excellence program, established in North Dakota Century Code Chapter 15-69 by the 2003 Legislative Assembly, or the centers of research excellence program, established in Chapter 54-65 by the 2011 Legislative Assembly. The 2011 Legislative Assembly provided an expiration date of July 31, 2023, for the centers of excellence program. Postaward monitoring will continue for both programs and may continue for up to 10 years after the designation of a center.

Research North Dakota Grant Program

The 2013 Legislative Assembly established the Research North Dakota grant program and the Research North Dakota venture program. The Research North Dakota grant program was established to provide grants to research universities for research, development, and commercialization activities in collaboration with a private sector partner.

The 2015 Legislative Assembly provided one-time funding of $4.5 million as a transfer from the general fund to the Research North Dakota fund in Section 1 of House Bill No. 1018. Section 15 of House Bill No. 1018 provides of the $4.5 million, $1 million is designated for biotechnology grants and $3.5 million is available without any specific designation. The purpose of the biotechnology grants is to conduct research on and commercialization for the prevention of, treatment of, or cure for viral diseases, cancer, and other pathogens. The $1 million designated for biotechnology is available until December 31, 2016, any remaining funds after December 31, 2016, may be used for other Research North Dakota purposes.

Research North Dakota Venture Investment Program

The Research North Dakota venture investment program was established during the 2013-15 biennium to provide funding from the development fund for investments to startup or spinoff businesses that utilize technology developed through a research university. A business is limited to an individual investment of no more than $250,000, and the development corporation was required to establish guidelines for the investments.

The Research North Dakota venture program is divided into two parts--the Research North Dakota venture grant program and the Research North Dakota venture investment program.

The Research North Dakota venture grant program was established to provide grants to research universities to further commercialize technology developed through a research university. The Department of Commerce and the Centers of Excellence Commission were required to develop guidelines for the grants.

The 2013 Legislative Assembly designated $2 million of Research North Dakota funding for venture grants. The Department of Commerce estimates an additional $1 million of undesignated Research North Dakota funding will be used for grants.

Unmanned Aircraft Systems Program

The 2013 Legislative Assembly established the Unmanned Aircraft Systems (UAS) program and UAS program fund in Section 14 of Senate Bill No. 2018 and provided a continuing appropriation to defray the expenses of the UAS program. The Department of Commerce was required to establish the UAS program in collaboration with the University of North Dakota, the Aeronautics Commission, the Adjutant General, and private parties; to administer the UAS test site upon receiving Federal Aviation Administration approval; and to provide semiannual reports to the Legislative Management.

The 2015 Legislative Assembly provided one-time funding of $2,718,620 from the general fund for the UAS program. Of the $2,718,620 appropriated for the UAS program, Section 7 of House Bill No. 1018 designates $1.2 million for a business incentive match fund. In addition, the Department of Commerce was authorized to continue $1.5 million from the 2013-15 biennium, which was appropriated for the UAS program during the 2013-15 biennium.

Operation Intern Program

The Operation Intern program provides a 50 percent match up to $3,000 per semester per position for a business's expenses related to an internship, an apprenticeship, or a work experience opportunity involving North Dakota students enrolled in an institution of higher education. The Legislative Assembly provided $1.55 million from the general fund for the operation intern program for the 2015-17 biennium. This level of funding reflects an increase of $50,000 from the 2013-15 biennium. Section 14 of House Bill No. 1018 provides that the $1.55 million appropriated for the program in the operating expenses line item in Section 1 be transferred to the internship fund. Section 24 of House Bill No. 1018 provides an amendment to Section 54-60-17 to include educators under the operation intern program.

North Dakota Trade Office

The North Dakota Trade Office creates global partnerships to expand trade opportunities for North Dakota businesses through advocacy, education, and expertise. The 2015 Legislative Assembly provided $2,613,400 from the general fund for the North Dakota Trade Office for the 2015-17 biennium. The following is a summary of funding for the North Dakota Trade Office:

Biennium	General Fund	Special Funds	Total
2003-05	$75,000[1]	$0	$75,000
2005-07	$0	$700,000[2]	$700,000
2007-09	$1,500,000[3]	$0	$1,500,000
2009-11	$2,064,000[4]	$0	$2,064,000
2011-13	$2,613,400[5]	$0	$2,613,400
2013-15	$2,613,400[5]	$0	$2,613,400
2015-17	$2,613,400[5]	$0	$2,613,400

[1]Section 21 of 2003 House Bill No. 1019 required the Department of Commerce to establish a trade promotion authority for promoting North Dakota products and improving international trade for North Dakota products for the 2003-05 biennium. The department was to use $75,000 from the general fund appropriated in its operating expenses line item for operating costs of the trade authority for the 2003-05 biennium. Section 22 of House Bill No. 1019 (2003) provided that the department may spend any gifts, grants, or other income received by the authority pursuant to a continuing appropriation for the 2003-05 biennium.

[2]The 2005 Legislative Assembly provided funding of $500,000 from the development fund and $200,000 from the Mill and Elevator for costs associated with the North Dakota Trade Office. Matching funds of 50 percent were to be provided before this funding was made available.

[3]Section 10 of 2007 House Bill No. 1018 provided that the Department of Commerce may spend 50 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any additional amounts may be spent only to the extent that the North Dakota Trade Office provides $1 of matching funds from private or other public sources for each $1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

[4]Section 11 of 2009 Senate Bill No. 2018 provides that the Department of Commerce may spend 62.5 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any additional amounts may be spent only to the extent that the North Dakota Trade Office provides $1 of matching funds from private or other public sources for each $1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

[5]Section 26 of 2011 Senate Bill No. 2057, Section 31 of 2013 Senate Bill No. 2018, and 2015 Section 12 of House Bill No. 1018 provided the Department of Commerce may spend 70 percent of funding appropriated to the North Dakota Trade Office without requiring matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides $1 of matching funds from private or other public sources for each $1 provided by the department. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

Agricultural Products Utilization Commission

The purpose of the Agricultural Products Utilization Commission (APUC) is to provide grants to develop and expand the use of agricultural products in accordance with Chapter 4-14.1. The APUC receives funding from the general fund, special funds, and federal funds. The Legislative Assembly provided an appropriation of $3,318,611 for the APUC for the 2015-17 biennium, consisting of $1,222,983 from the general fund and $2,095,628 from the agricultural products utilization fund. The appropriation of $3,318,611 reflects an overall increase of $78,177 compared to the 2013-15 biennium, as shown in the schedule below.

	General Fund	Agricultural Products Utilization Fund[1]	Federal Funds	Total Appropriation[2]
2013-15 Biennium	$1,202,210	$1,738,284	$300,000	$3,240,494
2015-17 Biennium	1,222,983	2,095,628	0	3,318,611
Increase (Decrease)	$20,773	$357,344	($300,000)	$78,117

[1]The 2013 Legislative Assembly renamed the agricultural fuel tax fund the agricultural products utilization fund.

[2]These amounts do not include carryover authority.

The 2013 Legislative Assembly renamed the agricultural fuel tax fund the agricultural products utilization fund . Section 19 of 2013 Senate Bill No. 2018 removed the requirement that two cents per gallon of the motor vehicle fuel tax refund for agricultural purposes be deposited in the agricultural products utilization fund. As a result of the change, the remaining funding sources for the agricultural products utilization fund are an annual transfer of 5 percent of the state mill and elevator profits and one-half cent per gallon of the motor vehicle fuel tax refund for industrial purposes. The Legislative Assembly also provided an exemption for APUC in Section 17 of House Bill No. 1018 allowing unexpended funds from the 2013-15 biennium to continue and to be spent during the 2015-17 biennium.

Ethanol Production Incentives

The ethanol production incentive fund is administered by the Department of Commerce to provide production incentives to ethanol production facilities in accordance with Chapter 17-02. Forty percent of the revenue from the registration of farm vehicles is transferred to the ethanol production incentive fund from the highway tax distribution fund in accordance with Section 39-04-39. The balance of the ethanol production incentive fund cannot exceed $7.5 million, which may limit the amount transferred from the highway distribution fund. The 2013 Legislative Assembly in Sections 10 and 19 of Senate Bill No. 2018 removed the requirement that one cent per gallon of the motor vehicle fuel tax refunds be deposited in the ethanol production incentive fund. The estimated revenues for the ethanol production incentive fund are $4.4 million during the 2013-15 biennium and $4.7 million during the 2015-17 biennium.

Other Grant Programs

Workforce grant program - In Section 2 of House Bill No. 1018, the Legislative Assembly provided an appropriation of $1 million from the general fund to the workforce enhancement fund for workforce enhancement grants during the 2015-17 biennium. The program provides dollar-for-dollar matching funds to

Bismarck State College, Lake Region State College, North Dakota State College of Science, and Williston State College to purchase equipment to enhance programs that address workforce needs.

Base retention grant program - The requirements for the base retention grant program in Section 3 of House Bill No. 1018 provide for grants of up to $500,000 to each community with an Air Force base or Air National Guard facilities. The funding for the base retention grant program is considered a one-time funding item.

Enhanced use lease grant program - The contingencies for the enhanced use lease grant program in Section 4 of House Bill No. 1018, include $3.1 million which is contingent on construction and agreement of a first private sector single-tenant or multitenant building on the property. The remaining $4.4 million is contingent on agreement of a second private sector single-tenant or multitenant building on the property or after an agreement is reached with any data intensive tenant for data connectivity and redundancy infrastructure requirements or for data services

Childcare facility grant program - The requirements for the childcare facility grant program in Section 5 of House Bill No. 1018, provide Department of Commerce develop guidelines to qualify for a grant, which include a matching requirement $1 of matching funds for every $3 of grant funds and a maximum grant amount of $187,500.

Entrepreneurship grants and voucher program - The requirements for the entrepreneurship grants and voucher program in Section 6 of House Bill No. 1018, provide the Department of Commerce develop guidelines for the grants and requires the department to provide $300,000 grants each to the Incubator for Developing Entrepreneurial Activity (IDEA) Center, North Dakota State University Research and Technology Park, and the University of North Dakota Center for Innovation. The Department of Commerce is permitted to use $2.35 million of the $3.25 million appropriated by the 2015 Legislative Assembly for other entrepreneurship grants and vouchers.

Unmanned aircraft systems program - The requirements for unmanned aircraft systems program in Section 7 of House Bill No. 1018 provide of the $2,718,620 appropriated only $1.2 million may be used as matching funds to incentivize private sector business development related to the test site.

Tribal college workforce grant program - The purpose of the grant funding is to develop certificate or degree-based training programs that assist students to obtain jobs needed within the state and to assist students attending the college with establishing a new business. Section 8 of House Bill No. 1018 identifies that of the $3 million appropriated, $2 million is from the general fund and $1 million is from the student loan trust fund.

Rural health care grant program - The Legislative Assembly provided funding of $200,000 from the general fund to address rural health care workforce needs in House Bill No. 1282. The purpose of the funding is to provide matching funds to an organization that assists in the recruitment, distribution, supply, quality, and efficiency of health care personnel in rural areas of the state. The grant recipient must provide dollar-for-dollar matching funds.

Domestic violence shelter grant program - The Legislative Assembly provided $650,000 from the strategic investment and improvements fund for grants to domestic violence sexual assault organizations for constructing, renovating, or purchasing facilities to provide shelter to victims of domestic violence in House Bill No. 1285. The Department of Commerce is required to provide a grant of up to $400,000 to a qualifying organization serving the Grand Forks community and require $3 of nonstate funds for each $1 of the grant funds awarded up to $400,000. The department is further required to provide a grant of up to $250,000 to a qualifying organization serving the Devils Lake community and require $1 of nonstate funds for each $1 of the grant funds awarded of up to $250,000.

Early childhood education grant program - The Legislative Assembly provided $3 million from the general fund for early childhood education grants in House Bill No. 2151.

Exemptions

The Legislative Assembly provided exemptions in House Bill No. 1018 to allow unexpended 2013-15 funds to continue and to be spent during the 2015-17 biennium as follows:

- **Agricultural Products Utilization Commission** - Section 17 provides an exemption for the Agricultural Products Utilization Commission.
- **Discretionary funds** - The exemption in Section 18 relates to the discretionary funds line item.
- **Technology-based entrepreneurship** - Section 19 provides an exemption for the technology-based entrepreneurship grant program.

- **Childcare facility grants** - Section 20 provides an exemption for the childcare facility grants.
- **Unmanned aircraft systems program** - Section 21 provides an exemption for the unmanned aircraft systems program.
- **Tribal college grants** - Section 22 provides an exemption for the tribal college grants.
- **Antiballistic missile site acquisition base realignment grants** - Section 23 provides an exemption for the funding continued pursuant to Section 27 of Chapter 49 of the 2013 Session Laws for the antiballistic missile site acquisition grant and the base realignment grant.

Other Sections in House Bill No. 1018

Arts and galleries association grant - Section 9 provides the Department of Commerce is required to use $150,000 from the general fund appropriated in the discretionary funds line item to provide a grant to the Bismarck Arts and Galleries Association.

Adjutant General - Appropriation - In Section 10, the Legislative Assembly appropriated $200,000 from the general fund to the Adjutant General for coordinating and conducting joint training, involving the North Dakota Department of Emergency Services, federal health and human services' disaster mortuary operational response team, and other state and local emergency personnel.

***Dakota Day Trips* publication** - Section 11 requires the Department of Commerce to use up to $15,000 of the funding appropriated in the operating expenses line item for expenses relating to the printing of the *Dakota Day Trips* publication.

Internships, apprenticeships, and work experience opportunities - Section 24 amends Section 54-60-17 to include educators under the internships, apprenticeships, and work experience opportunities.

Legislative management study - Civilian ground center - Section 25 requires Legislative Management to study issue related to the state's development of a civilian ground center.

Related Legislation

North Dakota American Indian Business Development Office - Section 3 of House Bill No. 1005 requires the Indian Affairs Commission to cooperate with the Department of Commerce in the administration of the American Indian Business Development Office.

Sharing of unemployment insurance information - Section 1 of House Bill No. 1060 creates Section 52-01-03 relating to the sharing of information obtained through the administration of the unemployment insurance program, limited to wage and employment number records of employers identified by the Department of Commerce as having received North Dakota state economic development assistance in possession of Job Service North Dakota to the Department of Commerce.

Early childhood services inclusion services and grant program - Section 7 of Senate Bill No. 2080 amends the eligibility requirements for the grant program qualifying early childhood service providers that have a state license, are self-declared or are in the process of applying for a state license, a change from the previous requirement that the provider have a state license. The bill removes the eligibility requirement that the provider submit a letter from the provider's social services office confirming the provider's license and a required letter from another service provider that confirms an increased funding need to assist the provider in service the child with disabilities. Under the bill the service provider is required to collaborate with other service providers that provide formal support to the child or children with disabilities or developmental delays.

Business incentive accountability reports - Section 1 of Senate Bill No. 2136 amends the requirements of the state grantor recipient report, requiring the recipient of state grants to file the report 60 days after the anniversary of the benefit date a change from the previous requirement of March 1. This bill requires the recipient to file a report for the previous 12 months, a change from the previous requirement of a calendar year.

Domestic violence sexual assault organization grants - Section 5 of House Bill No. 1176 requires the Department of Trust Lands to consult with the Department of Commerce to develop guidelines and procedures for $2 million of grants from the oil and gas impact grant fund to domestic violence sexual assault organizations.

Upper Great Plains Transportation Institute
Budget No. 627
House Bill No. 1020

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**54.98**	**$4,847,099**	**$18,175,657**	**$23,022,756**
2015-17 base budget	53.75	2,826,824	22,452,963	25,279,787
Legislative increase (decrease) to base budget	1.23	$2,020,275	($4,277,306)	($2,257,031)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$4,097,099**	**$750,000**	**$4,847,099**
2013-15 legislative appropriations	2,826,824	1,250,000	4,076,824
2015-17 legislative increase (decrease) to 2013-15 appropriations	$1,270,275	($500,000)	$770,275
Percentage increase (decrease) to 2013-15 appropriations	44.9%	(40.0%)	18.9%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The 2015-17 biennium legislative appropriations for the Upper Great Plains Transportation Institute include funding for 2 to 4 percent annual salary increases and for estimated increases for health insurance premium rates.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		($272,242)	($625,970)	($898,212)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		103,859	377,447	481,306
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		44,562	158,641	203,203
Adjusted FTE positions pursuant to Section 8 of 2013 Senate Bill No. 2020.	1.23			0
Added funding for rentals, leases, and professional services.		300,548		300,548

Adjusted funding to reflect an anticipated decrease in federal grants and to aid in obtaining federal grants.		300,548	(4,187,424)	(3,886,876)
Added funding for a road and bridge asset management system.		793,000		793,000
Added one-time funding to continue the statewide roads study.		750,000		750,000
Total	1.23	$2,020,275	($4,277,306)	($2,257,031)

FTE Changes

The number of 2013-15 authorized FTE positions is based on 53.75 FTE positions authorized by the Legislative Assembly in 2013. Section 8 of 2013 Senate Bill No. 2020 authorized the State Board of Higher Education to adjust FTE positions as needed. A total of 1.23 FTE positions were added pursuant to this section and reported to the Office of Management and Budget (OMB) for a total of 54.98 FTE positions. The 2015-17 biennium appropriation includes funding for 54.98 FTE positions, the same as the adjusted 2013-15 biennium appropriation.

One-Time Funding

In Section 2 of House Bill No. 1020, the Legislative Assembly identified $750,000 of one-time funding from the general fund for the Upper Great Plains Transportation Institute to continue the statewide roads study.

Other Sections in Bill

Additional income appropriation - Section 3 provides that, in addition to the amount appropriated as other funds, any other income received from federal acts, private grants, gifts, and donations, or from other sources received by the Upper Great Plains Transportation Institute, North Dakota State University (NDSU) Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2015-17 biennium.

FTE position adjustments - Section 15 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station. The State Board of Higher Education must report any adjustments to OMB and the Budget Section.

Legislative Management study - Section 17 provides for a Legislative Management study of the feasibility of placing the Upper Great Plains Transportation Institute under the administrative authority of the Department of Transportation.

Unexpended general fund authority - Excess income - Section 18 authorizes the continuation of any unspent general fund appropriation authority and excess income received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station into the 2017-19 biennium.

Branch Research Centers
Budget No. 628
House Bill No. 1020

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**113.94**	**$20,073,447**	**$19,992,130**	**$40,065,577**
2015-17 base budget	107.04	17,585,702	16,001,083	33,586,785
Legislative increase (decrease) to base budget	6.90	$2,487,745	$3,991,047	$6,478,792

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$19,798,447**	**$275,000**	**$20,073,447**
2013-15 legislative appropriations	17,585,702	0	17,585,702
2015-17 legislative increase (decrease) to 2013-15 appropriations	$2,212,745	$275,000	$2,487,745
Percentage increase (decrease) to 2013-15 appropriations	12.6%	N/A	14.1%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The 2015-17 biennium legislative appropriations for the Branch Research Centers include funding for 2 to 4 percent annual salary increases and for estimated increases in health insurance premium rates.

Changes to Base Budget

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$113,781	$873,815	$987,596
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		529,057	134,433	663,490
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		291,994	107,849	399,843
Adjusted FTE positions pursuant to Section 8 of 2013 Senate Bill No. 2020.	3.90			0
Added funding for an animal science technical support position for the Hettinger Research Center.	1.00	130,000		130,000

Added funding for two crop disease research positions at the Williston Research Center.	2.00	330,000		330,000
Added one-time funding for dust issues technical support at the Dickinson Research Center.		100,000		100,000
Increased funding for operating expenses.		210,000		210,000
Increased funding for equipment over $5,000.		550,000	3,049,950	3,599,950
Added one-time funding for the purchase of real property in Cavalier County.		175,000	175,000	350,000
Adjusted funding for miscellaneous supplies, repairs, capital bonds, and operating fees and services.		57,913	(350,000)	(292,087)
Total	6.90	$2,487,745	$3,991,047	$6,478,792

FTE Changes

The number of 2013-15 authorized FTE positions is based on 107.04 FTE positions authorized by the Legislative Assembly in 2013. Section 8 of 2013 Senate Bill No. 2020 authorized the State Board of Higher Education to adjust FTE positions as needed. A total of 3.90 FTE positions were added pursuant to this section and reported to the Office of Management and Budget (OMB) for a total of 110.94 FTE positions. The 2015-17 biennium appropriation includes funding for 113.94 FTE positions, an increase of 3 FTE positions compared to the adjusted 2013-15 biennium positions. The Legislative Assembly added 1 animal science technical support FTE position and 2 crop disease research FTE positions.

One-Time Funding

In Sections 2 and 5 of House Bill No. 1020, the Legislative Assembly identified $275,000 of one-time funding from the general fund for the Branch Research Centers. The following is a summary of one-time funding items for the Branch Research Centers for the 2015-17 biennium:

	General Fund
Dust issues technical support (Section 2)	$100,000
Purchase of real property in Cavalier County (Section 5)	175,000
Total	$275,000

State Board of Agricultural Research and Education Priorities

The Legislative Assembly provided funding for State Board of Agricultural Research and Education priorities as follows:

Initiative	Priority Ranking	FTE	Appropriation
Enhancing research infrastructure - Equipment funds	3		$550,000
Enhancing research capabilities at research centers, including animal science technical support, crop disease research, dust issues technical support, and operating expenses	5	3.00	770,000
Total general fund		3.00	$1,320,000

Other Sections in Bill

Additional income appropriation - Section 3 provides that, in addition to the amount appropriated as other funds, any other income received from federal acts, private grants, gifts, and donations, or from other sources received by the Upper Great Plains Transportation Institute, North Dakota State University (NDSU) Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2015-17 biennium.

Langdon Research Extension Center land acquisition - Section 4 authorizes the Langdon Research Extension Center to purchase land in Cavalier County and Section 5 provides an appropriation of $350,000, of which $175,000 is from the general fund, for the purchase of the land.

Dickinson Research Extension Center mineral rights income - Section 11 provides for the use of up to $755,000 of revenues received during the 2015-17 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any mineral rights revenues received in excess of $755,000 may only be spent for one-time expenditures during the 2015-17 biennium.

Williston Research Extension Center mineral rights income - Section 12 provides that the Williston Research Extension Center shall report to the 65th Legislative Assembly on amounts received and spent from mineral royalties, leases, or easements during the 2013-15 and 2015-17 bienniums.

Transfer authority - Section 14 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to OMB.

FTE position adjustments - Section 15 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station. The State Board of Higher Education must report any adjustments to OMB and the Budget Section.

Unexpended general fund authority - Excess income - Section 18 authorizes the continuation of any unspent general fund appropriation authority and excess income received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station into the 2017-19 biennium.

Related Legislation

Senate Bill No. 2159 - Authorizes the State Board of Higher Education and the State Board of Agricultural Research and Education to sell real property at the Dickinson Research Center to the Dickinson School District and to purchase real property for the Dickinson Research Center for no more than $2,602,000. In addition, the bill provides that funds received from the sale of property in excess of funds used to purchase property are appropriated to the Dickinson Research Center for agricultural research purposes on a continuing basis. The excess revenue appropriated on a continuing basis is estimated to be approximately $7.6 million, however, $6 million is anticipated to be used for improvements to the purchased land.

NDSU Extension Service
Budget No. 630
House Bill No. 1020

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**263.91**	**$29,788,188**	**$25,826,708**	**$55,614,896**
2015-17 base budget	258.26	27,824,265	23,897,809	51,722,074
Legislative increase (decrease) to base budget	5.65	$1,963,923	$1,928,899	$3,892,822

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$29,775,688**	**$12,500**	**$29,788,188**
2013-15 legislative appropriations	27,824,265	1,085,000	28,909,265
2015-17 legislative increase (decrease) to 2013-15 appropriations	$1,951,423	($1,072,500)	$878,923
Percentage increase (decrease) to 2013-15 appropriations	7.0%	(98.8%)	3.0%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The 2015-17 biennium legislative appropriations for the North Dakota State University (NDSU) Extension Service include funding for 2 to 4 percent annual salary increases and for estimated increases in health insurance premium rates.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$272,281	$697,245	$969,526
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		874,065	780,864	1,654,929
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		490,077	450,790	940,867
Adjusted FTE positions pursuant to Section 8 of 2013 Senate Bill No. 2020.	4.65			
Added funding for a livestock specialist position at the Hettinger Research Extension Center.	1.00	240,000		240,000
Increased funding for soil conservation district grants to provide a total of $1,212,800.		75,000		75,000

Added one-time funding for the Burleigh County Extension Service Junior Master Gardener program.		12,500		12,500
Total	5.65	$1,963,923	$1,928,899	$3,892,822

FTE Changes

The number of 2013-15 authorized FTE positions is based on 258.26 FTE positions authorized by the Legislative Assembly in 2013. Section 8 of 2013 Senate Bill No. 2020 authorized the State Board of Higher Education to adjust FTE positions as needed. A total of 4.65 FTE positions were added pursuant to this section and reported to the Office of Management and Budget (OMB) for a total of 262.91 FTE positions. The 2015-17 biennium appropriation includes funding for 263.91 FTE positions, an increase of 1 FTE position compared to the adjusted 2013-15 biennium positions. The Legislative Assembly added 1 livestock specialist FTE position.

One-Time Funding

In Section 2 of House Bill No. 1020, the Legislative Assembly identified $12,500 of one-time funding from the general fund for the NDSU Extension Service. The funding is for the Burleigh County Extension Service Master Gardener's program for salaries and other operating expenses relating to two internships during the summers of 2015 and 2016.

State Board of Agricultural Research and Education Priorities

The Legislative Assembly provided $240,000 from the general fund and 1 livestock specialist FTE position for the agricultural programs and capacity initiative. The agricultural programs and capacity initiative had the No. 1 priority ranking from the State Board of Agricultural Research and Education.

Other Sections in Bill

Additional income appropriation - Section 3 provides that, in addition to the amount appropriated as other funds, any other income received from federal acts, private grants, gifts, and donations, or from other sources received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2015-17 biennium.

Position adjustments - Section 8 amends North Dakota Century Code Section 4-08-10 related to the extension agent expenditures to authorize the Director of the NDSU Extension Service, subject to the availability of funds, to adjust or increase FTE positions in order to carry out activities to accomplish the mission of the NDSU Extension Service. The Director must report annually to OMB and the Budget Section any adjustments or increases in FTE positions.

FTE positions - Report - Section 13 requires the NDSU Extension Service to report to the Appropriations Committees of the 65th Legislative Assembly on FTE positions added pursuant to Section 4-08-10 and Section 15 of House Bill No. 1020.

Transfer authority - Section 14 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to OMB.

FTE position adjustments - Section 15 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station and report any adjustments to OMB and the Budget Section.

Unexpended general fund authority - Excess income - Section 18 authorizes the continuation of any unspent general fund appropriation authority and excess income received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station into the 2017-19 biennium.

Exemption - Section 20 provides that amounts appropriated for the Extension 4-H camp by the 63rd Legislative Assembly are not subject to the provisions of Section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the 2015-17 biennium.

Northern Crops Institute
Budget No. 638
House Bill No. 1020

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**12.00**	**$2,102,158**	**$1,747,735**	**$3,849,893**
2015-17 base budget	12.00	1,964,861	1,797,161	3,762,022
Legislative increase (decrease) to base budget	0.00	$137,297	($49,426)	$87,871

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$2,102,158**	**$0**	**$2,102,158**
2013-15 legislative appropriations	1,964,861	100,000	2,064,861
2015-17 legislative increase (decrease) to 2013-15 appropriations	$137,297	($100,000)	$37,297
Percentage increase (decrease) to 2013-15 appropriations	7.0%	(100.0%)	1.8%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The 2015-17 biennium legislative appropriations for the Northern Crops Institute include funding for 2 to 4 percent annual salary increases and for estimated increases in health insurance premium rates.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$24,452	($66,314)	($41,862)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		77,657	9,296	86,953
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		35,188	7,592	42,780
Total	0.00	$137,297	($49,426)	$87,871

FTE Changes

The number of 2013-15 authorized FTE positions is based on 12 FTE positions authorized by the Legislative Assembly in 2013. Section 8 of 2013 Senate Bill No. 2020 authorized the State Board of Higher Education to adjust FTE positions as needed. No positions were added or removed pursuant to this section. The 2015-17 biennium appropriation includes funding for 12 FTE positions, the same as the 2013-15 biennium.

Other Sections in Bill

Additional income appropriation - Section 3 provides that, in addition to the amount appropriated as other funds, any other income received from federal acts, private grants, gifts, and donations, or from other sources received by the Upper Great Plains Transportation Institute, North Dakota State University (NDSU) Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2015-17 biennium.

Transfer authority - Section 14 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to the Office of Management and Budget (OMB).

FTE position adjustments - Section 15 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station and report any adjustments to OMB and the Budget Section.

Unexpended general fund authority - Excess income - Section 18 authorizes the continuation of any unspent general fund appropriation authority and excess income received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station into the 2017-19 biennium.

NDSU Main Research Center
Budget No. 640
House Bill No. 1020

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**353.85**	**$59,067,612**	**$78,098,525**	**$137,166,137**
2015-17 base budget	351.49	52,199,521	53,053,716	105,253,237
Legislative increase (decrease) to base budget	2.36	$6,868,091	$25,044,809	$31,912,900

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$57,345,112**	**$1,722,500**	**$59,067,612**
2013-15 legislative appropriations	52,199,521	6,407,000	58,606,521
2015-17 legislative increase (decrease) to 2013-15 appropriations	$5,145,591	($4,684,500)	$461,091
Percentage increase (decrease) to 2013-15 appropriations	9.9%	(73.1%)	0.8%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The 2015-17 biennium legislative appropriations for the North Dakota State University (NDSU) Main Research Center include funding for 2 to 4 percent annual salary increases and for estimated increases in health insurance premium rates.

Changes to Base Budget

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$570,288	$348,519	$918,807
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		1,741,722	701,092	2,442,814
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		883,784	456,982	1,340,766
Adjusted FTE positions pursuant to Section 8 of 2013 Senate Bill No. 2020.	0.36			
Added funding for two bioinformatics positions.	2.00	800,000		800,000

Added funding for precision agriculture operating expenses and grants.		600,000		600,000
Increased funding for equipment.		550,000	2,388,216	2,938,216
Reduced funding for capital bond payments.		(203)		(203)
Added one-time funding to support the development of a collaborative leadership project for the purpose of marketing and fundraising for leadership projects and may include an annual leadership summit.		150,000		150,000
Added one-time funding to continue the flooded lands study relating to the recovery of grasslands affected by Souris River flooding.		72,500		72,500
Added one-time funding for seed cleaning plants at the North Central Research Center and the Carrington Research Center.		1,500,000	3,000,000	4,500,000
Added one-time funding for the Central Grasslands Research Center agronomy laboratory.			150,000	150,000
Added one-time funding from the strategic investment and improvements fund for the veterinary diagnostics laboratory project.			18,000,000	18,000,000
Total	2.36	$6,868,091	$25,044,809	$31,912,900

FTE Changes

The number of 2013-15 authorized FTE positions is based on 351.49 FTE positions authorized by the Legislative Assembly in 2013. Section 8 of 2013 Senate Bill No. 2020 authorized the State Board of Higher Education to adjust FTE positions as needed. A total of 0.36 FTE positions were added pursuant to this section and reported to the Office of Management and Budget (OMB) for a total of 351.85 FTE positions. The 2015-17 biennium appropriation includes funding for 353.85 FTE positions, an increase of 2 FTE positions compared to the adjusted 2013-15 biennium positions. The Legislative Assembly added 2 bioinformatics FTE positions.

One-Time Funding

In Section 2 of House Bill No. 1020, the Legislative Assembly identified $1,722,500 from the general fund and $21,150,000 from other funds as one-time funding for the Main Research Center. The following is a summary of one-time funding items for the Main Research Center for the 2015-17 biennium:

	General Fund	Other Funds	Total Funds
Rural leadership project	$150,000		$150,000
Flooded lands study	72,500		72,500
Seed cleaning plants	1,500,000	$3,000,000	4,500,000
Central Grassland Research Center agronomy laboratory		150,000	150,000
Veterinary diagnostics laboratory - Strategic investment and improvements fund		18,000,000	18,000,000
Total	$1,722,500	$21,150,000	$22,872,500

State Board of Agricultural Research and Education Priorities

The Legislative Assembly provided funding for State Board of Agricultural Research and Education priorities as follows:

Initiative	Priority Ranking	FTE	Appropriation
Bioinformatics	1	2.00	$800,000
Precision Agriculture	2		600,000
Enhancing research infrastructure - Equipment funds	3		550,000
Total general fund		2.00	$1,950,000

Other Sections in Bill

Additional income appropriation - Section 3 provides that, in addition to the amount appropriated as other funds, any other income received from federal acts, private grants, gifts, and donations, or from other sources received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2015-17 biennium.

Veterinary diagnostics laboratory - Section 6 provides that the Main Research Center line item includes $18 million from the strategic investment and improvements fund for the veterinary diagnostics laboratory project.

Position adjustments - Section 7 amends North Dakota Century Code Section 4-05.1-05 related to NDSU Main Research Center position adjustments. The section authorizes the Director of the Main Research Center, subject to the availability of funds, to adjust or increase FTE positions in order to carry out activities to accomplish the mission of the Agricultural Experiment Station. The Director must report annually to OMB and the Budget Section any adjustments or increases in FTE positions.

Agricultural research fund - Section 9 amends Section 57-39.5-02 related to the farm machinery tax to provide for a transfer of $500,000 per year to the agricultural research fund from the tax imposed upon the gross receipts of retailers from all sales of farm machinery or irrigation equipment used exclusively for agricultural purposes.

Fuel tax refunds - Section 10 amends Section 57-43.1-03.1 to remove the requirement that fuel tax refunds be reduced by 7 cents per gallon for deposit in the agricultural research fund.

FTE positions - Report - Section 13 directs the NDSU Main Research Center to report to the Appropriations Committees of the 65th Legislative Assembly on FTE positions added pursuant to Section 4-05.1-05 and Section 15 of House Bill No. 1020.

Transfer authority - Section 14 authorizes the transfer of appropriation authority between the Main Research Center, the branch research centers, NDSU Extension Service, and Northern Crops Institute and provides that any transfers be reported to OMB.

FTE position adjustments - Section 15 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station and report any adjustments to OMB and the Budget Section.

Flooded lands study - Section 16 requires the Main Research Center to report to the Budget Section regarding the status of the flooded lands study and spending related to the study.

Unexpended general fund authority - Excess income - Section 18 authorizes the continuation of any unspent general fund appropriation authority and excess income received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station into the 2017-19 biennium.

Exemption - Section 19 provides that amounts appropriated for the agronomy laboratories by the 63rd Legislative Assembly are not subject to the provisions of Section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the 2015-17 biennium.

Emergency clause - Section 21 declares the appropriation of $22,650,000 for capital projects in Section 1 and Sections 4 and 5 to be an emergency measure.

Related Legislation

Senate Bill No. 2159 - Authorizes the State Board of Higher Education and the State Board of Agricultural Research and Education to sell real property at the Dickinson Research Center to the Dickinson School District and to purchase real property for the Dickinson Research Center for no more the $2,602,000. In addition, the bill provides that funds received from the sale of property in excess of funds used to purchase property are appropriated to the Dickinson Research Center for agricultural research purposes on a continuing basis. The excess revenue appropriated on a continuing basis is estimated to be approximately $7.6 million, however, $6 million is estimated to be used for improvements to the purchased land.

Agronomy Seed Farm
Budget No. 649
House Bill No. 1020

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**3.00**	**$0**	**$1,521,007**	**$1,521,007**
2015-17 base budget	3.00	0	1,471,759	1,471,759
Legislative increase (decrease) to base budget	0.00	$0	$49,248	$49,248

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The 2015-17 biennium legistlative appropriations for the Agronomy Seed Farm include funding for 2 to 4 percent annual salary increases and for estimated increases in health insurance premium rates.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$32,496	$32,496
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			21,057	21,057
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			10,695	10,695
Reduced funding for equipment over $5,000.			(15,000)	(15,000)
Total	0.00	$0	$49,248	$49,248

FTE Changes

The number of 2013-15 authorized FTE positions is based on 3 FTE positions authorized by the Legislative Assembly in 2013. Section 8 of 2013 Senate Bill No. 2020 authorized the State Board of Higher Education to adjust FTE positions as needed. No positions were added or removed pursuant to this section. The 2015-17 biennium appropriation includes funding for 3 FTE positions, the same as the 2013-15 biennium.

Other Sections in Bill

Additional income appropriation - Section 3 provides that, in addition to the amount appropriated as other funds, any other income received from federal acts, private grants, gifts, and donations, or from other sources received by the Upper Great Plains Transportation Institute, North Dakota State University (NDSU) Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station, is appropriated for the purposes designated in the act, grant, gift, or donation for the 2015-17 biennium.

FTE position adjustments - Section 15 authorizes the State Board of Higher Education to adjust or increase FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station and report any adjustments to the Office of Management and Budget and the Budget Section.

Unexpended general fund authority - Excess income - Section 18 authorizes the continuation of any unspent general fund appropriation authority and excess income received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, Agronomy Seed Farm, and Agricultural Experiment Station into the 2017-19 biennium.

State Fair Association
Budget No. 665
House Bill No. 1009

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**0.00**	**$1,070,000**	**$0**	**$1,070,000**
2015-17 base budget	0.00	546,000	0	546,000
Legislative increase (decrease) to base budget	0.00	$524,000	$0	$524,000

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$570,000**	**$500,000**	**$1,070,000**
2013-15 legislative appropriations	546,000	2,750,000	3,296,000
2015-17 legislative increase (decrease) to 2013-15 appropriations	$24,000	($2,250,000)	($2,226,000)
Percentage increase (decrease) to 2013-15 appropriations	4.4%	(81.8%)	(67.5%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added one-time funding for asphalt overlay project.		$500,000		$500,000
Added funding to increase premiums.		24,000		24,000
Total	0.00	$524,000	$0	$524,000

One-Time Funding

The Legislative Assembly provided $500,000 from the general fund for asphalt overlay repairs relating to flood damage.

State Fair Premiums

The Legislative Assembly provided $570,000 from the general fund for premiums. This is an increase of $24,000 from the 2013-15 biennium.

Other Sections in Bill

Legislative Management study - Maintenance and repair of state property - Section 3 provides for a Legislative Management study of the maintenance and repair of state property including the sources of funds used for maintenance and repair projects.

Related Legislation

Shooting skills building - Senate Bill No. 2017 provides one-time funding of $200,000 from other funds to the Game and Fish Department for a shooting skills building on the state fairgrounds.

Racing Commission
Budget No. 670
House Bill No. 1023

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**2.00**	**$415,004**	**$158,730**	**$573,734**
2015-17 base budget	2.00	389,244	166,407	555,651
Legislative increase (decrease) to base budget	0.00	$25,760	($7,677)	$18,083

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$415,004**	**$0**	**$415,004**
2013-15 legislative appropriations	389,244	0	389,244
2015-17 legislative increase (decrease) to 2013-15 appropriations	$25,760	$0	$25,760
Percentage increase (decrease) to 2013-15 appropriations	6.6%	0.0%	6.6%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Racing Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$5,251	($9,177)	($3,926)
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		13,379		13,379
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		7,130		7,130
Increased funding for operating expenses.			1,500	1,500
Total	0.00	$25,760	($7,677)	$18,083

FTE Changes

The Legislative Assembly approved 2 FTE positions for the Racing Commission for the 2015-17 biennium, the same as the 2013-15 biennium.

Related Legislation

House Bill No. 1091 - Breeders' fund - Removes the requirements in North Dakota Century Code Section 53-06.2-04.1 for the Racing Commission to contract with a private entity to maintain the North Dakota-bred horse registry and requires administrative costs of the registry to be paid from the breeders' fund.

Senate Bill No. 2071 - Letters of credit - Amends Section 53-06.2-08(3) to allow applicants for a license issued by the Racing Commission to provide a letter of credit as security.

State Historical Society
Budget No. 701
Senate Bill No. 2018

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**78.00**	**$21,592,039**	**$6,774,901**	**$28,366,940**
2015-17 base budget	68.00	14,231,811	3,221,964	17,453,775
Legislative increase (decrease) to base budget	10.00	$7,360,228	$3,552,937	$10,913,165

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$18,102,389**	**$3,489,650**	**$21,592,039**
2013-15 legislative appropriations	14,231,811	1,250,000	15,481,811
2015-17 legislative increase (decrease) to 2013-15 appropriations	$3,870,578	$2,239,650	$6,110,228
Percentage increase (decrease) to 2013-15 appropriations	27.2%	179.2%	39.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Historical Society is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$226,365	($174,133)	$52,232
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		397,708	32,106	429,814
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		250,973	19,964	270,937
Added salaries and wages funding relating to the new Heritage Center expansion, including 3 FTE positions:	3.00	809,469		809,469

• Continued 1 technology administrator FTE position which was originally authorized for the 2013-15 biennium only - $184,157 • Added 1 visitor services/security officer FTE position - $140,068 • Added 1 electronic records archivist FTE position - $179,639 • Added funding for temporary seasonal employee positions - $305,605				
Added funding for 7 maintenance FTE positions ($678,269) and related operating expenses ($100,000) for the Heritage Center, transferred from the Office of Management and Budget.	7.00	778,269		778,269
Added funding for temporary employee salary increases.		155,226		155,226
Added funding for technology core services.		320,304		320,304
Added ongoing funding for an electronic records project.		172,800		172,800
Added funding for 4th grade and governing North Dakota curriculum.		100,000		100,000
Increased funding for operating expenses.		458,895	200,000	658,895
Increased funding for capital assets.		100,569		100,569
Added funding for Welk Homestead operations.		100,000		100,000
Added one-time funding for technology funding for digital storage ($100,650), traveling and historic sites exhibits ($300,000), and promotional funding for historical events ($200,000).		600,650		600,650
Added one-time funding for an electronic records project.		264,000		264,000
Added one-time funding for extraordinary repairs to Fort Totten and Stutsman County Courthouse.		850,000	175,000	1,025,000
Added one-time funding to purchase Dakota the dinosaur.		1,500,000		1,500,000
Added one-time funding for Whitestone Hill native memorial.		25,000	50,000	75,000
Added one-time funding for extraordinary repairs to the Double Ditch Historic Site, which includes a contingent loan from the Bank of North Dakota ($1,250,000).		250,000	3,250,000	3,500,000
Total	10.00	$7,360,228	$3,552,937	$10,913,165

FTE Changes

The 2015-17 biennium appropriations for the State Historical Society include funding for 78 FTE positions, an increase of 10 FTE positions from the 2013-15 biennium authorized level of 68 FTE positions. The Legislative Assembly provided the following positions:

- Continued 1 technology administrator FTE position;
- Added 1 FTE visitor services/security officer FTE position;
- Added 1 FTE electronic records archivist FTE position; and
- Transferred 7 maintenance FTE positions from the Office of Management and Budget.

One-Time Funding

In Sections 2, 5, and 6 of Senate Bill No. 2018, the Legislative Assembly identified the following as one-time funding items:

	General Fund	Other Funds	Total
Fort Totten and Stutsman County Courthouse repairs	$850,000	$175,000	$1,025,000
Technology funding for digital storage	100,650		100,650
Electronic records project one-time funding	264,000		264,000
Whitestone Hill native memorial	25,000	50,000	75,000
Dakota the dinosaur	1,500,000		1,500,000
Traveling and historic sites exhibits	300,000		300,000
Promotion funding for historical events	200,000		200,000
Double Ditch Historic Site repairs	250,000	2,000,000	2,250,000
Double Ditch Historic Site repairs - Contingent appropriation		1,250,000	1,250,000
Total	$3,489,650	$3,475,000	$6,964,650

Other Sections in Bill

Revolving fund - Appropriation - Section 3 appropriates all fees collected and deposited into the revolving fund to the State Historical Society for the 2015-17 biennium.

Gifts, grants, and bequests - Appropriation - Section 4 appropriates to the State Historical Society all gifts, grants and devises, bequests, donations, and assignments received by the State Historical Society during the 2015-17 biennium.

Double Ditch Historic Site repairs - Sections 5 appropriates $250,000 from the general fund and $2,000,000 from the state disaster relief fund to the State Historical Society for the Double Ditch Historic Site repairs. Section 6 provides contingent loan authorization and appropriates $1,250,000 to the State Historical Society for the Double Ditch Historic Site repairs if the State Historical Society is unable to obtain assistance to contract with the Adjutant General for the Double Ditch Historic Site repairs. Section 7 provides legislative intent that if the State Historical Society is unable to complete the Double Ditch Historic Site repair project within the funding appropriated and raised for the project, it is the intent of the 2015 Legislative Assembly that the State Historical Society seek assistance from or contract with the Adjutant General for the project. It is further the intent of the 2015 Legislative Assembly, that if necessary, the State Historical Society may request additional funds for the project from the 65th Legislative Assembly.

Whitestone Hill native memorial - Section 8 provides that of the funds appropriated in the capital assets line item for the Whitestone Hill native memorial, $25,000 is from the general fund and $50,000 is from other funds.

Emergency measure - Section 9 declares $825,000 from the general fund in the capital assets line item relating to capital projects and Section 5 to be an emergency measure.

Council on the Arts
Budget No. 709
House Bill No. 1010

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**5.00**	**$1,744,723**	**$1,745,467**	**$3,490,190**
2015-17 base budget	5.00	1,494,102	1,744,917	3,239,019
Legislative increase (decrease) to base budget	0.00	$250,621	$550	$251,171

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$1,744,723**	**$0**	**$1,744,723**
2013-15 legislative appropriations	1,494,102	10,000	1,504,102
2015-17 legislative increase (decrease) to 2013-15 appropriations	$250,621	($10,000)	$240,621
Percentage increase (decrease) to 2013-15 appropriations	16.8%	(100.0%)	16.0%

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Council on the Arts is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$17,236	$550	$17,786
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		32,001		32,001
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		14,260		14,260
Added funding for health insurance premiums for 1 FTE position that previously did not receive health insurance benefits.		23,561		23,561

Reduced funding to contract for information technology services and repairs.		(3,237)		(3,237)
Added funding for inflationary increases for operating expenses.		26,000		26,000
Increased funding for grants to provide a total of $700,610 from the general fund.		125,000		125,000
Added funding for Information Technology Department desktop support services.		15,800		15,800
Total	0.00	$250,621	$550	$251,171

FTE Changes

The Legislative Assembly included funding for 5 FTE positions for the 2015-17 biennium, the same as the 2013-15 biennium.

Grants

The Legislative Assembly provided funding of $2,227,307 for various grant programs, of which $700,610 is from the general fund, an increase of $125,000 from the 2013-15 biennium amount of $2,102,307.

Related Legislation

House Bill No. 1021 - Desktop support services - Requires certain state agencies, including the Council on the Arts, to obtain desktop support services from the Information Technology Department.

Game and Fish Department
Budget No. 720
Senate Bill No. 2017

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**163.00**	**$0**	**$77,231,739**	**$77,231,739**
2015-17 base budget	158.00	0	67,553,639	67,553,639
Legislative increase (decrease) to base budget	5.00	$0	$9,678,100	$9,678,100

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Game and Fish Department is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$336,636	$336,636
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			1,086,912	1,086,912
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			566,829	566,829
Added funding to change 3 part-time employees to FTE positions:				
1 administrative assistant I FTE position - Williston	1.00		$92,966	$92,966
1 administrative assistant I FTE position - Bismarck	1.00		92,966	92,966
1 biologist I FTE position	1.00		136,683	136,683
Total part-time to FTE positions.	3.00		$322,615	$322,615
Added funding for 1 administrative officer II FTE position.	1.00		139,475	139,475
Added funding for 1 licensing specialist II FTE position.	1.00		117,973	117,973
Increased funding for capital assets.			847,935	847,935
Increased funding for grants.			211,912	211,912
Increased funding for operating expenses.			634,114	634,114

Increased funding for land habitat and deer depredation.			2,758,157	2,758,157
Adjusted funding for the Wildlife Division.			200,161	200,161
Added funding for Devils Lake storage building ($200,000) and State Fair shooting skills building ($200,000).			400,000	400,000
Increased funding for the wildlife private land initiative.			2,000,000	2,000,000
Added funding for licensing system programming costs.			55,381	55,381
Total	5.00	$0	$9,678,100	$9,678,100

FTE Changes

The 2015-17 biennium appropriation includes funding for 163 FTE positions, an increase of 5 FTE positions from the 2013-15 biennium authorized level of 158 FTE positions. The Legislative Assembly:

- Converted 2 part-time employees to 2 administrative assistant I FTE positions;
- Converted 1 part-time employee to 1 biologist I FTE position;
- Added 1 administrative officer II FTE position; and
- Added 1 licensing specialist II FTE position due to the effect of House Bill No. 1158, see **Related Legislation** section below.

Capital Assets, Payments, and Projects

The Legislative Assembly provided $5,712,996 from other funds for capital assets, payments, and projects during the 2015-17 biennium. The schedule below details funding provided in the 2013-15 and 2015-17 bienniums for capital assets, payments, and projects:

Projects	2013-15 Biennium	2015-17 Biennium
Extraordinary repairs	$485,891	$1,125,000
Wildlife management area (WMA) improvements	148,170	100,000
Fishing area projects	467,980	985,000
Shooting range improvements	425,000	400,000
Lonetree WMA heated storage building expansion	150,000	
Lonetree WMA improvements		50,000
Land acquisition	800,000	800,000
Payment in lieu of taxes	1,000,000	1,000,000
Enforcement division equipment	210,000	209,997
Fisheries equipment	142,020	277,002
Lonetree WMA equipment	67,200	65,000
Wildlife Division equipment	206,000	300,997
Devils Lake storage building		200,000
State Fair shooting skills building		200,000
Other capital payments	135,000	
Total	$4,237,261	$5,712,996

Other Sections in Bill

Grants, gifts, and donations line - Section 2 identifies $400,000 received by the Game and Fish Department in the grants, gifts, and donations line item for surface damage, easements, or reclamation on department-owned or managed properties as a result of mineral exploration and extraction activities.

Governor's proclamation - Section 3 authorizes the Governor to make available a license to hunt elk for Annie's House at Bottineau Winter Park to use in a raffle, and Section 5 provides an expiration date of June 30, 2017, for Section 3.

Legislative Management study - Section 4 provides for a study of the use of hunting licenses for fundraising.

Related Legislation

Senate Bill No. 2077 - Provides for the Game and Fish Department to request criminal history record checks on volunteers and final applicants for employment at the discretion of the Director.

House Bill No. 1081 - Amends North Dakota Century Code Section 20.1-04-07 regarding the Governor's proclamation concerning the taking of wild turkeys and provides up to two licenses to hunt a turkey in the spring to the Outdoor Adventure Foundation for raffle.

House Bill No. 1156 - Creates a new section to Chapter 20.1-03 to require the Game and Fish Department to provide an option for unsuccessful deer lottery applicants to donate their refund to the private land open to sportsmen program.

House Bill No. 1158 - Amends Section 20.1-03-17 to remove the requirement for county auditors to issue game and fish licenses.

House Bill No. 1197 - Prohibits the purchase of certain real property and easements by nongovernmental nonprofit organizations with public funds. This does not apply to a state governmental entity in a partnership with a nongovernmental entity.

Parks and Recreation Department
Budget No. 750
Senate Bill Nos. 2019 and 2015

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**66.00**	**$33,294,213**	**$14,862,835**	**$48,157,048[1]**
2015-17 base budget	55.00	13,854,838	10,505,431	24,360,269
Legislative increase (decrease) to base budget	11.00	$19,439,375	$4,357,404	$23,796,779

[1]The Legislative Assembly amended Senate Bill No 2019, as approved by the Legislative Assembly in Section 34 of Senate Bill No. 2015 to reduce the recreation line item by $310,299 from the general fund.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$16,763,916**	**$16,530,297**	**$33,294,213**
2013-15 legislative appropriations	13,854,838	6,302,500[1]	20,157,338[1]
2015-17 legislative increase (decrease) to 2013-15 appropriations	$2,909,078	$10,227,797	$13,136,875
Percentage increase (decrease) to 2013-15 appropriations	21.0%	162.3%	65.2%

[1]The 2013-15 biennium general fund appropriations reflect a deficiency appropriation of $125,000 made in Senate Bill No. 2019. See the **Deficiency Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Parks and Recreation Department is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.		$151,270	($91,566)	$59,704
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.		382,929	9,029	391,958
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.		216,063	4,967	221,030

Added funding for 1 FTE position and related operating expenses for a park ranger at Cross Ranch State Park.	1.00	133,354		133,354
Added funding to convert 5 temporary administrative assistant positions to FTE positions.	5.00	301,838		301,838
Added funding to convert four .75 FTE positions into four 1 FTE positions.	1.00	93,647		93,647
Adjusted funding for bond payments.		(36)		(36)
Adjusted funding for equipment.		(10,000)		(10,000)
Increased funding for extraordinary repairs at various state parks.		345,521	250,005	595,526
Added funding to increase temporary employee salaries by $1 per hour.		220,220		220,220
Added funding for 10 additional seasonal temporary employees at various state parks.		213,543		213,543
Increased funding for operating expenses.		114,345	1,142,800	1,257,145
Added funding for a transfer from the Game and Fish Department for maintenance, operating, and extraordinary repairs expenses of boat ramps at state parks.			122,000	122,000
Added funding for grant increases from federal funds.			2,113,274	2,113,274
Added funding for operating expenses for the Lewis and Clark Interpretive Center.		380,000		380,000
Added funding for 4 FTE positions for the Lewis and Clark Interpretive Center.	4.00	366,384	183,895	550,279
Added funding for the purchase of land adjacent to a state park.			278,000	278,000
Added one-time funding for state park enhancements.		14,750,000		14,750,000
Added one-time funding for equipment, grants, and other projects and purposes (See the one-time funding schedule below for additional detail).		1,780,297	345,000	2,125,297
Total	11.00	$19,439,375	$4,357,404	$23,796,779

FTE Changes

The 2015-17 biennium appropriation includes funding for 66 FTE positions, an increase of 11 FTE positions from the 2013-15 biennium authorized level of 55 FTE positions. New FTE positions authorized by the Legislative Assembly include 1 park ranger at Cross Ranch State Park, 5 administrative assistants, which were converted from 5 temporary administrative assistant positions, 1 position to convert four .75 positions into four 1 FTE positions, and 4 positions for the Lewis and Clark Interpretive Center.

One-Time Funding

The following is a summary of one-time funding appropriations for the 2015-17 biennium for the Parks and Recreation Department.

	General Fund	Other Funds	Total
Park enhancements	$14,750,000		$14,750,000
Parks equipment	300,000	$300,000	600,000
Community grant program	500,000		500,000
International Peace Garden capital projects	335,297		335,297
Trail lease renewals	200,000		200,000
Statewide comprehensive outdoor recreation plan	45,000	45,000	90,000
Repairs at Lewis and Clark Interpretive Center	75,000		75,000
Parks and Recreation Department 50th anniversary	25,000		25,000
Retirement leave payout	100,000		100,000
International Peace Garden	200,000		200,000
Total	$16,530,297	$345,000	$16,875,297

Deficiency Appropriations

Section 6 of Senate Bill No. 2019 provides a general fund appropriation of $125,000 for the 2013-15 biennium for the purpose of defraying operating costs of the Lewis and Clark Interpretive Center.

Lewis and Clark Interpretive Center

The Legislative Assembly approved one-time funding of $2.05 million to transfer the Lewis and Clark Interpretive Center and certain assets from the Lewis and Clark Foundation to the state. In addition, the Legislative Assembly appropriated funding of $125,000 for operating costs for the remainder of the 2013-15 biennium.

The Legislative Assembly appropriated the following for the Lewis and Clark Interpretive Center for the 2015-17 biennium:

	FTE	General Fund	Other Funds	Total
Lewis and Clark Interpretive Center staffing	4.00	$366,384	$183,895	$550,279
Operating expenses[1]		1,330,000		1,330,000
Exterior building painting and staining[2]		75,000		75,000
Lewis and Clark Interpretive Center 2015-17 biennium appropriation	4.00	$1,771,384	$183,895	$1,955,279

[1]Includes one-time funding of $950,000 of state park enhancement funds.
[2]One-time funding for repairs at the Lewis and Clark Interpretive Center.

International Peace Garden

The Legislative Assembly appropriated the following for the International Peace Garden for the 2015-17 biennium:

	General Fund	Other Funds	Total
2015-17 base level appropriation	$973,699		$973,699
Capital projects[1] - One-time funding	335,297		335,297
Demolition project - One-time funding	200,000		200,000
International Peace Garden 2015-17 biennium appropriation	$1,508,996		$1,508,996

[1]Includes funding for certain deferred maintenance, one-time and equipment purchases.

In addition, the Legislative Assembly allowed any unexpended funds remaining from the $1.25 million appropriated in the 2013-15 biennium to continue into the 2015-17 biennium for the completion of projects during the 2015-17 biennium.

Other Sections in Bill

Game and fish operating fund - Transfer for boat ramp maintenance - Section 3 provides that $122,000 from the game and fish operating fund, or federal or other funds available to the Game and Fish Department, must be transferred to the Parks and Recreation Department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks during the 2015-17 biennium.

Deferred maintenance and one-time equipment - Section 4 provides that $535,297 from the general fund, in the International Peace Garden line item in Section 1 to the International Peace Garden, is for certain deferred maintenance, one-time equipment purchases, and one-time costs for the Peace Tower demolition project.

Lewis and Clark Interpretive Center - Section 5 provides that $455,000 from the general fund, in the Lewis and Clark Interpretive Center line item in Section 1, is for Lewis and Clark Interpretive Center building and maintenance costs and one-time exterior building painting and staining costs.

2013-15 Biennium appropriation - Lewis and Clark Interpretive Center operating costs - Section 6 appropriates $125,000 from the general fund, for the 2013-15 biennium, for the purpose of defraying operating costs of the Lewis and Clark Interpretive Center.

State park enhancements - Section 7 provides that one-time funding of $14,750,000 from the general fund, in the park operation and maintenance line item in Section 1, is for state park enhancements. This amount includes $3 million for the Lewis and Clark Interpretive Center, of which $2.05 million is for the transfer of the center and certain assets from the Lewis and Clark Foundation and $950,000 is for operating costs for the Lewis and Clark Interpretive Center. In addition, this amount includes $11.75 million for state park enhancements as determined necessary by the Director of the Parks and Recreation Department, of which up to $222,000 is to match federal funds for the purchase of property adjacent to the north boundary of Fort Abraham Lincoln State Park, and requires consideration by the Director for repair, removal, or replacement of a timber bridge at the Roughrider Off-Highway Vehicle Trail.

Exemption - Community grants - Section 8 provides an exemption from North Dakota Century Code Section 54-44.1-11 for up to $500,000 of unexpended general fund appropriations for community grants provided in Section 30 of Chapter 15 of the 2013 Session Laws and allows the funding to be expended during the 2015-17 biennium.

Exemption - International Peace Garden - Section 9 provides an exemption from Section 54-44.1-11 for up to $1.25 million from the general fund included in the 2013-15 legislative appropriation for the International Peace Garden and allows the funding to be expended during the 2015-17 biennium for an engineering study and repair of the Peace Tower at the International Peace Garden, and to the extent funds remain, for other infrastructure improvements. The funding is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources. Up to 10 percent of the funds provided from the general fund are for engineering study and emergency repairs and are not subject to the match requirement.

Exemption - Pembina Gorge area project funding - Section 10 provides an exemption from Section 54-44.1-11 for up to $200,000 of unexpended Pembina Gorge area project funding from the general fund included in the natural resources line item in Section 30 of Chapter 15 of the 2013 Session Laws and allows the funding to be expended during the 2015-17 biennium for renting property in the Pembina Gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail system in the area, developing a plan for continued monitoring and patrolling of the trail systems, and to determine the feasibility of establishing an interpretive center.

Emergency measure - Park enhancements - Section 11 declares $14.75 million from the general fund in the park operation and maintenance line item, for the enhancements at the state parks, and $125,000 from the general fund for a 2013-15 biennium appropriation for the Lewis and Clark Interpretive Center operating expenses to be an emergency.

Related Legislation

House Bill No. 1125 - Adds a new subdivision to Section 12-60-24(2) to provide criminal history record checks for Parks and Recreation Department volunteers and employees.

Senate Bill No. 2020 - Provides a grant of $1 million from the resources trust fund from the State Water Commission to the Parks and Recreation Department for developing recreation opportunities on sovereign lands in the state.

Senate Bill No. 2164 - Amends Section 39-24-04 to increase the out-of-state public trails and lands access permit from $15 to $25 per year, and amends Section 39-24-05 to provide tax collected on 40 gallons of motor vehicle fuel multiplied by the number of collector snowmobiles and snowmobiles registered must be transferred annually from the highway tax distribution fund, before allocation of the fund under Section 54-27-19, and credited to the state snowmobile fund.

State Water Commission
Budget No. 770
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**97.00**	**$0**	**$1,158,935,836**	**$1,158,935,836**
2015-17 base budget	90.00	0	827,407,605	827,407,605
Legislative increase (decrease) to base budget	7.00	$0	$331,528,231	$331,528,231

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Water Commission is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$511,958	$511,958
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			706,605	706,605
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			342,236	342,236
Added funding for 4 water permitting FTE positions.	4.00		768,831	768,831
Added funding for 1 regulatory director FTE position.	1.00		273,871	273,871
Added funding for 1 water supply project manager FTE position.	1.00		229,840	229,840
Added funding for 1 sovereign lands FTE position.	1.00		192,784	192,784
Adjusted water projects funding.			36,132,255	36,132,255
Increased funding for consultant engineering and attorney fees.			10,727,828	10,727,828
Increased operating expenses.			133,062	133,062
Added one-time funding from loan proceeds from the Bank of North Dakota to pay off or defease the remaining outstanding bond issues of the State Water Commission.			56,000,000	56,000,000

Added funding from the water development trust fund for repayment to the Bank of North Dakota of a loan to refinance the existing outstanding bonds of the State Water Commission.			7,000,000	7,000,000
Added one-time funding from a line of credit from the Bank of North Dakota for water projects.			200,000,000	200,000,000
Removed carryover funding for prior biennium water projects.			(16,529,039)	(16,529,039)
Added funding for operating costs incurred as a result of being a special funded agency, including rent ($315,000), statewide cost allocation ($235,000), and legal fees ($488,000).			1,038,000	1,038,000
Added one-time funding from the state disaster relief fund for the Fargo interior flood control project.			30,000,000	30,000,000
Added one-time funding from the state disaster relief fund for funding levee projects in Burleigh County.			4,000,000	4,000,000
Total	7.00	$0	$331,528,231	$331,528,231

FTE Changes

The 2015-17 biennium appropriation includes funding for 97 FTE positions, an increase of 7 FTE positions from the 2013-15 biennium authorized level of 90 FTE positions. The Legislative Assembly added:

- 4 water permitting FTE positions approved by the 2013-14 interim Emergency Commission;
- 1 regulatory director FTE position;
- 1 water supply project manager FTE position; and
- 1 sovereign lands FTE position.

One-Time Funding

In Section 7 of Senate Bill No. 2020, the Legislative Assembly authorized the State Water Commission to obtain a $56 million loan from the Bank of North Dakota to pay off or defease the remaining outstanding bond issues of the commission.

In Sections 11 and 15 of Senate Bill No. 2020, the Legislative Assembly provided $34 million from the state disaster relief fund as one-time funding for the Fargo interior flood control project ($30 million), a levee for the Missouri River Correctional Center ($1.2 million), and a levee for Lincoln Township's Fox Island area ($2.8 million).

In Section 32 of Senate Bill No. 2020, the Legislative Assembly authorized the State Water Commission to obtain a $200 million line of credit from the Bank of North Dakota for water projects.

These amounts are not to be considered part of the agency's 2017-19 biennium base budget, and the State Water Commission is to report to the Appropriations Committees during the 2017 legislative session on the use of this funding.

Fargo Flood Control

In 2009 and 2011 the Legislative Assembly provided $45 million and $30 million respectively for Fargo flood control. In 2013 the Legislative Assembly provided $100 million for the Fargo flood control project to provide a total of $175 million. In addition, the 2013 Legislative Assembly included legislative intent that the state provide up to $450 million for the project, with the remaining $275 million to be provided over the next four bienniums. The 2013 Legislative Assembly also limited the use of the funding designated for Fargo flood control levee and dike protection until the Fargo flood control project receives federal authorization, a project partnership agreement is executed, a federal appropriation is provided for project construction, and the budget for the Fargo flood control project is approved by the State Water Commission.

The 2015 Legislative Assembly provided an additional $69 million for the Fargo flood control project and $60 million for Fargo interior flood control projects, of which $30 million is from the state disaster relief fund, to provide a total of $304 million for flood protection in Fargo. The Legislative Assembly also included legislative intent to provide up to $570 million for Fargo flood control projects, an increase of $120 million. The $120 million is to be used for Fargo interior flood control projects and requires 50 percent matching funds from the Fargo flood authority. These funds may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for construction of the Fargo flood control project, at which time it may be used for a federally authorized Fargo flood control project. The Legislative Assembly also included legislative intent that funding for the Fargo flood control project will end June 30, 2021, if a federal appropriation has not been provided by that time. Of the $570 million designated by Legislative Assemblies 2009, 2011, 2013, and 2015 for Fargo flood control, $266 million has yet to be appropriated. The 2015 Legislative Assembly provided legislative intent that the remaining funding be made available in equal installments over the next four bienniums.

Other Sections in Bill

Sovereign lands enforcement grant - Section 3 directs the State Water Commission to provide a grant of $135,000 from the resources trust fund to the Game and Fish Department for law enforcement activities on sovereign lands in the state.

Sovereign lands recreation use grant - Section 4 directs the State Water Commission to provide a grant of $1 million from the resources trust fund to the Parks and Recreation Department for developing recreation opportunities on sovereign lands in the state.

Resources trust fund and water development trust fund - Section 5 provides, in addition to the amounts appropriated to the State Water Commission from the resources trust fund and the water development trust fund, any additional amounts that become available in those funds are appropriated, subject to Budget Section approval, to the State Water Commission for the purpose of defraying the expenses of the State Water Commission for the 2015-17 biennium.

Grant and water project carryover authority - Section 6 authorizes the State Water Commission to continue any unexpended 2015-17 appropriation authority for grants or water-related projects in the 2017-19 biennium.

Bank of North Dakota loan - Section 7 authorizes the State Water Commission to obtain a $56 million loan from the Bank of North Dakota to pay off or defease the remaining outstanding bond issues of the commission.

Fargo flood control project funding exemption - Section 8 provides that of the funds appropriated in the water and atmospheric resources line item for the 2015-17 biennium, $69 million is for Fargo flood control projects. Any funds not spent by June 30, 2017, are not subject to North Dakota Century Code Section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo flood control projects, including levees and dikes. In addition, except as otherwise provided, these funds may be used only for land purchases and construction, including right-of-way acquisition costs, and may not be used for the purchase of dwellings. No more than 10 percent of these funds may be used for engineering, legal, planning, or other similar purposes. The city of Fargo, Cass County, and the Cass County Joint Water Resource District must approve any expenditures made under this section. Costs incurred by nonstate entities for dwellings or other real property which are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state.

Fargo flood control project funding legislative intent - Section 9 provides legislative intent that the state provide one-half of the local cost-share of constructing a federally authorized Fargo flood control project, total Fargo flood control project funding to be provided by the state not exceed $570 million, $120 million of the $570 million is designated for Fargo interior flood control projects, and any funds spent for Fargo interior flood control projects after July 1, 2017, require 50 percent matching funds from the Fargo flood authority. In addition, the Legislative Assembly provided that the $266 million yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next four bienniums and that Fargo flood control funding ends June 30, 2021, if a federal appropriation for project construction has not been provided by June 30, 2021.

Fargo interior flood control funding requirements - Section 10 requires the City of Fargo to apply to the State Water Commission for flood protection funding, which the commission may not deny, unless the funds are not intended to be used for costs directly associated with completion of interior flood protection projects within its city limits. Expenditures may include engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. No more than 10 percent of the funds may be used for engineering and legal fees. Funds may not be used for general operations or administrative costs. Any funds designated by the 64th Legislative Assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

Appropriation - State disaster relief fund - Fargo interior flood control - Section 11 appropriates $30 million from the state disaster relief fund for flood protection projects within city limits of Fargo. In addition, the City of Fargo must apply for flood protection funding, but the State Water Commission may not deny an application unless the funds are not intended to be used for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. No more than 10 percent of the funds may be used for engineering and legal fees. Funds may not be used for general operations or administrative costs. Any funds designated by the 64th Legislative Assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

Fargo interior flood control project funding exemption - Section 12 provides that of the funds appropriated in the water and atmospheric resources line item for the 2015-17 biennium, $30 million is for Fargo interior flood control projects. Any funds not spent by June 30, 2017, are not subject to Section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo interior flood control projects. In addition, the City of Fargo must apply for flood protection funding, but the State Water Commission may not deny an application unless the funds are not intended to be used for costs directly associated with completion of interior flood protection projects within its city limits, including engineering and legal fees, right-of-way acquisition costs, land purchases, home buyouts, and construction costs. Funds may not be used for general operations or administrative costs. Any funds designated by the 64th Legislative Assembly for Fargo interior flood control projects may be expended only for Fargo interior flood control projects, including levees and dikes until a federal appropriation is provided for project construction for the Fargo flood control project at which time it may be used for a federally authorized Fargo flood control project.

Grand Forks water treatment plant project funding legislative intent - Section 13 provides legislative intent that the state provide grants for one-half of the cost of constructing the Grand Forks water treatment plant and that the state provide $30 million during the 2015-17 biennium, and $30 million during the 2017-19 biennium.

Red River Valley Water Supply Project funding and report to Water Topics Overview Committee - Section 14 designates that $7,359,000 of unobligated funding from the 2013-15 biennium designated by the State Water Commission for the Red River Valley Water Supply Project and an additional $5 million for the 2015-17 biennium in the water and atmospheric resources line item be granted to the Garrison Diversion Conservancy District for planning and designing the Red River Valley Water Supply Project. In addition, the Garrison Diversion Conservancy District must report to the Legislative Management's Water Topics Overview Committee regarding its progress in planning and designing the project.

Appropriation - State disaster relief fund - Missouri River Correctional Center levee - Fox Island levee - Section 15 appropriates $4 million from the state disaster relief fund for a levee for the Missouri River Correctional Center ($1.2 million) and a levee for Lincoln Township's Fox Island area ($2.8 million).

Funding designation - Reimbursements for 2013-15 biennium rural and municipal water systems - Section 16 designates $11 million in the water and atmospheric resources line item from funds available from a line of credit for reimbursing rural and municipal water systems affected by local cost-share changes during the 2013-15 biennium up to a 65 percent state share in lieu of the 75 percent that was approved by the State Water Commission.

Project funding designations - In Section 17, the Legislative Assembly directs the State Water Commission to provide $414 million from the water and atmospheric resources line item for the following designated purposes:

- $113 million for flood control projects;
- $61 million for general water projects, including $50 million for providing grants and $11 million from the infrastructure revolving loan fund for providing loans;
- $130 million for rural water projects;
- $85 million for municipal water projects; and
- $25 million for providing loans from the infrastructure revolving loan fund for rural and municipal water projects.

Budget Section approval - Project funding transfer between designations - Section 18 provides that the State Water Commission must receive Budget Section approval to transfer funding between the items identified in Section 17 of Senate Bill No. 2020 and notify the Water Topics Overview Committee of any transfers.

Contingent allocation and Central Dakota Water Supply study - Section 19 provides contingent funding of $70 million from the water and atmospheric resources line item for a water reuse facility constructed in Stutsman County ($50 million) and the Central Dakota Water Supply project ($20 million), contingent on the State Water Commission entering into a written agreement that a fertilizer or chemical processing facility will be constructed in Stutsman County. The State Water Commission must also conduct a study of the feasibility and desirability of proceeding with the project.

Stutsman County water reuse facility project exemption - Section 20 provides the Stutsman Rural Water District an exemption from the aggregated total outstanding revenue bond limit of $50 million under Section 61-35-15 and is instead limited to an aggregated total of $100 million of revenue bonds.

Stutsman County water reuse facility project user bonding - Section 21 requires that any agreement entered into by the State Water Commission relating to the Stutsman County water reuse facility project must include requirements that the users of the water reuse facility have entered into contracts, which may include use contracts or credit support arrangements, with the Stutsman Rural Water District in which the expected revenues from the contracts over the term of the contracts are sufficient to repay the total balance of the loans or revenue bonds authorized by the 64th Legislative Assembly for the Stutsman County water reuse facility.

Legislative Management study - Section 22 requires a Legislative Management study of the water supply for central and eastern North Dakota.

Red River Valley Water Supply Project legislative intent - Section 23 provides legislative intent that, beginning July 1, 2017, and extending over the next four bienniums, $150 million per biennium of state funds be provided to implement the selected alternative for the Red River Valley Water Supply Project.

Western Area Water Supply Authority member entities debt - Section 24 provides that Western Area Water Supply Authority member entities may incur debt as authorized by law, except that beginning January 1, 2015, they may not use any income from industrial water sales relating to oil and gas exploration or production to repay any debt or as collateral to secure debt. In addition, previous debt accrued by the Western Area Water Supply may be serviced by the Western Area Water Supply revenues from industrial water sales.

State Water Commission priority projects list - Reports to the Water Topics Overview Committee - Section 25 requires the State Water Commission to report to the Water Topics Overview Committee every six months regarding any changes made to the water project priority list presented to the 2015 Legislative Assembly.

Fargo flood control - Reports to the Water Topics Overview Committee - Section 26 requires the F-M Area Diversion Authority board to report to the Water Topics Overview Committee biannually regarding an update on congressional authorization of the diversion project and the status of the self-insured crop insurance pool; mitigation efforts, alternatives, and costs; easements; and the project budget. The MNDak Upstream Coalition must also report to the Water Topics Overview Committee biannually regarding an update on the impacts of the Fargo flood control project and mitigation efforts, alternatives, and costs.

Independent water providers and Western Area Water Supply Authority - Reports to the Water Topics Overview Committee - Section 27 requires the independent water providers and the Western Area Water Supply Authority to report to the Water Topics Overview Committee on a regular basis and to collaborate with the committee and the State Water Commission to monitor water usage, rates, engineering contract procedures, and market share.

Southwest Pipeline Project - Report to the Legislative Assembly - Section 28 requires the State Water Commission and the Southwest Water Authority to continue the process of reviewing capital repayment and revenues being returned to the resources trust fund, payments necessary to meet obligations of existing bonds and other loans, ownership of land associated facilities, existing construction documents, liabilities, contracts with cities, bulk users, companies, and other users; and other items; and to report to the 65th Legislative Assembly on the actions necessary for the transfer of ownership and responsibility of the Southwest Pipeline Project from the State Water Commission to the Southwest Water Authority.

State Water Commission study of the Fargo diversion project - Section 29 requires the State Water Commission contract with North Dakota State University to expand the scope of the current agricultural impacts study of the F-M area diversion project at a cost that may not exceed $80,000. In addition, the study must be completed by September 1, 2016.

Bonding authority - Budget Section approval - Section 30 requires the State Water Commission to request Budget Section approval prior to issuing any revenue bonds during the 2015-17 biennium.

Water Topics Overview Committee duties - Section 31 amends Section 54-35-02.7 to require the Water Topics Overview Committee review and update State Water Commission policies as necessary, report on its project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants and contracts.

Bank of North Dakota line of credit - Section 32 creates a new section to Chapter 61-02 to direct the Bank of North Dakota to extend a $200 million line of credit at a rate not to exceed 1.75 percent to the State Water Commission for water supply projects in suspense, water supply projects identified in Section 19 of Senate Bill No. 2020, and water supply projects approved before June 30, 2017, and flood control projects that have approval for funding before June 30, 2017.

State Water Commission cost-share policy - Section 33 creates a new section to Chapter 61-02, creating cost-share policy for the financing of water projects.

North Dakota outdoor heritage fund grants - Effect on local cost-share - Section 34 creates a new section to Chapter 61-02 precluding the State Water Commission from deducting North Dakota outdoor heritage fund money provided from the cost of the project before determining the local cost-share and directs the commission to include the North Dakota outdoor heritage fund money as part of the local cost-share, to the extent that total funding received from the State Water Commission and North Dakota outdoor heritage fund do not exceed total project costs.

Emergency - Section 35 provides that Sections 1, 7, 12, and 17 are declared to be an emergency measure.

Related Legislation

Senate Bill No. 2375 - Provides for a Legislative Management study of the formation of community facilities districts for public improvements.

House Bill No. 1061 - Amends Section 54-35-02.7 relating to the duties of the Water Topics Overview Committee to remove 2013-14 interim legislative directives.

House Bill No. 1096 - Allows the State Engineer to issue conditional permits in excess of present needs to incorporated municipalities or rural water systems.

Department of Transportation
Budget No. 801
House Bill Nos. 1012 and 1176, Senate Bill Nos. 2015 and 2103

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	**1,080.50**	**$636,375,558**	**$2,601,156,019**	**$3,237,531,577**
2015-17 base budget	1,079.50	0	1,379,179,434	1,379,179,434
Legislative increase (decrease) to base budget	1.00	$636,375,558	$1,221,976,585	$1,858,352,143

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	**$0**	**$636,375,558**	**$636,375,558**
2013-15 legislative appropriations	0	1,464,020,000	1,464,020,000
2015-17 legislative increase (decrease) to 2013-15 appropriations	$0	($827,644,442)	($827,644,442)
Percentage increase (decrease) to 2013-15 appropriations	0.0%	(56.5%)	(56.5%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Transportation is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2015.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			$1,909,645	$1,909,645
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			7,050,591	7,050,591
Added funding for employee health insurance premiums to reflect a premium estimate of $1,130.22 per month.			3,864,417	3,864,417
Added 1 environmental scientist III FTE position and related funding.	1.00		195,143	195,143

Added funding to upgrade the maintenance management system.		589,000	589,000
Increased funding for operating expenses.		8,748,743	8,748,743
Increased funding for contract patching from $82,935,780 to $118,649,089.		35,713,309	35,713,309
Adjusted funding for grants.		(16,870,000)	(16,870,000)
Removed 2013-15 biennium capital assets funding.		(153,839,821)	(153,839,821)
Provided contingent transfers from the general fund to the public transportation fund.	$200,000		200,000
Provided a one-time transfer from the general fund to the highway fund of $503.1 million for state highway improvements, and appropriated the funding from the highway fund to the Department of Transportation.	503,115,558	503,115,558	1,006,231,116
Provided a one-time transfer from the general fund to the special road fund of $2 million for improvements to roads that lead to recreational areas, and appropriated the funding from the special road fund to the Department of Transportation.	2,000,000	2,000,000	4,000,000
Added one-time funding from the general fund to offset the costs incurred from motor coach operations.	1,000,000		1,000,000
Added one-time funding to continue the motor vehicle registration and titling system replacement project.		2,500,000	2,500,000
Added one-time funding from the strategic investment and improvements fund for the Department of Transportation's short line railroad loan program.		7,000,000	7,000,000
Added one-time funding from the general fund for a truck size and weight harmonization study.	60,000		60,000
Added funding for distributions to non-oil-producing counties for county road and bridge projects. (House Bill No. 1176)	112,000,000		112,000,000
Provided a one-time transfer from the general fund to the highway fund of $18 million for state highway improvements, and appropriated the funding from the highway fund to the Department of Transportation. (Senate Bill No. 2015)	18,000,000	18,000,000	36,000,000
Added funding from the strategic investment and improvements fund for distributions to oil-producing counties for county road and bridge projects. (Senate Bill No. 2103)		240,000,000	240,000,000

Added funding from the strategic investment and improvements fund for distributions to non-oil-producing counties for county road and bridge projects. (Senate Bill No. 2103)			112,000,000	112,000,000
Provided a transfer from the strategic investment and improvements fund to the highway fund of $450 million for state highway improvements, and appropriated the funding from the highway fund to the Department of Transportation. (Senate Bill No. 2103)			450,000,000	450,000,000
Total	1.00	$636,375,558	$1,221,976,585	$1,858,352,143

FTE Changes

The 2015-17 biennium appropriation includes funding for 1,080.50 FTE positions, an increase of 1 FTE position from the 2013-15 biennium authorized level of 1,079.50 FTE positions. The Legislative Assembly added 1 environmental scientist III FTE position.

One-Time Funding

The 2015-17 biennium legislative appropriations for the Department of Transportation include $1,968,991,116 of one-time funding as follows:

	General Fund	Other Funds	Total
General fund transfer to highway fund	$521,115,558		$521,115,558
Enhanced state highway investments (transfer of $521,115,558 from general fund to the highway fund and $450 million from strategic investment and improvements fund to the highway fund)		$971,115,558	971,115,558
General fund transfer to the special road fund	2,000,000		2,000,000
Improvements to roads that lead to recreational areas (transfer from general fund of $2 million to the special road fund)		2,000,000	2,000,000
Short line railroad loan program funding from the strategic investment and improvements fund		7,000,000	7,000,000
Contingent general fund transfers to public transportation fund	200,000		200,000
General fund appropriation to offset costs incurred from motor coach operations	1,000,000		1,000,000
Motor vehicle registration and titling system replacement project		2,500,000	2,500,000
Truck size and weight harmonization study	60,000		60,000
Transportation distributions from the strategic investment and improvements fund to oil-producing counties (Senate Bill No. 2103)		240,000,000	240,000,000
Transportation distributions from the general fund ($112 million) and from the strategic investment and improvements fund ($112 million) to non-oil-producing counties (House Bill No. 1176 and Senate Bill No. 2103)	112,000,000	112,000,000	224,000,000
Total	$636,375,558	$1,334,615,558	$1,970,991,116

State Highway Funding

The 2015-17 biennium legislative appropriations to the Department of Transportation included $1,699,145,558 of one-time funding for improvements to state highways as follows:

- **House Bill No. 1012** - $503,115,558 general fund transfer to the highway fund for enhanced state highway improvements.
- **House Bill No. 1012** - $679.4 million for highway construction projects including $545.3 million of federal highway construction funds and $134.1 million of state and local matching funds.
- **House Bill No. 1012** - $48.63 million for emergency relief projects, including $42,430 of federal funds and $6.2 million of state and local matching funds.
- **Senate Bill No. 2015** - $18 million general fund transfer to the highway fund for enhanced state highway improvements.
- **Senate Bill No. 2103** - $450 million strategic investment and improvements fund transfer to the highway fund for enhanced state highway improvements.

Contingent State Highway Funding

The Legislative Assembly appropriated one-time contingent funding of $91.85 million to the Department of Transportation in Senate Bill No. 2015 for improvements to state highways as follows:

- $20 million general fund transfer to the highway fund if 2013-15 general fund revenues exceed projections by at least $20 million.
- $25.85 million strategic investment and improvements fund transfer to the highway fund if 2015-17 general fund revenues exceed projections by at least $126 million.
- $46 million general fund transfer to the highway fund if 2015-17 general fund revenues exceed projections by at least $250 million.

Special Transportation Funding Distributions to Counties, Cities, and Townships

The Legislative Assembly provided 2015-17 biennium special transportation funding distributions to counties, cities, and townships as follows:

- **House Bill No. 1012 - Non-oil-producing political subdivisions** - Funding of $8 million from the general fund was appropriated to the State Treasurer for transportation funding distributions to counties that received less than $5 million of oil and gas tax allocations under North Dakota Century Code Section 57-51-15(2) in the state fiscal year ending June 30, 2014. The State Treasurer is to distribute the funds through a one-time distribution of $5,000 to each organized township and a one-time distribution of $5,000 for each unorganized township to the county in which the unorganized township is located.
- **House Bill No. 1176 - Non-oil-producing counties** - Funding of $112 million from the general fund was appropriated to the Department of Transportation for distributions to counties that received less than $5 million of oil and gas tax allocations under Section 57-51-15(2) from the period beginning September 1, 2013, and ending August 31, 2014. One-half of the funding is to be distributed based on the number of miles of roadway located in each county defined by the Department of Transportation as a county major collector roadway and one-half of the funding is to be distributed based on the most recent data compiled by the Upper Great Plains Transportation Institute regarding North Dakota's county, township, and tribal road and bridge infrastructure needs.
- **Senate Bill No. 2103 - Non-oil-producing political subdivisions** - Funding of $16 million from the strategic investment and improvements fund was appropriated to the State Treasurer for 2013-15 biennium transportation funding distributions to counties that received less than $5 million of oil and gas tax allocations under Section 57-51-15(2) for formula allocation year 2014, for the benefit of townships to improve township roads.
- **Senate Bill No. 2103 - Non-oil-producing counties** - Funding of $112 million from the strategic investment and improvements fund was appropriated to the Department of Transportation for distributions to non-oil-producing counties that received less than $5 million of oil and gas tax allocations under Section 57-51-15(2) for the period beginning September 1, 2013, and ending August 31, 2014. The funding is to be distributed based on the number of miles of roadway located in each county defined by the Department of Transportation as a county major collector roadway.
- **Senate Bill No. 2103 - Oil-producing counties** - Funding of $240 million from the strategic investment and improvements fund was appropriated to the Department of Transportation for distributions to oil-producing counties that received the highest total allocations under Section 57-51-15(2) for the period beginning September 1, 2013, and ending August 31, 2014. The funding is to be distributed proportional to each oil-producing county's total estimated road and bridge investment needs for the years 2015 to 2034, identified by the Upper Great Plains Transportation Institute of all the eligible oil-producing counties under this distribution.

Other Sections in House Bill No. 1012

Line item transfers - Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating expenses, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

Appropriation - Transfer - General fund to highway fund - Section 4 appropriates and transfers one-time funding of $503,115,558 from the general fund to the highway fund for statewide enhanced state highway improvements.

Appropriation - Motor coach reimbursement - Section 5 appropriates one-time funding of $1 million from the general fund to the Department of Transportation for reimbursement of costs incurred from motor coach operations.

Appropriation - Transfer - General fund to special road fund - Section 6 appropriates and transfers one-time funding of $2 million from the general fund to the special road fund for improvements to roads that lead to recreational areas.

Appropriation - Railroad loan program - Section 7 appropriates $7 million from the strategic investment and improvements fund to the Department of Transportation for the department's short line railroad loan program.

Appropriation - State Treasurer - Section 8 appropriates one-time funding of $8 million from the general fund to the State Treasurer for allocations to counties for allocation to or for the benefit of organized and unorganized townships in non-oil-producing counties that received less than $5 million of oil and gas tax allocations under Section 57-51-15(2) in the state fiscal year ending June 30, 2014. The State Treasurer shall distribute the funds through one-time distribution of $5,000 to each organized township and a one-time distribution of $5,000 for each unorganized township to the county in which the unorganized township is located.

Truck size and weight harmonization - Section 9 provides that $60,000 from the general fund in the operating line item for the Department of Transportation is to be used to collaborate with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications. Section 10 provides for a Legislative Management study of the findings of the truck size and weight harmonization study to determine appropriate changes to state law.

Contingent transfers to public transportation fund - Section 11 provides contingent transfers of $100,000 from the general fund to the public transportation fund on July 1, 2015, and July 1, 2016. The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being $5.2 million or less during the preceding state fiscal year.

Department of Transportation study - Report to Legislative Management - Section 12 provides that the Department of Transportation study state funding distributions and allocations to public transportation providers and report the findings to the Legislative Management by June 30, 2016.

Exemption - Highway - Rail grade crossing safety projects fund - Section 13 provides funding appropriated from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to Section 54-44.1-11, and may be continued into the 2015-17 biennium by the Department of Transportation.

Carryover authority - Enhanced state highway investments - Section 14 provides unexpended 2015-17 biennium appropriations of $503,115,558 for enhanced state highway investments must be continued into the 2017-19 biennium.

Exemption - Road grade raising grants - Section 15 provides funding appropriated from the state disaster relief fund Section 14 of Chapter 579 of the 2011 Session Laws for road grade raising grants is not subject to Section 54-44.1-11 and may be continued into the 2015-17 biennium by the Department of Transportation.

Payback and reallocation of federal aid - Section 16 authorizes the Department of Transportation to repay the United States Department of Transportation for pervious related expenditures out of current biennium appropriations so that the department may re-obligate the federal aid to other federal aid projects.

Branch office contracts - Application - Section 17 amends Section 39-02-03 to authorize the Director of the Department of Transportation to enter into five year contracts for branch offices and Section 21 provides that Section 17 applies to applicable contracts, regardless of whether entered before or after the effective date of House Bill No. 1012.

Rail safety - Report to Legislative Management - Section 18 requires the Department of Transportation to report to Legislative Management regarding the department's updated North Dakota state rail plan and requires the department to post the updated North Dakota state rail plan to the department's public website and to provide an electronic copy to the Legislative Council for placement on the legislative branch public website.

Legislative Management studies - Sections 19 and 20 provide for Legislative Management studies of short line railroads and high-efficiency vehicles.

Related Legislation

House Bill No. 1067 - Population estimates - Amends Section 57-39.2-26.1 to change the state aid distribution formula from allocations based on the decennial population to allocations based on the most recent actual or estimated census data.

House Bill No. 1144 - Transportation network company networks - Creates Chapters 26.1-40.1 and 39-34 relating to insurance coverage of motor vehicles participating in transportation network company networks and services, priority of coverage, and minimum limits.

House Bill No. 1176 - Non-oil-producing county distribution - Provides an appropriation of $112 million to the Department of Transportation from the general fund for distributions to non-oil-producing counties for county road and bridge repairs and improvements.

House Bill No. 1389 - Legislative Management study - Provides for a Legislative Management study of issues relating to verification of citizenship status for the purpose of voting, including absentee and mail ballot voting. The study also must address the process through which the Department of Transportation verifies citizenship status in the issuance of driver's licenses and nondriver identification cards and the feasibility and desirability of requiring the Department of Transportation to include on a driver's license or nondriver identification card of a noncitizen a notation indicating the individual is not a citizen of the United States.

Senate Bill No. 2015 - Enhanced state infrastructure funding - Provides a transfer of $18 million from the general fund to the highway fund and an appropriation of $18 million to the Department of Transportation for statewide enhanced state highway improvements. The bill also provides contingent transfers to the highway fund and appropriations to the Department of Transportation of:

- $20 million from the general fund if 2013-15 general fund revenues exceed projections by at least $20 million;
- $25.85 million from the strategic investment and improvements fund if 2015-17 general fund revenues exceed projections by at least $126 million; and
- $46 million from the general fund if 2015-17 general fund revenues exceed projections by at least $250 million.

Senate Bill No. 2103 - Political subdivision distributions and enhanced state highway funding - Provides a total appropriation of $1.1 billion from the strategic investment and improvements fund; of which $352 million is to the Department of Transportation for distribution to oil-producing counties ($240 million) and non-oil-producing counties ($112 million) for county road and bridge repairs and improvements; and $298 million to the State Treasurer for distributions and allocations to counties, cities, and townships. The bill also provides a transfer of $450 million from the strategic investment and improvements fund to the highway fund and an appropriation of $450 million to the Department of Transportation from the highway fund for construction and maintenance of state transportation infrastructure. The funding provided in this bill is declared to be an emergency measure.

Senate Bill No. 2352 - Vehicles or objects obstructing highways - Authorizes the removal of a vehicle or any personal property or cargo spilled that is blocking the highway or endangering public safety to be removed and provides that a police officer and the police officer's employing agency, the Department of Transportation or an employee of the Department of Transportation, or a political subdivision or employee of a political subdivision authorized by a police officer is not liable in civil damages for loss or damage to any vehicle removed from a highway or state property under this section, so long as reasonable care is used in the removal process.

SECTION I - CAPITAL CONSTRUCTION

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CAPITAL CONSTRUCTION - SUMMARY

CAPITAL PROJECTS

The Legislative Assembly provided a total of $3,288,536,011 for capital projects as reflected on the following schedule:

	General Fund	Special Funds	Total Funds
Major capital projects - See the major new capital construction schedule on page I-2	$119,460,886	$137,905,216	$257,366,102
Extraordinary repairs - See the extraordinary repairs schedule on page I-5	33,472,423	9,533,932	43,006,355
Department of Transportation - Bond payments		2,027,665	2,027,665
Department of Transportation - Contractor payments		638,653,193	638,653,193
Department of Transportation infrastructure investment	120,000,000	2,069,145,558[1]	2,189,145,558
Water projects		141,981,634	141,981,634[2]
Veterans' Home - Patient lifts	130,830	130,830	261,660
State agency special assessments	174,046	39,000	213,046
Payments in lieu of taxes	50,000	1,000,000	1,050,000[3]
Game and Fish Department land acquisitions		800,000	800,000
Other bond payments	13,538,310	526,488	14,064,798
Total	$286,826,495	$3,001,743,516	$3,288,570,011

[1]This amount includes transfers of $521,115,558 from the general fund to the highway fund for enhanced state highway investments and a transfer of $2,000,000 from the general fund to the special road fund for improvements to roads that lead to recreational areas.

[2]This amount includes funding for construction costs of the Southwest Pipeline Project and the Northwest Area Water Supply Project.

[3]This amount includes payments in lieu of taxes of approximately $1 million for Game and Fish Department from special funds and $50,000 for the Adjutant General from the general fund. This amount does not include payments in lieu of taxes of approximately $375,000 estimated to be paid by Workforce Safety and Insurance in the 2015-17 biennium under the agency's continuing appropriation for building maintenance.

CONTINGENT CAPITAL PROJECTS

The Legislative Assembly provided a total of $180.7 million of contingent funding for capital projects as reflected on the following schedule:

	General Fund	Special Funds	Total Funds
Major capital projects - See the major new capital construction schedule on page I-4	$71,850,000	$17,000,000	$88,850,000
Department of Transportation infrastructure investment		91,850,000[1]	91,850,000
Total	$71,850,000	$108,850,000	$180,700,000

[1]This amount includes $91.85 million of contingent state highway investments funding from the highway fund resulting from the following contingent transfers:

- $20 million general fund transfer to the highway fund if 2013-15 biennium general fund revenues exceed projections by at least $20 million.
- $25.85 million strategic investment and improvements fund transfer to the highway fund if 2015-17 biennium general fund revenues exceed projections by at least $126 million during the first six or 12 months of the biennium.
- $46 million general fund transfer to the highway fund if 2015-17 biennium general fund revenues exceed projections by at least $250 million during the first 18 months of the biennium.

LEASE PAYMENTS

The Legislative Assembly provided a total of $13,538,183 from the general fund for 2015-17 biennium lease payments for repayment of notes issued to finance capital projects. Funding is included in the budgets for the North Dakota University System, Department of Corrections and Rehabilitation, Adjutant General, State Department of Health, Office of Management and Budget, Attorney General, State Historical Society, Parks and Recreation Department, branch research centers, Main Research Center, and Veterans' Home.

North Dakota Century Code Section 54-17.2-23 limits the amount of lease payments paid from the general fund for a biennium to 10 percent of an equivalent one-cent sales tax. This maximum for the 2015-17 biennium is estimated to be $69,735,440 based on projected sales, use, and motor vehicle excise tax collections included in the 2015-17 executive budget.

The Legislative Assembly did not approve any capital projects funded through bonded indebtedness that affect the bonding limit.

Please see the **CAPITAL CONSTRUCTION SCHEDULE OF LEASE PAYMENTS AND OUTSTANDING PRINCIPAL BALANCES** for additional information.

MAJOR NEW CAPITAL CONSTRUCTION FOR THE 2015-17 BIENNIUM
COMPARED TO 2013-15 BIENNIUM

Bill No.	Agency or Institution	2015-17 Legislative Appropriations General Fund	Special Funds	Bonding	Total
SB 2015	Office of Management and Budget (110)				
	Governor's residence (Capitol building fund and donations)		$5,000,000		$5,000,000
	Total - Office of Management and Budget		$5,000,000		$5,000,000
HB 1002	Judicial Branch (180)				
	Renovation of space in Capitol vacated by Information Technology Department	$1,149,377			$1,149,377
	Total - Judicial branch	$1,149,377			$1,149,377
HB 1003	Bismarck State College (227)				
	Major campus infrastructure	$1,575,000			$1,575,000
	Student Union lower level renovation		$600,000		600,000
	Total - Bismarck State College	$1,575,000	$600,000		$2,175,000
HB 1003	Lake Region State College (228)				
	Switchgear, electrical service, window replacements	$1,648,423			$1,648,423
	Total - Lake Region State College	$1,648,423			$1,648,423
HB 1003	University of North Dakota (230)				
	School of Medicine and Health Sciences facility - Phase II	$62,000,000			$62,000,000
	Student engagement projects		$6,000,000		6,000,000
	Airport project	6,000,000			6,000,000
	Total - University of North Dakota	$68,000,000	$6,000,000		$74,000,000
HB 1003	North Dakota State University (NDSU) (235)				
	Aquatic Center (revenue bonds)		$1,000,000	$10,000,000	$11,000,000
	Minard Hall		600,000		600,000
	Total - North Dakota State University		$1,600,000	$10,000,000	$11,600,000
HB 1003	North Dakota State College of Science (238)				
	Water and sewer infrastructure	$13,298,000			$13,298,000
	Total - North Dakota State College of Science	$13,298,000			$13,298,000
HB 1139	Dickinson State University (239)				
	Woods Hall and acquisition of student housing (revenue bonds)		$1,900,000	$9,600,000	$11,500,000
	Total - Dickinson State University		$1,900,000	$9,600,000	$11,500,000
HB 1003	Valley City State University (242)				
	Health, Wellness, and Physical Education facility		$16,000,000		$16,000,000
	Heating plant replacement	$14,289,000			14,289,000
	Total - Valley City State University	$14,289,000	$16,000,000		$30,289,000
HB 1003	Dakota College at Bottineau (243)				
	Allied Health and Wellness Center		$6,864,118		$6,864,118
	Dormitory updates and remodeling (revenue bonds)		884,076	$2,900,000	3,784,076
	Nelson Science Center renovation	$1,098,789			1,098,789
	Total - Dakota College at Bottineau	$1,098,789	$7,748,194	$2,900,000	$11,746,983
HB 1007	Veterans' Home (313)				
	Resident workshop		$126,800		$126,800
	Total - Veterans' Home		$126,800		$126,800

Bill No. Agency or Institution	2015-17 Legislative Appropriations General Fund	Special Funds	Bonding	Total
SB 2012 Department of Human Services (325)				
State Hospital heating and cooling upgrades	$1,156,000			$1,156,000
Life Skills and Transition Center heating and cooling upgrades	75,000			75,000
Domestic violence shelter building window replacement	44,000			44,000
Total - Department of Human Services	$1,275,000			$1,275,000
HB 1014 Industrial Commission (405)				
Core library expansion (strategic investment and improvements fund)		$13,625,322		$13,625,322
Total - Industrial Commission		$13,625,322		$13,625,322
HB 1011 Highway Patrol (504)				
Upgrade outdoor gun range	$70,000	$10,000		$80,000
Total - Highway Patrol	$70,000	$10,000		$80,000
HB 1015 Department of Corrections and Rehabilitation (530)				
State Penitentiary security camera upgrade	$202,500			$202,500
Total - Department of Corrections and Rehabilitation	$202,500			$202,500
SB 2016 Adjutant General (540)				
Federal construction estimate		$30,000,000		$30,000,000
Veterans' Cemetery land purchase	$69,500	69,500		139,000
Total - Adjutant General	$69,500	$30,069,500		$30,139,000
HB 1020 NDSU Main Research Center (640)				
Agronomy Laboratory Central Grasslands Research Extension Center		$150,000		$150,000
Seed cleaning plants	$1,500,000	3,000,000		4,500,000
Veterinary Diagnostic Laboratory replacement (strategic investment and improvements fund)		18,000,000		18,000,000
Total - NDSU Main Research Center	$1,500,000	$21,150,000		$22,650,000
SB 2017 Game and Fish Department (720)				
Devils Lake storage building		$200,000		$200,000
State Fair shooting skills building		200,000		200,000
Total - Game and Fish Department		$400,000		$400,000
SB 2019 Parks and Recreation Department (750)				
State park enhancements	$14,750,000			$14,750,000
Fort Lincoln State Park land purchase		$278,000		278,000
International Peace Garden Peace Tower demolition	200,000			200,000
International Peace Garden capital projects	335,297			335,297
Total - Parks and Recreation Department	$15,285,297	$278,000		$15,563,297
HB 1012 Department of Transportation (801)				
Land and buildings		$9,697,400		$9,697,400
Radio sites, prefabricated buildings		1,200,000		1,200,000
Total - Department of Transportation		$10,897,400		$10,897,400
Total 2015-17 without contingent legislative appropriations	**$119,460,886**	**$115,405,216**	**$22,500,000**	**$257,366,102**

CONTINGENT MAJOR NEW CAPITAL CONSTRUCTION FOR THE 2015-17 BIENNIUM

	2015-17 Legislative Appropriations				2013-15 Legislative Appropriations			
Bill No. Agency or Institution	**General Fund**	**Special Funds**	**Bonding**	**Total**	**General Fund**	**Special Funds**	**Bonding**	**Total**
HB 1014 Bank of North Dakota (471)								
Financial center project[2]		$17,000,000		$17,000,000				
Total - Bank of North Dakota		$17,000,000		$17,000,000				
SB 2015 Valley City State University (242)								
Fine arts building and demolition projects[3]	$25,850,000			$25,850,000				
Total - Valley City State University	$25,850,000			$25,850,000				
SB 2015 North Dakota State University (235)								
Dunbar Hall project[4]	$46,000,000			$46,000,000				
Total - North Dakota State University	$46,000,000			$46,000,000				
Total 2015-17 contingent legislative appropriations	**$71,850,000**	**$17,000,000**	**$0**	**$88,850,000**				
Total 2015-17 with contingent legislative appropriations	**$191,310,886**	**$132,405,216**	**$22,500,000**	**$346,216,102**				
Total 2013-15 legislative appropriations					$179,437,213 [1]	$144,566,867 [1]	$56,487,262 [1]	$380,491,342

[1] Represents the total appropriation for major new capital construction provided by the 2013 Legislative Assembly. Please refer to the Legislative Council's *State Budget Actions for the 2013-15 Biennium* report for details regarding the 2013-15 appropriations.

[2] The funding for the Bank of North Dakota financial center project is available only if the Bank's calendar year 2015 profits exceed $125 million.

[3] The funding for the Valley City State University fine arts building and demolition projects is available only if actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2015, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least $126 million, or if the Director of the Office of Management and Budget determines actual general fund revenues for the period beginning July 1, 2015, and ending June 30, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least $126 million.

[4] The funding for the North Dakota State University Dunbar Hall project is available only if actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2016, exceed the legislative estimates made at the close of the 2015 legislative session for general fund revenues during the same period by at least $250 million, the State Board of Higher Education certifies to the budget section that the Dunbar Hall project conforms to the university system master plan and space utilization study, and the board receives budget section approval to proceed with the project.

EXTRAORDINARY REPAIRS FOR THE 2015-17 BIENNIUM
COMPARED TO 2013-15 BIENNIUM

Bill No. Agency or Institution	2015-17 Legislative Appropriations General Fund	2015-17 Special Funds	2015-17 Total	2013-15 Legislative Appropriations General Fund	2013-15 Special Funds	2013-15 Total
SB 2015 Office of Management and Budget (110)						
Electrical improvements	$250,000		$250,000			
Fire safety issues in the judicial wing	650,000		650,000			
Install new entrance and building identification signs		$1,400,000	1,400,000			
Mailroom equipment upgrades	30,000		30,000			
Mechanical improvements	725,000		725,000			
Replace tractor and lawn mower	67,928		67,928			
Security enhancements for the Governor's residence	175,000		175,000			
West parking lot repair	50,000		50,000			
Legislative wing repairs		310,000	310,000			
Total - Office of Management and Budget	$1,947,928	$1,710,000	$3,657,928	$8,948,793		$8,948,793
HB 1021 Information Technology Department (112)						
Total - Information Technology Department				$8,111		$8,111
SB 2004 State Auditor (117)						
Total - State Auditor				$40,000		$40,000
HB 1002 Judicial branch (180)						
Supreme Court facility space expansion	$786,577		$786,577			
Total - Judicial branch	$786,577		$786,577			
HB 1003 North Dakota University System office (215)						
Deferred maintenance pool	$8,700,000		$8,700,000			
Total - North Dakota University System office	$8,700,000		$8,700,000	$10,000,000		$10,000,000
HB 1003 Bismarck State College (227)						
Campus extraordinary repairs	$417,673		$417,673			
Total - Bismarck State College	$417,673		$417,673	$417,673		$417,673
HB 1003 Lake Region State College (228)						
Campus extraodinary repairs	$155,367		$155,367			
Total - Lake Region State College	$155,367		$155,367	$155,367		$155,367
HB 1003 Williston State College (229)						
Campus extraordinary repairs	$197,801		$197,801			
Total - Williston State College	$197,801		$197,801	$197,801		$197,801
HB 1003 University of North Dakota (230)						
Campus extraordinary repairs	$4,411,566		$4,411,566			
North Dakota Museum of Art repairs	760,000		760,000			
Total - University of North Dakota	$5,171,566		$5,171,566	$4,504,321		$4,504,321
HB 1003 North Dakota State University (235)						
Campus extraordinary repairs	$2,732,244		$2,732,244			
Total - North Dakota State University	$2,732,244		$2,732,244	$2,732,244		$2,732,244
HB 1003 North Dakota State College of Science (238)						
Campus extraordinary repairs	$1,012,379		$1,012,379			
Total - North Dakota State College of Science	$1,012,379		$1,012,379	$1,012,379		$1,012,379

Bill No. Agency or Institution	2015-17 Legislative Appropriations General Fund	Special Funds	Total	2013-15 Legislative Appropriations General Fund	Special Funds	Total
HB 1003 Dickinson State University (239)						
Campus extraordinary repairs	$409,078		$409,078			
Total - Dickinson State University	$409,078		$409,078	$409,078		$409,078
HB 1003 Mayville State University (240)						
Campus extraordinary repairs	$358,992		$358,992			
Total - Mayville State University	$358,992		$358,992	$358,992		$358,992
HB 1003 Minot State University (241)						
Campus extraordinary repairs	$899,620		$899,620			
Total - Minot State University	$899,620		$899,620	$899,620		$899,620
HB 1003 Valley City State University (242)						
Campus extraordinary repairs	$408,319		$408,319			
Total - Valley City State University	$408,319		$408,319	$658,319		$658,319
HB 1003 Dakota College at Bottineau (243)						
Campus extraordinary repairs	$114,007		$114,007			
Total - Dakota College at Bottineau	$114,007		$114,007	$115,507		$115,507
HB 1003 Forest Service (244)						
Office building interior restroom repairs - Towner	$44,962		$44,962			
Total - Forest Service	$44,962		$44,962	$44,962		$44,962
SB 2013 School for the Deaf (252)						
Repairs to activities building, kitchen, and dining area, including asbestos abatement, and parking lot	$192,174		$192,174			
Master facility projects, including boiler replacement and Smith Building projects		$600,000	600,000			
Total - School for the Deaf	$192,174	$600,000	$792,174	$126,262	$1,002,259	$1,128,521
SB 2013 North Dakota Vision Services - School for the Blind (253)						
Base budget extraordinary repairs	$49,454		$49,454			
Total - North Dakota Vision Services - School for the Blind	$49,454		$49,454	$3,227,871	$90,129	$3,318,000
HB 1004 State Department of Health (301)						
Connect north laboratory to generator		$32,000	$32,000			
Carpet laboratory office area and vestibule		15,000	15,000			
Connect annex air conditioning	$25,000		25,000			
Flush, repair control valves, refill hot water heat system	3,000		3,000			
Gutter covers for cold storage		4,000	4,000			
Install HVAC ductwork east mechanical room		5,000	5,000			
Install fix to prevent freeze up of HVAC in winter		5,500	5,500			
Install fix to prevent overheat of condenser coils		1,550	1,550			
Install knee holes at benches per ergo consult		17,500	17,500			
Landscape: replace shelter belt die off, sidewalks		4,800	4,800			
Pallet racking for storage		5,000	5,000			
Recarpet office areas		10,000	10,000			
Repair driveway and parking lot - Including restriping		28,000	28,000			
Repair and paint annex walls - Centers for Disease Control and Prevention review		10,000	10,000			
Repair and enhance air conditioning in annex instrument rooms		10,000	10,000			
Replace boiler in north laboratory		50,000	50,000			
Replace humidifier in north laboratory	2,803	22,197	25,000			
Replace laboratory window		5,000	5,000			
Replace northwest atrium window		5,000	5,000			
Replace south air conditioning condenser	4,620	380	5,000			
Replace and update signage in front of building		5,500	5,500			
Seal coat exterior brick and remortar		7,000	7,000			

Bill No. Agency or Institution	2015-17 Legislative Appropriations General Fund	Special Funds	Total	2013-15 Legislative Appropriations General Fund	Special Funds	Total
Seamless siding for morgue	19,820		19,820			
Upgrade access control hardware		12,500	12,500			
Upgrade data system for HVAC controls	25,000		25,000			
Total - State Department of Health	$80,243	$255,927	$336,170	$55,528	$263,822	$319,350
HB 1007 Veterans' Home (313)						
Irrigation		$83,000	$83,000			
Total - Veterans' Home		$83,000	$83,000	$581,500	$560,500	$1,142,000
SB 2012 Department of Human Services (325)						
Various projects - Life Skills and Transition Center	$1,250,000		$1,250,000			
Various projects - State Hospital	1,000,000		1,000,000			
Total - Department of Human Services	$2,250,000		$2,250,000	$2,631,008		$2,631,008
SB 2007 Department of Labor and Human Rights (406)						
Complete office space to accommodate new FTE position	$10,000		$10,000			
Total - Department of Labor and Human Rights	$10,000		$10,000			
HB 1006 Aeronautics Commission (412)						
International Peace Garden airport terminal and lighting		$300,000	$300,000			
Total - Aeronautics Commission		$300,000	$300,000		$330,000	$330,000
HB 1011 Highway Patrol (504)						
Total - Highway Patrol				$105,000	$16,000	$121,000
HB 1015 Department of Corrections and Rehabilitation (530)						
James River Correctional Center extraordinary repairs	$756,000		$756,000			
Missouri River Correctional Center extraordinary repairs	165,000		165,000			
North Dakota State Penitentiary extraordinary repairs	1,681,000		1,681,000			
Roughrider Industries extraordinary repairs		$250,000	250,000			
Youth Correctional Center extraordinary repairs	360,000		360,000			
Total - Department of Corrections and Rehabilitation	$2,962,000	$250,000	$3,212,000	$2,679,446		$2,679,446
SB 2016 Adjutant General (540)						
Total - Adjutant General					$8,000,000	$8,000,000
HB 1020 North Dakota State University Main Research Center (640)						
Building exterior repair	$268,093		$268,093			
Interior repair	268,093		268,093			
Mechanical and electrical repair	268,093		268,093			
Paving and area lighting	134,046		134,046			
Structural repair	134,047		134,047			
Utilities and infrastructure	268,093		268,093			
Total - North Dakota State University Main Research Center	$1,340,465		$1,340,465	$1,340,465		$1,340,465
HB 1009 State Fair Association (665)						
Fairgrounds asphalt repair	$500,000		$500,000			
Total - State Fair Association	$500,000		$500,000	$2,750,000		$2,750,000
SB 2018 State Historical Society (701)						
Double Ditch Site repairs and stabilization	$250,000	$3,250,000	$3,500,000			
Fort Totten and Stutsman County Courthouse repairs	850,000	175,000	1,025,000			
Miscellaneous repairs and maintenance	410,959		410,959			
Total - State Historical Society	$1,510,959	$3,425,000	$4,935,959	$759,721		$759,721

Bill No.	Agency or Institution	2015-17 Legislative Appropriations General Fund	2015-17 Legislative Appropriations Special Funds	2015-17 Legislative Appropriations Total	2013-15 Legislative Appropriations General Fund	2013-15 Legislative Appropriations Special Funds	2013-15 Legislative Appropriations Total
SB 2017 Game and Fish Department (720)							
	Department facility repairs		$1,125,000	$1,125,000			
	Fishing area projects		985,000	985,000			
	Lonetree improvements		50,000	50,000			
	Shooting range improvements		400,000	400,000			
	Wildlife management area improvements		100,000	100,000			
	Total - Game and Fish Department		$2,660,000	$2,660,000		$1,662,041	$1,662,041
SB 2019 Parks and Recreation Department (750)							
	Beaver Lake State Park repairs and maintenance	$95,000		$95,000			
	Cross Ranch State Park repairs and maintenance	50,000	$10,000	60,000			
	Fort Abraham Lincoln State Park repairs and maintenance	85,000	75,000	160,000			
	Fort Ransom State Park repairs and maintenance	90,000		90,000			
	Fort Stevenson State Park repairs and maintenance	105,000	30,000	135,000			
	Grahams Island State Park repairs and maintenance	50,000	5,005	55,005			
	Icelandic State Park repairs and maintenance	20,000		20,000			
	Lake Metigoshe State Park repairs and maintenance	68,000		68,000			
	Lake Sakakawea State Park repairs and maintenance	120,000	30,000	150,000			
	Lewis and Clark State Park repairs and maintenance	80,000	40,000	120,000			
	Sully Creek State Park repairs and maintenance	15,000		15,000			
	Turtle River State Park repairs and maintenance	110,000	60,000	170,000			
	Woodland Resort repairs and maintenance	8,000		8,000			
	North Dakota outdoor heritage fund match	102,000		102,000			
	Residence renovation Grahams Island State Park, Turtle River State Park, and Fort Ransom State Park	80,000		80,000			
	Horse corrals at various state parks	20,000		20,000			
	Trail rehabilitation at various state parks	40,000		40,000			
	Vault toilet and ADA sidewalk replacements at various state parks	82,615		82,615			
	Total - Parks and Recreation Department	$1,220,615	$250,005	$1,470,620	$875,094	$182,800	$1,057,894
SB 1012 Department of Transportation (801)							
	Total - Department of Transportation					$6,000,000	$6,000,000
Total 2015-17 extraordinary repairs		$33,472,423	$9,533,932	$43,006,355			
Total 2013-15 extraordinary repairs					$45,635,062 [1]	$18,107,551 [1]	$63,742,613

[1] Represents the total appropriation for extraordinary repairs provided by the 2013 Legislative Assembly. Please refer to the Legislative Council's *State Budget Actions for the 2013-15 Biennium* report for details regarding the 2013-15 appropriations.

CAPITAL CONSTRUCTION SCHEDULE OF LEASE PAYMENTS AND OUTSTANDING PRINCIPAL BALANCES

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2013	Outstanding Principal Balance June 30, 2015	Outstanding Principal Balance June 30, 2017
				2011-13 Actual Payments	2013-15 Estimated Payments	2015-17 Estimated Payments			
1985 Legislative Assembly approved:									
Developmental Center - Renovations ($3,900,000) State Penitentiary - Phase II construction ($7,500,000) State Hospital - Renovations ($3,400,000)	1998 Series B State Building Authority refunding revenue bonds (4.5 to 5 percent - 13-year bonds) - Used to refinance 1991 Series A and 1992 Series A - The 1991 Series A issue was used to refund the 1986 Series A (2011)	$17,275,000	$11,340,000	$0	$0	$0	$0	$0	$0
1991 Legislative Assembly approved:									
Department of Human Services - Southeast Human Service Center ($2,475,000)									
1993 Legislative Assembly approved:									
North Dakota University System - Various capital construction projects, including handicapped accessibility projects and special assessments ($8,423,061) Minot State University - Memorial Library renovation ($2,550,000) Job Service North Dakota - Grand Forks office building ($1,735,000) Adjutant General - Grand Forks Armory ($375,000) Youth Correctional Center - Building demolition and asbestos removal ($250,000)	2012 Series A facilities improvement refunding bonds used to refund the 2002 Series C lease revenue refunding bonds used to refund 1993 Series B State Building Authority revenue bonds (.20 to 2 percent - 10-year bonds) (2013)	13,333,061[1]	10,665,000	2,315,238	966,273	0	950,000	0	0

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2013	Outstanding Principal Balance June 30, 2015	Outstanding Principal Balance June 30, 2017
				2011-13 Actual Payments	2013-15 Estimated Payments	2015-17 Estimated Payments			
1995 Legislative Assembly approved:									
Bismarck State College - Science and mathematics center ($8,060,000) University of North Dakota (UND) - Abbott Hall renovations ($2,371,769) North Dakota State University (NDSU) - Emission control renovations on power plant ($2,145,000) Dickinson State University - Klinefelter Hall renovations ($2,750,000)	2012 Series A facilities improvement refunding bonds used to refund the 2002 Series D lease revenue refunding bonds used to refund 1995 Series A State Building Authority revenue bonds (.20 to 2 percent - 10-year bonds) (2015)	15,326,769[2]	16,425,000	2,970,800	2,566,291	1,283,975	3,655,000	1,265,000	0
1997 Legislative Assembly approved:									
North Dakota State College of Science - Bute Gym remodeling ($1,700,000) Minot State University - Moore Hall renovation ($4,000,000) Department of Corrections and Rehabilitation - Youth Correctional Center gymnasium renovation ($1,400,000)	2006 Series A State Building Authority refunding revenue bonds (4.4 to 5.125 percent - 20-year bonds) - Used to refund 1998 Series A and 2000 Series A (2020)	10,782,500[3,4]	9,750,000	1,957,998	1,973,073	2,004,003	5,800,000	4,140,000	2,340,000
1999 Legislative Assembly approved:									
NDSU - Animal facility ($2,207,500)									
Youth Correctional Center - Pine Cottage ($1,475,000)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments 2011-13 Actual Payments	Lease Payments 2013-15 Estimated Payments	Lease Payments 2015-17 Estimated Payments	Outstanding Principal Balance June 30, 2013	Outstanding Principal Balance June 30, 2015	Outstanding Principal Balance June 30, 2017
1999 Legislative Assembly approved:									
Williston State College - Health and Wellness Center ($3,000,000)	2006 Series B State Building Authority revenue refunding bonds (4.15 percent - 16-year bonds) - Used to refund a portion of the 2001 Series A State Building Authority revenue bonds (2022) - Remaining 2001 Series A State Building Authority revenue bonds (4.13 to 4.35 percent) (2010)	10,850,000[5]	9,770,000	2,068,704	2,085,795	2,110,338	8,325,000	6,870,000	5,260,000
2001 Legislative Assembly approved:									
Minot State University - Old Main renovation ($7,850,000)									
2001 Legislative Assembly approved:									
State Department of Health - Laboratory addition ($2,700,000) Job Service North Dakota - Bismarck service delivery office ($2,302,000)	2010 Series A and 2010 Series B bonds refunded the 2002 Series A State Building Authority revenue bonds (2 to 4 percent - 12-year bonds) (2022)	5,002,000[6]	6,035,000	933,524	925,197	917,956	3,885,000	3,190,000	2,470,000
2003 Legislative Assembly approved:									
State Department of Health - Morgue and storage annex ($960,000) Department of Correc-tions and Rehabilitation - James River Correctional Center food service/laundry renovations - Phase II ($2,662,890)	2012 Series A facilities improvement refunding bonds used to refund the 2003 Series B State Building Authority revenue bonds (.20 to 2 percent - 10-year bonds) (2021)	11,645,237[7]	13,080,000[8]	2,080,983	1,765,392	1,784,469	7,280,000	5,825,000	4,250,000

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments 2011-13 Actual Payments	Lease Payments 2013-15 Estimated Payments	Lease Payments 2015-17 Estimated Payments	Outstanding Principal Balance June 30, 2013	Outstanding Principal Balance June 30, 2015	Outstanding Principal Balance June 30, 2017
Dickinson State University - Murphy Hall - Phase I addition ($5,882,047) Mayville State University - Steamline replacement - Phase II ($1,355,000) Valley City State University - Graichen Gymnasium elevator and emergency exits ($785,300)									
2005 Legislative Assembly approved:									
Office of Management and Budget - Fire suppression system ($3,155,000) Attorney General's office - Crime Laboratory addition and renovation ($3,632,691) NDSU - Hazardous material handling and storage facility ($3,500,000) North Dakota State College of Science - Electrical distribution ($736,000) Dickinson State College - Murphy Hall ($4,100,557) Minot State University - Bottineau - Thatcher Hall addition ($2,500,000)	2005 Series A State Building Authority revenue bonds (4.50 percent - 20-year bonds) (2025)	28,848,248	37,955,000[9]	6,063,634	6,082,438	6,079,508	30,740,000	26,645,000	22,190,000

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2013	Outstanding Principal Balance June 30, 2015	Outstanding Principal Balance June 30, 2017
				2011-13 Actual Payments	2013-15 Estimated Payments	2015-17 Estimated Payments			
Department of Corrections and Rehabilitation - James River Correctional Center ET Building improvements ($980,000)									
Department of Corrections and Rehabilitation - James River Correctional Center programs building code improvements ($584,000)									
North Central Research Center - Agronomy laboratory and greenhouse ($440,000)									
Central Grasslands Research Center - Office addition ($270,000)									
Main Research Center - Greenhouse complex ($2,000,000)									
State Historical Society - Chateau de Mores Interpretive Center ($1,100,000)									
State Historical Society and Heritage Center - Research collections expansion ($5,500,000)									
Parks and Recreation Department - Turtle River State Park administrative office ($350,000)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments 2011-13 Actual Payments	Lease Payments 2013-15 Estimated Payments	Lease Payments 2015-17 Estimated Payments	Outstanding Principal Balance June 30, 2013	Outstanding Principal Balance June 30, 2015	Outstanding Principal Balance June 30, 2017
2009 Legislative Assembly approved:									
Veterans' Home ($2,355,000) - Series A	2010 Series A taxable facilities improvement bonds (recovery zone economic development bonds) (3.5 to 6.25 percent - 20-year bonds) (2030)	2,355,000	2,355,000	116,042	149,544	387,027[10]	2,355,000[11]	2,355,000[11]	2,225,000
Veterans' Home ($630,000) - Series B	2010 Series B State Building Authority facilities improvement bonds (2 to 4 percent - 12-year bonds) - Used to fund a portion of the Veterans' Home project and to refund a portion of the 2002 Series A bond - Job Service North Dakota and State Department of Health (2022)	630,000	630,000	260,842	266,467	73,519[10]	390,000	135,000	0
Total		$116,047,815	$118,005,000	$18,767,765	$16,780,470	$14,640,795	$63,380,000	$50,425,000	$38,735,000
Breakdown of payments									
General fund				$16,910,481[12]	$15,497,264[12]	$13,538,183[12]			
Agency contributions				1,857,284	1,283,206	1,102,612			
Total				$18,767,765	$16,780,470	$14,640,795			

[1]House Bill No. 1020 (1993) included a section stating up to a total of $1.99 million from non-general fund sources is to be used to assist in the retirement of the debt incurred to finance the construction projects. A listing of the $1.99 million by each entity is:

Institution/Agency	Type of Facility	Total Contributions
Minot State University	Library renovation	$255,000
Job Service North Dakota	Grand Forks office building	1,735,000
Total		$1,990,000

In addition to the $2.55 million appropriated from bond proceeds for the Minot State University Memorial Library renovation, House Bill No. 1020 also appropriated $4.8 million from federal or other funds. The total amount appropriated for the library renovation was $7.35 million.

Job Service North Dakota makes the entire bond payment, principal and interest, on the $1,735,000 for the Grand Forks office building.

[2]Senate Bill No. 2030 (1995) included a section stating up to a total of $2,206,769 from non-general fund sources is to be used to assist in the retirement of the debt incurred to finance the construction projects. A listing of the $2,206,769 by each institution is:

Institution/Agency	Type of Facility	Total Contributions
Bismarck State College	Science and mathematics center	$1,060,000
UND	Abbott Hall renovation	871,769
Dickinson State University	Klinefelter Hall renovation	275,000
Total		$2,206,769

In addition to the $2,371,769 appropriated from bond proceeds for the UND Abbott Hall renovation, Senate Bill No. 2030 also appropriated $1,771,769 from federal or other funds. The total amount appropriated for the renovation of Abbott Hall was $4,143,538.

[3]Senate Bill No. 2003 (1997) included a section stating that up to a total of $300,000 from non-general fund sources is to be used to assist in the retirement of the debt incurred to finance the renovation of Bute Gym. The bill also authorized an animal research facility at NDSU and a renovation to the Ed James wing of the medical school building at UND. The NDSU project was delayed until the 1999 legislative session. The UND project was handled through a separate bond issue (see 1998 Series C bond issue).

[4]House Bill No. 1022 (1999) authorized an animal research facility at NDSU, renovation of Pine Cottage at the Youth Correctional Center, and the Health and Wellness Center addition at Williston State College. The Williston State College project is to be handled through a separate bond issue (see 2001 Series A bond issue).

In addition to the $2,207,500 appropriated from bond proceeds for the NDSU animal research facility, House Bill No. 1022 also appropriated $2,207,500 of federal or other funds. The total amount appropriated for the animal research facility was $4,415,000.

In addition to the $1,475,500 appropriated from bond proceeds for the Youth Correctional Center Pine Cottage project, House Bill No. 1022 also appropriated $500,000 of federal or other funds. The total amount appropriated for the Pine Cottage project was $1,975,000.

[5]House Bill No. 1022 (1999) included a section stating up to a total of $3 million from non-general fund sources is to be used to assist in the retirement of the debt incurred to finance the Health and Wellness Center addition at Williston State College. Of the $3 million, $1.5 million is to be provided for the project before construction may begin, and the remaining $1.5 million is to be paid in 10 annual payments of $150,000. Because $1.5 million was available prior to construction, the State Building Authority only bonded for $3 million of the $4.5 million project. Williston State College paid $1.5 million by the end of the 2009-11 biennium.

Senate Bill No. 2023 (2001) included a section stating $2,299,000 must be available from non-general fund sources to assist in the retirement of the debt incurred to finance the renovation of Old Main. Minot State University's local responsibility is to be paid in 10 annual payments with each of the first two annual payments being $315,000 and each of the remaining eight annual payments being $208,625. Minot State University paid $2,229,000 by the end of the 2011-13 biennium with $0 remaining.

[6]Senate Bill No. 2023 (2001) included a section stating $2,302,000 (Job Service North Dakota) and $1,755,000 (State Department of Health) must be available from non-general fund sources to assist in the retirement of the debt incurred to finance the two projects.

The State Department of Health received authority from the Emergency Commission to receive and spend federal funds in the amount of $823,878 in the capital improvements line item for the laboratory addition. The request was needed to cover the increase in the per square footage costs of $338,817 and for the 1,700 square feet of additional space at $485,061.

[7]House Bill No. 1023 (2003) appropriated $4,237,755 of special funds for the issuance of bonds for projects at the State Department of Health and the Department of Corrections and Rehabilitation. Of that amount, $614,865 for the State Department of Health was paid for with bioterrorism program dollars rather than by bonding.

House Bill No. 1003 (2003) appropriated $8,022,347 of special funds for the issuance of bonds for three University System projects by the State Building Authority. In addition, $830,000 of capital bond payments from the 2001-03 biennium was used for bond issuance buydown. Dickinson State University also provided $250,000 during the 2005-07 biennium to assist in the retirement of the bonds.

[8]This bond issuance included funding for the 2003-05 biennium state facility energy improvement program capital project that was recommended to be funded with bond proceeds for the Department of Corrections and Rehabilitation in the amount of $105,326. Bonds sold to finance the project under this program do not factor in the general fund lease payment limitation and will be repaid with resulting energy cost-savings.

This bond issuance does not include the $20 million of bonding for the Information Technology Department for ConnectND. These bonds will be repaid from charges collected by the Information Technology Department from higher education and other state agencies for the ConnectND project. In September 2003, the Industrial Commission issued 2003 Series C bonds, totaling $20 million, at an interest rate of 3.86 percent, for a period of 10 years with annual debt service of approximately $2.7 million.

This bond issuance does not include the bonding of $2 million authorized in 2003 Senate Bill No. 2416 for two State Historical Society projects (Chateau de Mores and Fort Abercrombie Interpretive Centers), which are to be paid from federal, local, or donated funds collected by the State Historical Society. The State Building Authority did not issue bonds for these projects because the State Historical Society did not have adequate funding for the debt service.

[9]Senate Bill No. 2023 (2005) included a section stating that $300,000 must be available from non-general fund sources to assist in the retirement of the debt incurred to finance the project costs associated with the construction of the State Historical Society projects. The State Historical Society's $33,333 biennial payments (nine payments) began with the 2007-09 biennium.

This bond issuance also included funding for the 2005-07 biennium state facility energy improvement capital projects in the amount of $2,331,554. Bonds sold to finance the projects under this program do not factor in the general fund lease payment limitation and will be repaid with resulting energy cost-savings. The debt service and principal balance for these energy conservation projects are not included in this schedule.

[10]2015-17 estimated bond payments for Veterans' Home Series A bond payments of $387,027 and Series B bond payments of $73,519 total $460,546. Of the total bond payments for the Veterans' Home, House Bill No. 1014 provides $353,210 for the Veterans' Home share. In addition, a federal bond subsidy of $107,336 is paid to the trustee, which is the Bank of North Dakota.

[11]Interest only payments are made on the Veterans' Home Series A bonds until the Veterans' Home Series B bonds are paid off. The first principal payment on the Series A bonds will be made on December 1, 2016.

[12]North Dakota Century Code Section 54-17.2-23 provided 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax be deposited in the capital construction fund for lease payments associated with capital construction projects. The 1993 Legislative Assembly repealed the provisions of the capital construction fund and increased the maximum that lease payments can total for a biennium from 10 to 12.5 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The 1995 Legislative Assembly decreased the maximum that lease payments can total for a biennium from 12.5 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax to 11 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The 1997 Legislative Assembly decreased the maximum that lease payments can total for a biennium from 11 percent of a 1 percent sales, use, and motor vehicle excise tax to 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax. The 2001 Legislative Assembly clarified the statute to provide the computation for the authorized general fund lease payments for a biennium must be based on the projected sales, use, and motor vehicle excise tax collections presented to the Legislative Assembly at the close of the most recently adjourned regular legislative session.

SALES TAX LIMITATION - BOND PAYMENTS

The following table shows the projected fund portion of the bond payments for the 2013-15 through 2021-23 bienniums and what the 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax is projected to generate (using the December 2012 revenue forecast for the 2013-15 biennium and using the March 2015 forecast for the 2015-17 biennium with a 4 percent growth in sales tax revenues for future bienniums and no prepayments of non-general fund amounts):

Biennium	Total Payments	Other Funds	General Fund	10 Percent of the Equivalent of 1 Percent	Estimated Excess General Fund Resources Available for Bond Payments
2013-15	$16,780,470*	$1,283,206	$15,497,264	$61,759,540	$46,262,276
2015-17	$14,640,795*	$1,102,614	$13,538,181	$69,735,440	$56,197,259
2017-19	$12,802,722*	$1,146,911	$11,655,811	$72,524,858	$60,869,047
2019-21	$11,148,742*	$1,140,293	$10,008,449	$75,425,852	$65,417,403
2021-23	$8,769,401*	$840,392	$7,929,009	$78,442,886	$70,513,877

*The future biennium bond payments do not reflect any other future bond issues that may be authorized by future Legislative Assemblies. The 1998 Series B bond issuance was paid off during the 2009-11 biennium. During the 2011-13 biennium, the 2002 Series C, 2002 Series D, and 2003 Series B bond issues were refunded into the 2012 Series A bond issue. During the 2013-15 biennium, the 2002 Series C portion of the 2012 Series A bond issue was paid off. During the 2015-17 biennium, the 2002 Series D portion of the 2012 Series A bond issue will be paid off. During the 2017-19 biennium, the 2006 Series A bond issue will be paid off.

SECTION J - STATE EMPLOYEES

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STATE EMPLOYEES - OVERVIEW

SALARY INCREASE

The Legislative Assembly provided funding in each agency's appropriation bill and included provisions in Senate Bill No. 2015 for state employee salary increases. Salary increases for classified and nonclassified state employees are based on a performance component providing increases from 2 to 4 percent of salaries effective July 1, 2015, and from 2 to 4 percent effective July 1, 2016.

Salary increases are not to be the same percentage increase for each employee. Employees whose documented performance levels do not meet standards are not eligible for any salary increase.

TARGETED MARKET EQUITY POOL

The Legislative Assembly provided funding of $4.49 million, of which $3.75 million is from the general fund, for targeted market equity salary adjustments for state employees. The market equity increases must be prioritized based on a statewide plan prepared by the Office of Management and Budget within the funding available in the pool. The plan must address occupational market disparities, economic growth areas, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. The plan must give priority to employees whose salary is in the first or second quartile of their assigned salary range and employees whose salary is below the average classified state employee salary level. One-half of the market equity pool funding is available for market equity adjustments effective July 2015, and one-half of the market equity pool funding is available for market equity adjustments effective July 2016. Employees of the following agencies are eligible to receive targeted market equity salary adjustments:

- Adjutant General
- Veterans' Home
- State Department of Health
- Department of Human Services
- Protection and Advocacy Project

SALARY MARKET EQUITY FUNDING

The Legislative Assembly provided funding of $4.1 million, of which $3.4 million is from the general fund to provide salary market equity-related funding for the following agencies:

- Attorney General's office - Total funding of $1,546,301, of which includes $1,012,301 is from the general fund.
- Office of Administrative Hearings - Total funding of $38,110 from special funds.
- Retirement and Investment Office - Total funding of $50,000 from special funds.
- Department of Public Instruction - Total funding of $100,000 from the general fund.
- Department of Corrections and Rehabilitation - Total funding of $2,126,442 from the general fund.
- Adjutant General - Total funding of $192,621 from the general fund.

RETIREMENT CONTRIBUTIONS

The Legislative Assembly did not change the retirement contributions from 2013-15 biennium levels. The state contribution to retirement for eligible employees is 11.12 percent of salary and the employee contribution is 3 percent of salary for the 2015-17 biennium. In addition, the state contributes 1.14 percent of salary to the state employee retiree health credit program.

HIGHER EDUCATION

The Legislative Assembly authorized, in Section 36 of House Bill No. 1003, the State Board of Higher Education to adjust FTE positions as needed, subject to the availability of funds, for institutions under its control. The State Board of Higher Education is to report any adjustments to the Office of Management and Budget prior to the submission of the 2017-19 budget request.

The appropriation for the North Dakota University System office and the Forest Service includes general fund support for a 3 percent salary increase in July 2015, a 3 percent salary increase in July 2016, and health insurance premium increases.

The Legislative Assembly does not provide higher education institutions with specific funding for salary or benefit increases. The increases are to be provided from inflation funding adjustments provided to institutions. The 2015-17 legislative appropriation for University System institutions includes an annual inflation adjustment of 1.5 percent which is to be used in part to provide campus employee salary and benefit increases.

ELECTED AND APPOINTED OFFICIALS

The Legislative Assembly provided funding for elected and appointed officials' salary increases equal to 3 percent of salaries effective July 1, 2015, and 3 percent of salaries effective July 1, 2016. Specific language regarding the salary increases is included in Senate Bill No. 2015, and the statutory changes necessary are included in the respective elected officials' appropriation bills.

JUDICIAL BRANCH

The Legislative Assembly approved a 3 percent salary increase effective July 1, 2015, and a 3 percent salary increase effective July 1, 2016, for Supreme Court justices and district court judges. Salary increases for other employees of the judicial branch are included at the same level as provided for other nonclassified state employees, or a 2 to 4 percent salary increase effective July 1, 2015, and a 2 to 4 percent salary increase effective July 1, 2016. Additional increases may be provided to other employees of the judicial branch pursuant to the judicial branch salary schedule.

HEALTH INSURANCE

The Legislative Assembly continued to provide funding for the cost of health insurance premiums for state employees. The appropriations provide $1,130.22 per month for employee health insurance (an increase of $148.53, or 15.13 percent, compared to the 2013-15 premium of $981.68). A recent history of monthly health insurance premiums provided for each employee is listed below.

1995-97	$265
1997-99	$301
1999-2001	$350
2001-03	$409
2003-05	$489
2005-07	$554
2007-09	$658
2009-11	$826
2011-13	$887
2013-15	$982
2015-17	$1,130

TOTAL COMPENSATION CHANGES COST

The schedule below provides the total cost of major compensation changes for the 2015-17 biennium, excluding higher education.

	General Fund	Special Funds	Total
Performance based salary increase - From 2 to 4 percent in July 2015 and 2 to 4 percent in July 2016	$31,461,697	$24,353,454	$55,815,151
Targeted market equity pool	3,750,000	740,000	4,490,000
Market equity salary increases for selected agencies	3,445,364	608,110	4,053,474
Health insurance premium increase of $148.53 per month	19,877,362	14,316,411	34,193,773
Total	$58,534,423	$40,017,975	$98,552,398

FULL-TIME EQUIVALENT POSITIONS

The legislative appropriations for the 2015-17 biennium include funding for 11,821.88 FTE positions, 337.40 FTE positions more than the 2013-15 authorized level.

The schedule below lists the number of authorized FTE positions for each biennium since the 1991-93 biennium.

Biennium	FTE Positions	Increase (Decrease) From Previous Biennium	Percentage Increase (Decrease) From Previous Biennium
1991-93	12,159.50	51.48	0.4%
1993-95	12,149.98	(9.52)	(0.1%)
1995-97	11,290.53[1]	(859.45)[1]	(7.1%)
1997-99	11,541.00	250.47	2.2%
1999-2001	11,536.92	(4.08)	(0.0%)
2001-03	11,661.17	124.25	1.1%
2003-05	10,786.43[2]	(874.74)[2]	(7.5%)
2005-07	10,632.10	(154.33)	(1.4%)
2007-09	10,964.76	332.66	3.1%
2009-11	11,175.64	210.88	1.9%
2011-13	11,340.16	164.52	1.5%
2013-15	11,484.48	144.32	1.3%
2015-17	11,821.88	337.40	2.9%

[1]Reflects the sale of the University of North Dakota Rehabilitation Hospital (a reduction of 286.2 FTE positions) and the change in the method of assigning higher education FTE positions due to the conversion to the statewide integrated budget and reporting system (a reduction of 415.85 FTE positions).

[2]The FTE position count for higher education was reduced by 688.17 FTE positions to reflect institutional reductions and to report only the number of FTE positions funded from the general fund.

ANALYSIS OF FTE POSITIONS AUTHORIZED BY THE LEGISLATIVE ASSEMBLY IN 2015 FOR THE 2015-17 BIENNIUM

Agency/FTE Position Increase (Decrease)	Comparison to 2013-15 Biennium		
	2013-15 FTE Positions	2015-17 FTE Positions	Increase (Decrease)
GENERAL GOVERNMENT			
101 - Governor's office	18.00	18.00	0.00
108 - Secretary of State	31.00	34.00	3.00
110 - Office of Management and Budget	130.50	122.50	(8.00)
112 - Information Technology Department	340.30	350.30	10.00
117 - State Auditor	53.80	59.80	6.00
120 - State Treasurer	8.00	8.00	0.00
125 - Attorney General	213.50	250.00	36.50
127 - Tax Department	134.00	136.00	2.00
140 - Office of Administrative Hearings	5.00	5.00	0.00
160 - Legislative Council	37.00	37.00	0.00
180 - Judicial branch	363.00	391.00	28.00
188 - Commission on Legal Counsel for Indigents	33.00	40.00	7.00
190 - Retirement and Investment Office	19.00	19.00	0.00
192 - Public Employees Retirement System	33.00	34.50	1.50

Agency/FTE Position Increase (Decrease)	Comparison to 2013-15 Biennium		
	2013-15 FTE Positions	2015-17 FTE Positions	Increase (Decrease)
TOTAL GENERAL GOVERNMENT	1,419.10	1,505.10	86.00
OTHER EDUCATION			
201 - Department of Public Instruction	99.75	99.75	0.00
226 - Department of Trust Lands	31.00	33.00	2.00
250 - State Library	29.75	29.75	0.00
252 - School for the Deaf	44.61	45.61	1.00
253 - North Dakota Vision Services - School for the Blind	30.00	30.00	0.00
270 - State Board for Career and Technical Education	27.00	26.50	(0.50)
TOTAL OTHER EDUCATION	262.11	264.61	2.50
HEALTH AND WELFARE			
301 - State Department of Health	354.00	365.00	11.00
305 - Tobacco Prevention and Control Executive Committee	8.00	8.00	0.00
313 - Veterans' Home	120.72	120.72	0.00
316 - Indian Affairs Commission	5.00	5.00	0.00
321 - Department of Veterans' Affairs	8.00	9.00	1.00
325 - Department of Human Services (excluding State Hospital and Life Skills and Transition Center)	494.60	495.60	1.00
Department of Human Services - Life Skills and Transition Center	392.55	392.55	0.00

Agency/FTE Position Increase (Decrease)	Comparison to 2013-15 Biennium		
	2013-15 FTE Positions	2015-17 FTE Positions	Increase (Decrease)
Department of Human Services - State Hospital	457.45	466.45	9.00
Department of Human Services - Human service centers	856.48	856.48	0.00
360 - Protection and Advocacy Project	27.50	27.50	0.00
380 - Job Service North Dakota	250.76	237.76	(13.00)
TOTAL HEALTH AND WELFARE	2,975.06	2,984.06	9.00
REGULATORY			
401 - Insurance Department	49.50	49.50	0.00
405 - Industrial Commission	98.75	121.75 [1]	23.00
406 - Labor Commissioner	13.00	15.00	2.00
408 - Public Service Commission	44.00	46.00	2.00
412 - Aeronautics Commission	6.00	7.00	1.00
413 - Department of Financial Institutions	29.00	30.00	1.00
414 - Securities Department	9.00	9.00	0.00
471 - Bank of North Dakota	179.50	181.50	2.00
473 - Housing Finance Agency	46.00	46.00	0.00
475 - Mill and Elevator Association	135.00	147.00	12.00
485 - Workforce Safety and Insurance	250.14	260.14	10.00

Agency/FTE Position Increase (Decrease)	Comparison to 2013-15 Biennium		
	2013-15 FTE Positions	2015-17 FTE Positions	Increase (Decrease)
TOTAL REGULATORY	859.89	912.89	53.00
PUBLIC SAFETY			
504 - Highway Patrol	213.00	215.00	2.00
530 - Department of Corrections and Rehabilitation	814.29	836.29	22.00
540 - Adjutant General	246.00	234.00	(12.00)
TOTAL PUBLIC SAFETY	1,273.29	1,285.29	12.00
AGRICULTURE AND ECONOMIC DEVELOPMENT			
601 - Department of Commerce	69.25	69.40	0.15
602 - Department of Agriculture	77.00	77.00	0.00
616 - State Seed Department	0.00	0.00	0.00
627 - Upper Great Plains Transportation Institute	53.75 [2]	54.98	1.23
628 - Branch research centers	107.04 [2]	113.94	6.90
630 - North Dakota State University Extension Service	258.26 [2]	263.91	5.65
638 - Northern Crops Institute	12.00	12.00	0.00
640 - Main Research Center	351.49 [2]	353.85	2.36
649 - Agronomy Seed Farm	3.00	3.00	0.00
670 - Racing Commission	2.00	2.00	0.00

Agency/FTE Position Increase (Decrease)	Comparison to 2013-15 Biennium		
	2013-15 FTE Positions	2015-17 FTE Positions	Increase (Decrease)
TOTAL AGRICULTURE AND ECONOMIC DEVELOPMENT	933.79	950.08	16.29
NATURAL RESOURCES AND HIGHWAYS			
701 - State Historical Society	69.00	78.00	9.00
709 - Council on the Arts	5.00	5.00	0.00
720 - Game and Fish Department	158.00	163.00	5.00
750 - Parks and Recreation Department	55.00	66.00	11.00
770 - State Water Commission	90.00	97.00	7.00
801 - Department of Transportation	1,079.50	1,080.50	1.00
TOTAL NATURAL RESOURCES AND HIGHWAYS	1,456.50	1,489.50	33.00
SUMMARY TOTALS			
General Government	1,419.10	1,505.10	86.00
Other Education	262.11	264.61	2.50
Health and Welfare	2,975.06	2,984.06	9.00
Regulatory	859.89	912.89	53.00
Public Safety	1,273.29	1,285.29	12.00
Agriculture and Economic Development	933.79	950.08	16.29
Natural Resources and Highways	1,456.50	1,489.50	33.00
TOTAL ALL DEPARTMENTS (EXCLUDING HIGHER EDUCATION)	9,179.74	9,391.53	211.79
HIGHER EDUCATION			
215 - North Dakota University System office	112.91 [3]	104.39	(8.52)
227 - Bismarck State College	126.96 [3]	133.53	6.57

Agency/FTE Position Increase (Decrease)	Comparison to 2013-15 Biennium		
	2013-15 FTE Positions	2015-17 FTE Positions	Increase (Decrease)
228 - Lake Region State College	40.22 [3]	50.19	9.97
229 - Williston State College	44.15 [3]	49.96	5.81
230 - University of North Dakota	633.60 [3]	630.20	(3.40)
232 - University of North Dakota School of Medicine and Health Sciences	156.55 [3]	184.58	28.03
235 - North Dakota State University	491.21 [3]	537.10	45.89
238 - North Dakota State College of Science	171.87 [3]	168.30	(3.57)
239 - Dickinson State University	100.32 [3]	120.26	19.94
240 - Mayville State University	62.78 [3]	66.23	3.45
241 - Minot State University	201.76 [3]	204.10	2.34
242 - Valley City State University	97.29 [3]	105.59	8.30
243 - Dakota College at Bottineau	36.12 [3]	46.96	10.84
244 - Forest Service	29.00 [3]	28.96	(0.04)
TOTAL HIGHER EDUCATION	2,304.74	2,430.35	125.61
TOTAL ALL DEPARTMENTS (INCLUDING HIGHER EDUCATION)	11,484.48	11,821.88	337.40

[1] The 2015-17 FTE positions for the Industrial Commission include 5 contingency FTE positions that are available to the agency only if the monthly average drilling rig count exceeds certain levels.

[2] The FTE positions listed for the following entities under the control of the State Board of Higher Education were adjusted in accordance with Section 8 of 2013 Senate Bill No. 2020:

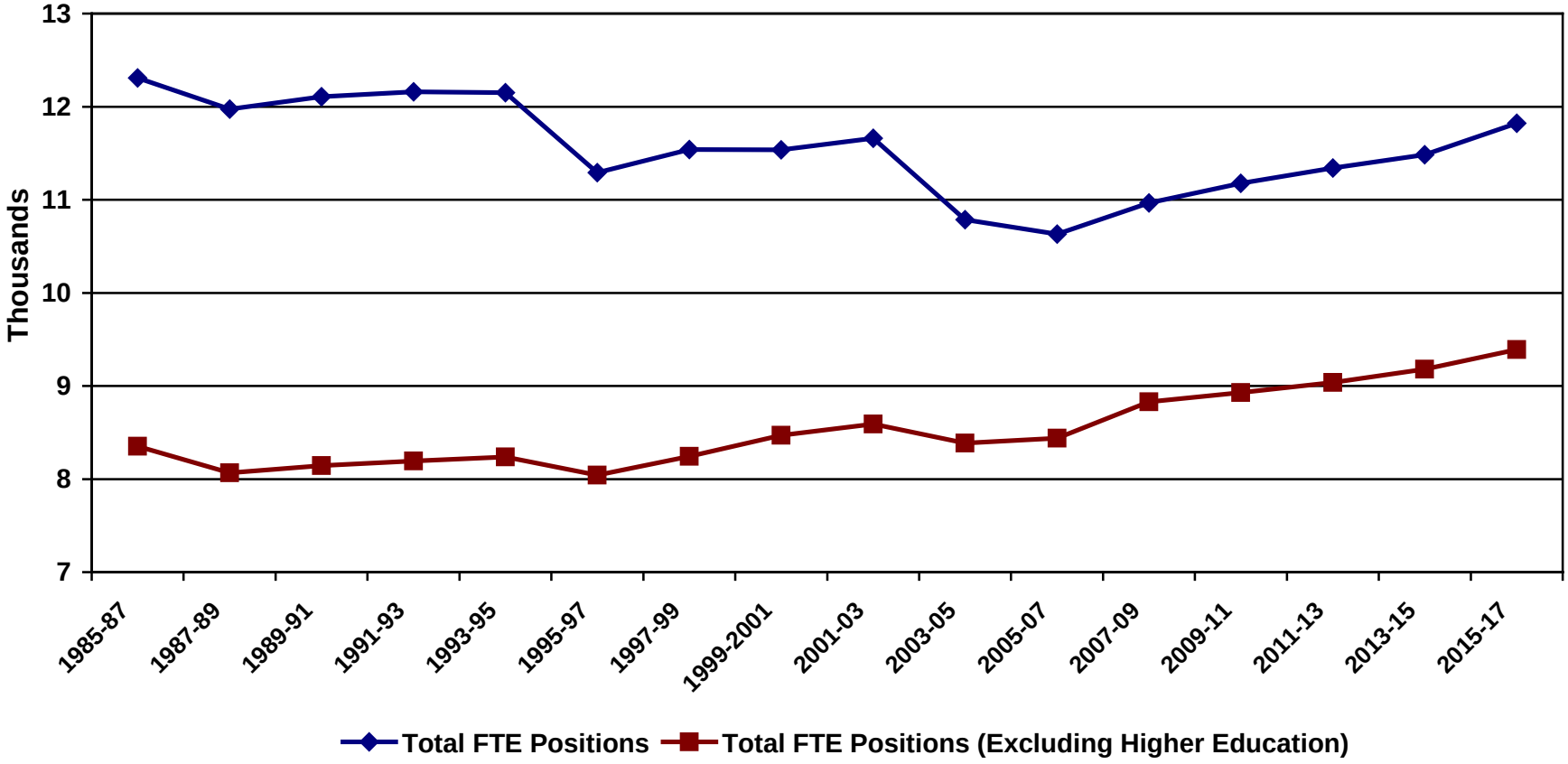
	2013-15 Legislative Authorization	Adjusted FTE Position Level	Variance
Upper Great Plains Transportation Institute	53.75	54.98	1.23
Branch research centers	107.04	110.94	3.90
North Dakota State University Extension Service	258.26	262.91	4.65
Main Research Center	351.49	351.85	0.36
Total	770.54	780.68	10.14

[3] The FTE positions listed for the following entities under the control of the State Board of Higher Education were adjusted in accordance with Section 36 of 2013 Senate Bill No. 2003 to the level supported by the general fund:

	2013-15 Legislative Authorization	Adjusted FTE Position Level	Variance
North Dakota University System office	112.91	112.99	0.08
Bismarck State College	126.96	133.53	6.57
Lake Region State College	40.22	50.19	9.97
Williston State College	44.15	49.96	5.81
University of North Dakota	633.60	630.20	(3.40)
University of North Dakota School of Medicine and Health Sciences	156.55	163.58	7.03
North Dakota State University	491.21	537.10	45.89
North Dakota State College of Science	171.87	168.30	(3.57)
Dickinson State University	100.32	120.26	19.94
Mayville State University	62.78	66.23	3.45
Minot State University	201.76	204.10	2.34
Valley City State University	97.29	105.59	8.30
Dakota College at Bottineau	36.12	46.96	10.84
Forest Service	29.00	28.96	(0.04)
Total	2,304.74	2,417.95	113.21

NUMBER OF STATE EMPLOYEES - HISTORY

The following is a summary of the number of authorized state employee FTE positions for the 1985-87 through 2015-17 bienniums:



Biennium	General Government	Education (Other Than Higher Education)	Higher Education	Health and Welfare	Regulatory	Public Safety	Agriculture and Economic Development	Natural Resources and Highways	Total FTE Positions	Total FTE Positions Excluding Higher Education
1985-87	915.50	396.39	3,956.84	3,393.11	996.43	552.80	802.28	1,294.50	12,307.85	8,351.01
1987-89	975.55	296.10	3,909.16	3,079.89[1]	1,021.93	648.77	770.58	1,273.00	11,974.98	8,065.82
1989-91	916.25	309.36	3,963.02	3,028.11	1,047.94	699.27	785.57	1,357.50	12,107.02	8,144.00
1991-93	949.85	327.91	3,965.80	2,876.26	1,078.92	727.69	826.57	1,406.50	12,159.50	8,193.70
1993-95	1,016.10	322.44	3,912.91	2,794.66	1,138.81	774.04	787.02[2]	1,404.00	12,149.98	8,237.07
1995-97	1,004.42	313.38	3,249.13[3]	3,103.11[4]	665.50[4]	774.52	777.97	1,402.50	11,290.53	8,041.40
1997-99	1,039.90	312.54	3,297.30	3,124.00	696.00	894.64	817.12	1,359.50	11,541.00	8,243.70
1999-2001	1,164.00[5]	308.19	3,068.64[6]	3,099.06	723.00	954.68	856.35	1,363.00	11,536.92	8,468.28
2001-03	1,236.20	271.07	3,070.58	3,069.86	762.50	967.18	914.03	1,369.75	11,661.17	8,590.59
2003-05	1,266.70[7]	245.60	2,400.38[8]	2,852.80	767.37	995.18[7]	878.65	1,379.75	10,786.43[9]	8,386.05
2005-07	1,246.00	243.89	2,194.42	2,840.20	763.51	1,056.28	898.80	1,389.00	10,632.10	8,437.68
2007-09	1,325.00	242.69	2,136.59	2,993.75	783.51	1,136.29	939.93	1,407.00	10,964.76	8,828.17
2009-11	1,362.00	253.19	2,245.51	3,008.65	806.20	1,161.29	921.30	1,417.50	11,175.64	8,930.13
2011-13	1,373.60	255.19	2,303.74	2,968.33	823.20	1,234.29	952.31	1,429.50	11,340.16	9,036.42
2013-15	1,419.10	262.11	2,304.74	2,975.06	859.89	1,273.29	933.79	1,456.50	11,484.48	9,179.74
2015-17	1,505.10	264.61	2,430.35	2,984.06	912.89	1,285.29	950.08	1,489.50	11,821.88	9,391.53

[1]Reflects a phase-out of FTE positions at San Haven (258.47 FTE positions reduction) and a reduction of 46 FTE positions at the Grafton State School.

[2]Excludes 14.1 authorized FTE positions for commodity groups because 1993 House Bill No. 1203 provided statutory continuing appropriations for these agencies to spend funds they collect without a specific legislative appropriation.

[3]The state colleges and universities changed the formula for counting teacher FTE positions based on the number of months worked during the year. Those who worked 12 months were reduced from 1.2 FTE positions to 1 FTE position, and those who worked 9 months were reduced from 1 FTE position to .75 FTE position. The net reduction from the change is 415.85 FTE positions. In addition, the University of North Dakota Rehabilitation Hospital was privatized resulting in a reduction of 286.2 FTE positions.

[4]Job Service North Dakota and its 420.5 FTE positions were switched from **Regulatory** to **Health and Welfare**.

[5]The judicial branch added 129.5 FTE positions with the clerk of court unification.

[6]Reflects elimination of 203.3 FTE positions associated with local funds at the University of North Dakota School of Medicine and Health Sciences.

[7]Reflects an increase of 31 FTE positions in **General Government** and a corresponding reduction in **Public Safety** due to State Radio being consolidated with the Office of Management and Budget.

[8]The FTE count for higher education was reduced by 688.17 FTE positions to reflect institutional reductions and to report only the number of FTE positions funded from the general fund.

[9]House Bill No. 1505 (2003) provided that on November 1, 2003, 24 FTE positions relating to information services, including electronic mail, file and print server administration, database administration, storage, application server, and hosting services, must be reduced and transferred to the Information Technology Department. The project executive committee recommended the transfer of 8.5 FTE positions to the Information Technology Department on November 1, 2003, and the exemption of the remaining 15.5 FTE positions. The 2003-05 FTE positions reflect the transfer of 8.5 FTE positions.

ANALYSIS OF STATE EMPLOYEE SALARY INCREASES

Year	General Salary Increase Provided or Proposed	Annual Inflation*
1973	5 percent	6.2%
1974	4 percent	11.0%
1975	5 percent (in addition to an 11.9 percent salary adjustment)	9.1%
1976	5 percent	5.7%
1977	5 percent	6.5%
1978	5 percent	7.6%
1979	6.5 percent	11.3%
1980	6.5 percent	13.5%
1981	9 percent (in addition to a 10 percent salary adjustment)	10.3%
1982	8 percent (reduced by Governor's budget allotments)	6.2%
1983	2 percent contribution to retirement	3.2%
1984	2 percent contribution to retirement	4.3%
1985	9.5 percent higher education faculty and senior administrative staff, 5.5 percent for all other state employees	3.5%
1986	4 percent with a minimum of $50 per month; the Governor deferred this increase for agencies under the Governor's control to January 1, 1987	1.9%
1987	0 percent	3.7%
1988	0 percent	4.1%
1989	11.4 percent higher education faculty at the University of North Dakota and North Dakota State University; 9.5 percent higher education faculty at other four-year universities; 7.3 percent higher education faculty at two-year colleges; 9.1 percent faculty at the medical school; administrative, professional, and classified employees at the institutions of higher education received increases averaging between 8.7 and 9.7 percent; 7.1 percent for all other state employees	4.8%
1990	7 percent higher education faculty at four-year universities, 5 percent higher education faculty at two-year colleges, 0 percent all other state employees	5.4%
1991	4 percent with a minimum of $50 per month	4.2%
1992	$40 per month	3.0%
1993	$60 per month	3.0%
1994	3 percent (to the extent available from agency savings)	2.6%
1995	2 percent	2.8%
1996	3 percent (includes 1 percent for salary inequity correction and merit increases)	2.9%
1997	3 percent (includes 1.5 percent for salary inequity correction and merit increases)	2.3%
1998	3 percent (includes 1.5 percent for salary inequity correction and merit increases; in addition, the North Dakota University System received a $3.2 million pool of funds for the 1997-99 biennium to address salary compression, market, and equity problems)	1.5%
1999	2 percent with a minimum of $35 per month - Increases over $35 were based on merit and equity	2.2%
2000	2 percent with a minimum of $35 per month - Increases over $35 were based on merit and equity. An additional 1 percent was provided to the extent the increase could be paid with existing agency resources.	3.4%

2001[1]	3 percent with a minimum of $35 per month - Increases over $35 were based on merit and equity	2.8%
2002[1]	2 percent with a minimum of $35 per month - Increases over $35 were based on merit and equity	1.6%
2003	Up to 1 percent effective on January 1, 2004, for the executive and judicial branches to the extent that the increase could be provided from pooled savings realized from the eliminated FTE positions and from accumulated savings from other vacant FTE positions. At least 70 percent of the funding for the increase provided was required to be from pooled savings of the eliminated FTE positions. No specific funding was provided to higher education institutions for salary increases, with the intent that any salary increases provided be from existing appropriation authority. The judicial branch eliminated 4 vacant FTE positions and provided a 1 percent salary increase to its employees effective January 1, 2004. The executive branch did not receive a salary increase.	2.3%
2004	Up to 2 percent effective on January 1, 2005, for the executive and judicial branches to the extent that the increase could be provided from pooled savings realized from the eliminated FTE positions and from accumulated savings from other vacant FTE positions. At least 70 percent of the funding for the increase provided was required to be from pooled savings of the eliminated FTE positions. No specific funding was provided to higher education institutions for salary increases, with the intent that any salary increases provided be from existing appropriation authority. The executive branch and the judicial branch did not eliminate positions to receive salary increases on January 1, 2005.	2.7%
2005	4 percent	3.4%
2006	4 percent	3.2%
2007[2]	4 percent with a minimum of $75 per month (salary increases were to be based on merit and equity and were not to be given across the board)	2.9%
2008[2]	4 percent with a minimum of $75 per month (salary increases were to be based on merit and equity and were not to be given across the board)	3.8%
2009[3]	5 percent with a minimum of $100 per month (salary increases were to be based on merit and equity and were not to be given across the board)	(0.3%)
2010[3]	5 percent with a minimum of $100 per month (salary increases were to be based on merit and equity and were not to be given across the board)	1.6%
2011[4]	3 percent (salary increases for nonclassified employees were to be based on merit and equity and were not to be given across the board. Salary increases for classified employees were to be based on guidelines developed by the Office of Management and Budget (OMB).)	3.1%
2012[4]	3 percent (salary increases for nonclassified employees were to be based on merit and equity and were not to be given across the board. Salary increases for classified employees were to be based on guidelines developed by OMB.)	2.1%
2013[5]	From 3 to 5 percent based on performance and up to 2 percent for classified employees in the first quartile of their salary range and up to 1 percent for classified employees in the second quartile of their salary range for market equity	1.5%
2014[5]	From 2 to 4 percent based on performance and up to 2 percent for classified employees in the first quartile of their salary range and up to 1 percent for classified employees in the second quartile of their salary range for market equity	1.6%
2015[6]	From 2 to 4 percent based on performance	0.6% (projected)
2016[6]	From 2 to 4 percent based on performance	2.6% (projected)

*Percentage change, consumer price index annual rate, Moody's

[1]In addition, the 2001 Legislative Assembly provided:

- $5 million, $2.7 million of which was from the general fund, for market equity compensation adjustments for classified employees as approved by Human Resource Management Services.
- $4,628,824 from the general fund for equity and special needs for entities under the control of the State Board of Higher Education. A portion of this amount was used for salary increases to address equity issues.
- $178,233, $142,697 of which was from the general fund, for salary equity adjustments for elected and appointed officials.

[2]In addition, the 2007 Legislative Assembly provided $10 million, $5 million of which was from the general fund and $5 million of special funds, for market equity salary adjustments based on market data for classified employees. Employees furthest from market were to receive the largest increase (2007 Senate Bill No. 2189).

The 2007-09 legislative appropriation for the University System included funding for parity to provide for inflationary costs, including the general fund share of 5 percent per year salary increases and health insurance increases.

[3]In addition, the 2009 Legislative Assembly provided an appropriation of $15,984,000, of which $9 million is from the general fund, to OMB to address salary equity issues. House Bill No. 1015 (2009) provided the statewide equity pool be used for market equity compensation adjustments for classified and nonclassified state employees of executive branch agencies, institutions, and departments, excluding entities under the control of the State Board of Higher Education. The market equity increases were to be prioritized based on a statewide plan to address occupational market disparities, economic growth areas, recruitment and retention challenges, and internal and external pay inequities for employees who are critical to the mission of the agency. The plan needed to give priority to employees who were employed by the state for the greatest length of time and were furthest below their salary range midpoint. The Office of Management and Budget, in developing the plan, was to consider employee pay comparisons to similar occupational classifications of other North Dakota employers and employers in Montana, South Dakota, and Wyoming.

The 2009-11 legislative appropriation for the University System included funding for parity to provide for inflationary costs, including the general fund share of 5 percent per year salary increases and health insurance increases.

[4]In addition, the 2011 Legislative Assembly provided additional salary equity-related funding for the following agencies:

- Attorney General's office - $125,000 from the general fund - Salary increases available upon certification completion for personnel advancement.
- Industrial Commission - $502,832 from the general fund - Salary equity increases primarily for geologists and petroleum engineers.
- State Treasurer - $24,000 from the general fund - Salary increases for employee reclassifications.
- Department of Transportation - $600,000 from special funds - Optional market salary adjustments primarily for heavy equipment operators and highway maintenance personnel.

The 2011-13 legislative appropriation for the University System included funding for parity to provide for inflationary costs, including the general fund share of 3 percent per year salary increases and health insurance premium increases.

The 2011 Legislative Assembly provided funding for an increase in contributions to the retirement system of 2 percent on January 1, 2012, and another 2 percent increase on January 1, 2013. For each increase, employees would pay 1 percent of the increased contribution and the state would pay the remaining 1 percent.

[5]The 2013 Legislative Assembly provided salary increases for eligible classified employees of up to 2 percent per year based on an employee's position in the assigned pay range and increases of 3 to 5 percent on July 1, 2013, and 2 to 4 percent on July 1, 2014, based on performance. The Legislative Assembly provided salary increases to eligible nonclassified employees of 3 to 5 percent on July 1, 2013, and 2 to 4 percent on July 1, 2014, based on performance.

The Legislative Assembly also provided funding for an increase in contributions to the retirement system of 2 percent on January 1, 2014. For the increase, employees paid 1 percent of the increased contribution and the state paid the remaining 1 percent.

[6]The 2015 Legislative Assembly provided salary increases for all eligible classified and nonclassified employees of 2 to 4 percent per year, based on performance.

The 2015 Legislative Assembly also provided targeted market equity funds of $4.49 million, which includes $3.75 million from the general fund to address occupational market disparities, economic growth areas, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. Agencies eligible to receive a targeted market equity salary adjustment include the Adjutant General, Veterans' Home, State Department of Health, Department of Human Services, and the Protection and Advocacy Project.

The 2015 Legislative Assembly also provided additional salary market equity-related funding for the following agencies:

- Attorney General's office - $1,546,301, which includes $1,012,301 from the general fund.
- Office of Administrative Hearings - $38,110 from special funds.
- Retirement and Investment Office - $50,000 from special funds.
- Department of Public Instruction - $100,000 from the general fund.
- Department of Corrections and Rehabilitation - $2,126,442 from the general fund.
- Adjutant General - $192,621 from the general fund.

ANALYSIS OF ELECTED OFFICIALS' SALARIES

The Legislative Assembly authorized 2015-17 biennium salary increases of 3 percent effective July 1, 2015, and 3 percent effective July 1, 2016, for elected officials. The statutory changes necessary to adjust elected officials' salaries as recommended are included in the appropriation bills for the respective elected officials. The schedule below shows for each elected official the salary authorized by the 2013 Legislative Assembly and by the 2015 Legislative Assembly.

State Official	Statutory Annual Salary Authorized by the 2013 Legislative Assembly		Statutory Annual Salary Authorized by the 2015 Legislative Assembly	
	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015	Effective July 1, 2016
Governor	$121,681	$125,331	$129,091	$132,964
Lieutenant Governor	$94,462	$97,296	$100,215	$103,221
Secretary of State	$96,794	$99,698	$102,689	$105,770
Attorney General	$143,685	$147,996	$152,436	$157,009
Superintendent of Public Instruction	$110,192	$113,498	$116,903	$120,410
Tax Commissioner	$105,050	$108,202	$111,448	$114,791
Insurance Commissioner	$96,794	$99,698	$102,689	$105,770
Public Service Commissioners (3)	$99,435	$102,418	$105,491	$108,656
Agriculture Commissioner	$99,435	$102,418	$105,491	$108,656
State Auditor	$96,794	$99,698	$102,689	$105,770
State Treasurer	$91,406	$94,148	$96,972	$99,881

The judicial branch appropriation contains the funding needed to provide salary increases of 3 percent for each year of the biennium for judges and justices.

For each judge or justice, the following schedule shows the current salary and the salary approved by the 2013 Legislative Assembly and by the 2015 Legislative Assembly:

	Statutory Annual Salary Authorized by the 2013 Legislative Assembly		Statutory Annual Salary Authorized by the 2015 Legislative Assembly	
	Effective July 1, 2013	Effective July 1, 2014	Effective July 1, 2015	Effective July 1, 2016
Supreme Court Chief Justice	$147,812	$152,246	$156,813	$161,517
Other Supreme Court justices	$143,685	$147,996	$152,436	$157,009
District court presiding judges	$135,464	$139,528	$143,714	$148,025
Other district court judges	$131,661	$135,611	$139,679	$143,869

COST OF STATE EMPLOYEE SALARY AND HEALTH INSURANCE INCREASE HISTORY

The following is a summary of the cost of providing salary and health insurance increases for the 1999-2001 through 2015-17 bienniums:

State Employee Salary Increases				
Biennium	**Percentage Increase**	**General Fund**	**Special Funds**	**Total**
1999-2001	2 percent with a $35 per month minimum on July 1, 1999, and 2 percent with a $35 per month minimum on July 1, 2000	$17,681,836	$9,633,401	$27,315,237
2001-03	3 percent with a $35 per month minimum on July 1, 2001, and 2 percent with a $35 per month minimum on July 1, 2002	$27,043,178	$12,493,632	$39,536,810
2003-05	Up to 1 percent on January 1, 2004, and up to 2 percent on January 1, 2005 (based on the elimination of positions and savings from vacant positions)	$0	$0	$0
2005-07	4 percent on July 1, 2005, and 4 percent on July 1, 2006	$19,778,486	$21,746,666	$41,525,152
2007-09	4 percent with a $75 per month minimum on July 1, 2007, and 4 percent with a $75 per month minimum on July 1, 2008	$23,372,817	$22,505,911	$45,878,728
2009-11	5 percent with a $100 per month minimum on July 1, 2009, and 5 percent with a $100 per month minimum on July 1, 2010	$36,821,006	$31,667,339	$68,488,345
2011-13	3 percent on July 1, 2011, and 3 percent on July 1, 2012	$23,920,117	$20,892,142	$44,812,259
2013-15	From 3 to 5 percent on July 1, 2013, and from 2 to 4 percent on July 1, 2014, for performance and up to 2 percent for classified employees in the first quartile of their salary range and up to 1 percent for classified employees in the second quartile of their salary range in July 2013 and July 2014 for market equity	$41,268,879	$34,551,738	$75,820,617
2015-17	From 2 to 4 percent based on performance on July 1, 2015, and from 2 to 4 percent based on performance on July 1, 2016	$31,461,697	$24,353,454	$55,815,151

State Employee Health Insurance Increases						
Biennium	**Monthly Premium**	**Increase From Previous Biennium**	**Percentage Increase**	**General Fund**	**Special Funds**	**Total**
1999-2001	$350	$49	16.3%	$6,989,537	$3,858,174	$10,847,711
2001-03	$409	$59	16.9%	$11,182,551	$6,001,252	$17,183,803
2003-05	$489	$80	19.6%	$8,027,122	$8,258,216	$16,285,338
2005-07	$554	$65	13.3%	$5,335,798	$7,903,870	$13,239,668
2007-09	$658	$104	18.8%	$9,115,817	$12,346,031	$21,461,848
2009-11	$826	$168	25.5%	$15,889,790	$20,215,824	$36,105,614
2011-13	$887	$61	7.4%	$7,179,809	$5,995,847	$13,175,656
2013-15	$982	$95	10.7%	$11,127,312	$9,700,989	$20,828,301
2015-17	$1,130	$148	15.1%	$19,877,362	$14,316,411	$34,193,773

LARGE INFORMATION TECHNOLOGY PROJECTS FOR THE 2015-17 BIENNIUM[1]

Agency or Institution	Project	2015-17 Legislative Appropriations		
		General Fund	Other Funds	Total
108 - Secretary of State	Completion of software project	$3,050,000		$3,050,000
180 - Judicial Branch	Implementation of a redundant information technology site at a remote location for disaster recovery	2,000,000		2,000,000
301 - State Department of Health	Replace system that supports the women, infants, and children program		$1,712,110	1,712,110
325 - Department of Human Services	Eligibility modernization project continuation	14,012,167	46,860,102	60,872,269
380 - Job Service North Dakota	Unemployment insurance modernization (also known as Wyoming, Colorado, Arizona, and North Dakota (WyCAN) unemployment insurance modernization)		13,907,000	13,907,000
401 - Insurance Department	Boiler inspection software program		90,000	90,000
406 - Department of Labor and Human Rights	Create a paperless system	56,135		56,135
485 - Workforce Safety and Insurance	Computer software replacement		6,000,000	6,000,000
530 - Department of Corrections and Rehabilitation	Workforce scheduler	616,144		616,144
	DOCSTARS maintenance	150,000		150,000
540 - Adjutant General	Next generation 911 initial purchase	386,000		386,000
	Microsoft SQL Enterprise for computer-aided dispatch	90,000		90,000
	Message switch test server	70,000		70,000
602 - Department of Agriculture	Department website redesign	100,000		100,000
	Maintenance Management System		589,000	589,000
801 - Department of Transportation (HB 1012)	Vehicle registration and titling system project continuation		2,500,000	2,500,000
Total		$20,530,446	$71,658,212	$92,188,658

[1]North Dakota Century Code Section 54-59-02.1 requires the State Information Technology Advisory Committee to prioritize major executive branch computer software projects. The committee met on September 25, 2014, and prioritized information technology projects for the 2015-17 biennium with a total cost over $250,000 by funding source. The following is a summary of the prioritization, including information on the funding provided by the 2015 Legislative Assembly for the project:

General Fund Projects			
	Project	Agency	Funding Provided by 2015 Legislative Assembly
1	DOCSTARS to Elite upgrade	Department of Corrections and Rehabilitation	No
2	Workforce software	Department of Corrections and Rehabilitation	Yes

SECTION L - TRUST FUND ANALYSES

ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMMATION	L-1
BEGINNING FARMER REVOLVING LOAN FUND	L-3
BONDING FUND	L-4
BUDGET STABILIZATION FUND	L-5
CAPITOL BUILDING FUND	L-6
CENTERS OF EXCELLENCE FUND	L-7
CENTERS OF RESEARCH EXCELLENCE FUND	L-8
COAL DEVELOPMENT TRUST FUND	L-10
COMMON SCHOOLS TRUST FUND	L-11
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ANALYSIS OF THE ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$2,307,909		$11,422,220
Add estimated revenues				
Fees, forfeitures, transfers, and recoveries penalties[1]	$1,257,972		$1,250,000	
Oil and gas tax collections[2,3]	10,000,000		10,000,000	
Total estimated revenues		11,257,972		11,250,000
Total available		$13,565,881		$22,672,220
Less estimated expenditures and transfers				
Reclamation of well sites placed into service after July 31, 1983	$2,119,814		$3,500,000	
Reclamation of well sites placed into service on or before July 31, 1983 (2015 HB 1358)			1,500,000	
Transfer to the oil and gas research fund for an oil and produced water pipeline study (2015 HB 1358)			1,500,000	
Transfer to the oil and gas research fund for a contaminated site remediation pilot project (2015 HB 1358)			500,000	
Transfer to the environmental quality restoration fund (2015 SB 2190)			400,000	
Pipeline restoration and reclamation oversight pilot program - Agriculture Commissioner (2015 SB 2271)			400,000	
Miscellaneous[4]	23,847		25,000	
Total estimated expenditures and transfers		2,143,661		7,825,000
Estimated ending balance		$11,422,220		$14,847,220

[1]Revenues to the fund include:

- Fees collected by the Oil and Gas Division of the Industrial Commission for permits or other services;
- Funds received from the forfeiture of drilling and reclamation bonds;
- Funds received from any federal agency or from donations related to well plugging and site reclamation;
- Transfers or grant awards from the oil and gas impact fund; and
- Funds recovered from the sale of confiscated equipment and oil and from certain civil penalties.

[2]Estimated revenues - These amounts reflect actual oil tax revenue collections deposited in the fund through February 2015 and estimated allocations for the remainder of the 2013-15 biennium and estimated oil tax revenue allocations for the 2015-17 biennium based on the March 2015 revised revenue forecast and final legislative action.

[3]In House Bill No. 1032, the 2015 Legislative Assembly increased the oil and gas tax allocation to the fund by $2.5 million per fiscal year, from $5 million to $7.5 million, and increased the allocation limit from an amount that would bring the balance of the fund over $75 million to an amount that would bring the balance of the fund over $100 million. These changes are contingent upon the "large" trigger not being in effect at any time during the first six months of the 2015-17 biennium. The amounts shown do not reflect the increased allocation since the "large" trigger is anticipated to be in effect for the first 11 months of the biennium.

[4]Miscellaneous expenditures include credit card merchant fees and audit fees.

FUND HISTORY

The fund was established in 1983 under North Dakota Century Code Section 38-08-04.5. The purpose of the fund is to defray the costs of plugging or replugging oil wells, the reclamation of well sites, and all other related activities for wells or pipelines. The money in the fund may be spent, pursuant to a continuing appropriation, for contracting for the plugging of abandoned wells; contracting for the reclamation of abandoned drilling and production sites, saltwater disposal pits, drilling fluid pits, and access roads; paying mineral owners their royalty share of confiscated oil; and paying any contract related expenses. The Industrial Commission is to report to the Budget Section each biennium on the expenditures of the fund and the fund balance.

ANALYSIS OF THE BEGINNING FARMER REVOLVING LOAN FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning cash balance		$2,645,702		$2,688,220
Add estimated revenues				
Investment interest	$2,000		$2,000	
Transfer from Bank of North Dakota (2013 SB 2014; 2015 HB 1014)	6,000,000		7,000,000	
Total estimated revenues		6,002,000		7,002,000
Total available		$8,647,702		$9,690,220
Less estimated expenditures and transfers				
Buydown interest disbursed	$5,950,482		$7,000,000	
Public Service Commission for the rail rate complaint case[1] (2013 HB 1008; 2015 SB 2008)	0		0	
ENVEST program[2] (2007 HB 1135)	0		0	
Audit fees	9,000		10,000	
Total estimated expenditures and transfers		5,959,482		7,010,000
Estimated ending cash balance		$2,688,220		$2,680,220

[1]Public Service Commission - House Bill No. 1008 (2005) appropriated $800,000 from the beginning farmer revolving loan fund to the Public Service Commission for part of the cost of filing a "simplified" rail rate complaint case with the Surface Transportation Board. Senate Bill No. 2008 (2007) and House Bill No. 1008 (2009) authorized the Public Service Commission to continue the $800,000 appropriation for the rail rate complaint case into the 2007-09 and 2009-11 bienniums. Senate Bill No. 2008 (2011), House Bill No. 1008 (2013), and Senate Bill No. 2008 (2015) provided an appropriation of $900,000 from the beginning farmer revolving loan fund to the Public Service Commission for the rail rate complaint case for the 2013-15 and 2015-17 bienniums. A rail rate complaint case was not filed during the 2005-07, 2007-09, 2009-11, or 2011-13 bienniums, and no cases are anticipated to be filed during the 2013-15 and 2015-17 bienniums. The Public Service Commission is required to reimburse the beginning farmer revolving loan fund from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case.

[2]ENVEST program - House Bill No. 1135 (2007) provides for a transfer up to $1 million per biennium of unobligated funds to the value-added agriculture equity loan program for the purpose of interest rate buydowns on loans made for investment in a feedlot or dairy operation. Funding of $34,511 was committed in the 2007-09 biennium with no commitments anticipated in the 2009-11, 2011-13, or 2013-15 bienniums leaving $965,489 available for the 2015-17 biennium.

FUND HISTORY

The beginning farmer revolving loan fund originated in 1983 with passage of Senate Bill No. 2220, now codified as North Dakota Century Code Section 6-09-15.5, and was established by a $5 million transfer from the Bank of North Dakota. The Bank supervises and administers the beginning farmer revolving loan fund and the loans made by the fund. The loan fund was established for the purpose of making or participating in loans to North Dakota beginning farmers for the purchase of agricultural real estate, equipment, and livestock. The fund is a revolving fund, and all money transferred into the fund, interest upon money in the fund, and payments to the fund of principal and interest on loans made from the fund are appropriated for the purpose of providing loans and to supplement the interest rate on loans to beginning farmers. A loan made from the fund may not exceed 80 percent of the appraised value of the agricultural collateral, with the actual percentage to be determined by the Bank. Senate Bill No. 2081 (2011) extended the maximum term of a real estate loan from 25 years to 30 years. The maximum term of a farm equipment or livestock loan is seven years.

Section 6-09-15.5 provides that, notwithstanding any other provision of law, the Bank of North Dakota may transfer any unobligated funds between funds that have been appropriated by the Legislative Assembly for interest buydown in the beginning farmer revolving loan fund and the agriculture partnership in assisting community expansion (Ag PACE) fund.

ANALYSIS OF THE BONDING FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$3,408,932		$3,547,787
Add revenues				
Investment income	$195,299		$200,000	
State bonding fund claims collections	26,570		30,000	
Game and fish bonds	3,720		4,000	
Total revenues		225,589		234,000
Total available		$3,634,521		$3,781,787
Less expenditures and transfers				
Claim liabilities/payments/write-offs	$41,450		$150,000	
Claims-related expenses	18,503		20,000	
Investment expense	6,240		10,000	
Administration	20,541		43,000	
Total expenditures and transfers		86,734		223,000
Ending balance		$3,547,787		$3,558,787

FUND HISTORY

The state bonding fund was created in 1915 and is maintained for bond coverage of public employees. The state bonding fund is managed by the Insurance Commissioner, and 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. North Dakota Century Code 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 state bonding fund's balance is in excess of $2 million. No premium has been charged, possibly since 1953, because the bonding fund's balance has exceeded the minimum level established by the Legislative Assembly.

ANALYSIS OF THE BUDGET STABILIZATION FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$583,545,799		$583,545,799
Add estimated revenues				
Investment income	$0[1]		$0[1]	
Transfer from general fund	0[2]		0	
Total estimated revenues		0		0
Total available		$583,545,799		$583,545,799
Less estimated expenditures and transfers				
None				
Total estimated expenditures and transfers		0[3]		0[3]
Estimated ending balance		$583,545,799		$583,545,799

[1]Interest earned on the fund is deposited in the general fund because the balance in the fund is at the maximum allowed under North Dakota Century Code Section 54-27.2-01.

[2]Chapter 54-27.2 provides any amount in the general fund at the end of a biennium in excess of $65 million must be transferred to the budget stabilization fund except that the balance in the budget stabilization fund may not exceed 9.5 percent of the general fund budget approved by the most recently adjourned Legislative Assembly. Based on 2015-17 biennium general fund appropriations of $6,026,162,678, there would not be a transfer to the budget stabilization fund at the end of the 2013-15 biennium.

[3]No transfers from the budget stabilization fund are anticipated.

FUND HISTORY

The budget stabilization fund was established by the Legislative Assembly in 1987 House Bill No. 1596. Major provisions include:

- Section 54-27.2-01 establishes the budget stabilization fund and provides any interest earned on the balance of the budget stabilization fund must be retained in the fund. The section currently provides any money in the fund in excess of 9.5 percent of the general fund budget as approved by the most recently adjourned Legislative Assembly must be deposited in the general fund. The Legislative Assembly approved 2011 House Bill No. 1451 which decreased, effective July 1, 2011, the maximum balance allowed in the fund from 10 to 9.5 percent of the general fund budget approved by the most recently adjourned Legislative Assembly.
- Section 54-27.2-02 provides any amount in the general fund at the end of a biennium in excess of $65 million must be transferred to the budget stabilization fund.
- Section 54-27.2-03 provides the Governor may order a transfer from the budget stabilization fund to the general fund if the Director of the Office of Management and Budget (OMB) projects general fund revenues for the biennium will be at least 2.5 percent less than estimated by the most recently adjourned Legislative Assembly. The amount transferred is limited to the difference between an amount 2.5 percent less than the original legislative general fund revenue forecast and the revised forecast prepared by OMB. Any transfer made must be reported to the Budget Section.

ANALYSIS OF THE CAPITOL BUILDING FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS[1]

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$2,841,003		$5,355,081
Add revenues				
Investment income	$40,596		$109,765	
Rentals, royalties, and bonuses	3,812,970		3,264,400	
Total revenues		3,853,566		3,374,165
Total available		$6,694,569		$8,729,246
Less expenditures and transfers				
Administrative expenses	$53,461		$63,284	
Income payments to counties	6,027[2]		6,258[2]	
Capitol Grounds Planning Commission continuing appropriation (North Dakota Century Code Section 49-10-02[3])	175,000		175,000	
Capitol Grounds Planning Commission operating expenses (2013 HB 1015, 2015 SB 2015)	25,000		25,000	
Office of Management and Budget Capitol projects (2011 SB 2015, 2015 SB 2015)	1,080,000[4]		1,710,000[5]	
Governor's residence (2015 SB 2304)			4,000,000[6]	
Total expenditures and transfers		1,339,488		5,979,542
Ending balance		$5,355,081		$2,749,704

[1]The analysis reflects the legislative appropriations for the 2013-15 biennium and 2015-17 biennium and does not include the land owned by the fund.

[2]Section 15-04-23 provides the Board of University and School Lands is to pay a fee to the board of county commissioners of each county in which the state retains original grant lands. The total fees paid may not exceed 5 percent of the net revenue generated from the original grant lands in that county during the year preceding the payments. The board of county commissioners is to forward a prorated portion of any fees received to the organized townships in which the original grant lands are located. The funds are to be used for the repair, maintenance, and construction of roads and bridges. Any remaining funds are to be used by the county for repair, maintenance, and construction of roads and bridges in unorganized townships in which the original grant lands are located.

[3]Section 48-10-02 provides a continuing appropriation to the Capitol Grounds Planning Commission to expend up to $175,000 per biennium of income and interest of the Capitol building fund. The section was amended by 2013 House Bill No. 1015 to increase the amount of the maximum continuing appropriation to $175,000 per biennium beginning with the 2013-15 biennium. 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.

[4]Funding of $2.6 million was appropriated from the Capitol building fund by the Legislative Assembly in 2011 for the following projects:

- Legislative wing brass and wood restoration ($1,000,000).
- Capitol Café and hallway remodel ($700,000).
- Capitol south entrance remodeling ($900,000).

[5]Funding of $1.71 million was appropriated from the Capitol building fund by the Legislative Assembly in Senate Bill No. 2015, of which $1.4 million is for Capitol building entrance and signage projects, and $310,000 is for electrical and ceiling repairs in the legislative wing.

[6]Funding of $4 million was appropriated from the Capitol building fund by the Legislative Assembly in Senate Bill No. 2304, for the demolition of the existing Governor's residence and the construction of a new residence.

ANALYSIS OF THE CENTERS OF EXCELLENCE FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$10,756,483		$7,383,067
Add estimated revenues				
Transfer from the general fund				
Investment income	$9,600		$7,200	
Total estimated revenues		9,600		7,200
Total available		$10,766,083		$7,390,267
Less estimated expenditures and transfers				
Legal fees - Attorney General's office	$2,500[1]		$2,500[1]	
Centers of excellence grants funding distributions	3,308,516[1]		3,725,329[1]	
Economic impact studies	37,000[1]		40,000[1]	
Centers of Excellence Summit	0[1]		0[1]	
Other administrative expenses	35,000[1]		35,000[1]	
Transfer to Research North Dakota fund			1,559,995[2]	
Total estimated expenditures and transfers		3,383,016		5,362,824
Estimated ending balance		$7,383,067[3]		$2,027,443[4]

[1]North Dakota Century Code Section 15-69-05(6), as amended by the Legislative Assembly in 2011 Senate Bill No. 2057, authorized the Department of Commerce to use funds available within the centers of excellence fund for the department's administrative expenses.

[2]House Bill No. 1018 directs the Office of Management and Budget to transfer unobligated funds from the centers of excellence fund to the Research North Dakota fund. The Department of Commerce anticipates $1,559,995 in unobligated funds will be transferred to the Research North Dakota fund.

[3]The 2013-15 biennium ending balance includes $5,587,994 that is obligated for centers of excellence proposals approved in previous bienniums.

[4]The 2015-17 biennium ending balance includes $1,862,665 that is obligated for centers of excellence proposals approved in previous bienniums and $164,778 that is obligated for future administrative expenses.

FUND HISTORY

Section 15-69-06 (2009 Senate Bill No. 2018) establishes a centers of excellence fund. Money in the fund is appropriated to the Department of Commerce on a continuing basis for implementing and administering the centers of excellence program. Interest earned on money in the fund is retained in the fund. The Legislative Assemblies in 2011 and 2013 did not appropriate new funding to the centers of excellence fund for the 2011-13 or 2013-15 biennium. Estimated expenditures for the 2011-13 and 2013-15 bienniums relate to centers of excellence awarded in prior bienniums. Pursuant to provisions of 2011 Senate Bill No. 2057, the centers of excellence fund will be repealed on August 1, 2023.

ANALYSIS OF THE CENTERS OF RESEARCH EXCELLENCE FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$4,732,148		$3,388,827
Add estimated revenues				
Transfer from the general fund	$0[1]		$0[1]	
Investment income	4,100		3,600	
Total estimated revenues		4,100		3,600
Total available		$4,736,248		$3,392,427
Less estimated expenditures and transfers				
Limited deployment-cooperative airspace project grant				
University of North Dakota (UND)	$0[2]		$0	
North Dakota State University (NDSU)	575,796[2]		0	
Centers of research excellence grants				
UND	190,670[3,4]		109,330[3,4]	
NDSU	522,812[3]		1,972,292[3]	
Base realignment grants				
UND	58,143[4]		0[4]	
Total estimated expenditures and transfers		1,347,421		2,081,622
Estimated ending balance		$3,388,827[5]		$1,310,805[6]

[1]The Legislative Assembly in 2011 appropriated $12 million from the general fund for transfer to the centers of research excellence fund to provide funding for a limited deployment-cooperative airspace project grant, centers of research excellence grants, and base realignment grants for the 2011-13 biennium.

[2]The Legislative Assembly in 2011 designated $4 million of the $12 million for grants to the North Dakota University System's research institutions for the purpose of leveraging private and federal funding to advance opportunities for a limited deployment-cooperative airspace project in the state during the 2011-13 biennium.

[3]In 2011 Senate Bill No. 2057, the Legislative Assembly designated $8 million of the $12 million for centers of research excellence grants. The Centers of Excellence Commission may not award centers of research excellence grants of more than $4 million to one research university or nonprofit foundation related to that research university. The centers of research excellence program established by the Legislative Assembly in 2011 replaces the centers of excellence program with the following modifications:

- Removed the requirement for Budget Section or Emergency Commission approval and authorized the Centers of Excellence Commission to award grants.
- Removed tourism from the definition of an "industry cluster."
- Removed the requirement that research universities limit applications to two per round of funding and removed the requirement that the awarding process give consideration to a center's ability to become financially self-sustaining.
- Replaced the prior requirement of annual audits with the requirement for an audit of all funds distributed to the centers after the second full fiscal year, after all funds distributed to the centers have been expended, and for all other years during the postaward monitoring. The centers may contract with an independent accountant for an agreed-upon procedures engagement. Postaward monitoring lasts for no fewer than 6 years and no more than 10 years following the designation of a center for both the centers of excellence and the centers of research excellence programs.
- Provided a statement of legislative intent for the centers of research excellence program to be an ongoing program. (The centers of excellence program had an established expiration date.)

As of April 30, 2015, a total of $4,813,750 has been awarded for centers of research excellence grants:

NDSU	
Center for Life Sciences Research and Applications	$1,350,000
Center for Technologically Innovative Processes and Products	320,000
Center for Technologically Innovative Processes and Products 2	1,011,250
Center for Biobased Materials Science and Technology	1,132,500
UND	
Center for Avian Therapeutics for Infectious Diseases	700,000
Center for Gas Utilization	300,000
Total	$4,813,750

[4]Of the $4 million available to UND through the centers of research excellence program, $3 million was designated for base realignment grants. The purpose of the base realignment grants was to enhance economic development and employment opportunities associated with the Grand Forks Air Force Base resulting from action by the federal Defense Base Closure and Realignment Commission and to enhance infrastructure and economic development projects or programs to accommodate growth near the Grand Forks Air Force Base. Any funds not committed within the first 18 months of the biennium are available for the centers of research excellence program. As of April 30, 2015, a total of $2,840,400 was awarded for base realignment grants:

UND	
Global Hawk sensor operator part task trainer	$878,204
Joint Distributed Common Ground System	125,706
North Dakota Unmanned Aircraft Systems Airspace Initiative (Phase 2)	255,440
Airspace Integration Team - UAS National Test Site	500,000
Enhanced Use Lease for Grand Forks Air Force Base	921,050
Enhanced Use Lease Phase IV for Grand Forks Air Force Base	160,000
Total	$2,840,400

[5]The 2013-15 biennium estimated ending balance includes $3,020,268 of anticipated committed funds for centers of research excellence proposals approved in the 2011-13 biennium.

[6]The 2015-17 biennium estimated ending balance includes $938,646 of anticipated committed funds for centers of research excellence proposals approved in the 2011-13 biennium.

FUND HISTORY

Section 12 of 2011 Senate Bill No. 2057 established the centers of research excellence fund. Money in the fund is appropriated to the Department of Commerce on a continuing basis for implementing and administering the centers of research excellence program. Interest earned on money in the fund is retained in the fund. The Legislative Assembly in 2013 did not appropriate new funding to the centers of research excellence fund for the 2013-15 biennium. Estimated expenditures for the 2013-15 biennium relate to centers of research excellence grants awarded in prior bienniums.

ANALYSIS OF THE COAL DEVELOPMENT TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium[1]		2015-17 Biennium[1]	
Beginning balance		$0		$9,262
Add estimated revenues				
Investment income[2]	$449,009		$226,067	
School construction loan income[2]	1,353,787		1,750,000	
Total estimated revenues		1,802,796		1,976,067
Total available		$1,802,796		$1,985,329
Less estimated expenditures and transfers				
Investment expense	$133,000		$36,500	
Administrative expenses	5,534		9,840	
Transfer to the general fund[2]	1,655,000		1,930,000	
Total estimated expenditures and transfers		1,793,534		1,976,340
Estimated ending balance		$9,262		$8,989

[1]The beginning and ending balances do not include the value of permanent assets of the coal development trust fund which must be maintained pursuant to North Dakota Century Code Section 57-62-02 and Article X, Section 21, of the Constitution of North Dakota. As of March 31, 2015, the total value of permanent fund assets was $67 million, of which $26.5 million was school construction loans receivable, $7 million was coal impact loans receivable, and $33.5 million was either invested or was a receivable of investment or other earnings.

[2]Section 57-62-02 and Article X, Section 21, of the Constitution of North Dakota, provide that the income from the coal development trust fund must be used first to replace any uncollectible loans made from the fund and any remaining income must be deposited in the general fund. The amounts shown on this analysis include only the income in excess of any allowance for uncollectible loans made from the fund and do not include any revenues or expenses affecting the permanent fund balance.

In 2015 Senate Bill No. 2039, the Legislative Assembly created a new school construction assistance loan fund and identified the income from the coal development trust fund as income to the new fund. However, the income from the coal development trust fund will not be transferred to the school construction assistance loan fund because Section 57-62-02 and Article X, Section 21, of the Constitution of North Dakota require the income to be transferred to the general fund.

FUND HISTORY

The coal development trust fund originated in 1979 with passage of House Bill No. 1257, now codified as various sections of Chapter 57-62. In 1980 the voters of North Dakota approved Constitutional Measure No. 5, creating Article X, Section 21, of the Constitution of North Dakota, and establishing the coal development trust fund as a constitutional trust fund.

Section 57-62-02 provides 30 percent of the coal severance tax must be deposited in the coal development trust fund. Section 57-62-02 provides the Board of University and School Lands shall administer the fund and use money in the fund for loans to coal-impacted counties, cities, and school districts and for loans to school districts for school construction. Section 15.1-36-02 limits the outstanding principal balance of school construction loans from the coal development trust fund to $50 million.

Section 57-61-01.5 provides that 70 percent of the money deposited in the coal development trust fund must be transferred to the lignite research fund. Consequently, 30 percent of the coal severance taxes deposited in the fund (9 percent of total coal severance taxes collected) remains in the coal development trust fund to be used for the purposes provided in Section 57-62-02.

ANALYSIS OF THE COMMON SCHOOLS TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

ASSETS, DISTRIBUTIONS, AND INVESTMENT RETURNS FOR THE COMMON SCHOOLS TRUST FUND

The following is a summary of actual and estimated assets, distributions, and investment returns for the common schools trust fund for the 1997-99 through 2015-17 bienniums:

Biennium	Fiscal Year	Beginning Assets (Excluding Land and Minerals Values)	Distributions	Total Average Investment Return (Interest Income and Capital Gains)
1997-99	1998	$400,689,879	$23,200,000	13.57%
	1999	$444,823,559	$23,200,000	7.50%
1999-2001	2000	$467,059,293	$23,775,000	11.05%
	2001	$521,509,978	$23,775,000	2.03%
2001-03	2002	$533,360,593	$28,896,500	(1.34%)
	2003	$522,905,814	$28,896,500	4.57%
2003-05	2004	$547,047,877	$30,000,000	12.60%
	2005	$614,738,548	$30,000,000	8.58%
2005-07	2006	$686,273,875	$31,100,000	7.51%
	2007	$761,901,287	$31,100,000	12.82%
2007-09	2008	$887,092,909	$33,400,000	(4.22%)
	2009	$908,928,685	$33,400,000	(13.75%)
2009-11	2010	$846,314,086	$38,589,000	14.48%
	2011	$1,221,501,801	$38,589,000	17.99%
2011-13	2012	$1,622,412,984	$46,257,000	2.42%
	2013	$1,917,135,220	$46,257,000	10.65%
2013-15	2014	$2,417,363,782	$65,163,000	13.85%
	2015	$3,128,315,233	$65,163,000	[1]
2015-17	2016	[1]	$103,067,000	[1]
	2017	[1]	$103,067,000	[1]

[1]Article IX, Section 2, of the Constitution of North Dakota, was amended in November 2006 through voter approval of Measure No. 1 (2005 House Concurrent Resolution No. 3037). The measure changed the way distributions from the common schools trust fund and other permanent educational trust funds are determined. The amendment became effective July 1, 2009, and distributions are no longer based on interest and income earned by the fund. Distributions from the common schools trust fund are now based on a percentage of the five-year average value of trust assets, excluding the value of lands and minerals. Therefore, the Board of University and School Lands does not project asset values, income, or investment return because it is no longer relevant to the calculation of distribution amounts. **The unaudited fund balance of the common schools trust fund was $3,388,964,320 as of February 28, 2015.**

MONEY DEPOSITED IN THE COMMON SCHOOLS TRUST FUND

Select Constitutional Provisions

Article IX, Section 1

This section provides that the following money must be deposited in a permanent trust fund, known as the common schools trust fund, and used to support the common schools of the state:

- All proceeds relating to public lands granted to the state by the federal government for the support of the common schools.

- All proceeds relating to property acquired by the state through escheat (property reverting to the state in the absence of legal heirs).
- All gifts, donations, and other property acquired by the state for the support of the common schools.
- The proceeds of all bonuses relating to the leasing of coal, gas, oil, or other mineral interests relating to common schools lands.

This section was included in the original Constitution of North Dakota enacted in 1889. In 1982 the section was amended to provide that bonuses relating to the leasing of coal, gas, oil, or other mineral interests relating to common schools lands were to be deposited in the common schools trust fund. In 2006 Measure No. 1 approved by voters removed the reference to bonuses related to leasing and provided that revenues earned by a perpetual trust fund must be deposited in the fund.

Article IX, Section 5

This section provides that in all sales of common schools lands, the state must retain the mineral interests. Leases may be executed for the extraction and sale of the minerals.

This section was included in the original Constitution of North Dakota enacted in 1889. As originally enacted, the section prohibited the sale of common schools lands that were "coal lands" and did not address other minerals. In 1960 the section was amended to its current form which allows the sale of lands containing minerals but requires that the state retain the mineral interests. Minerals are defined to include oil, gas, coal, cement materials, sodium sulphate, sand and gravel, road material, building stone, chemical substances, metallic ores, uranium ores, and colloidal or other clays.

Article X, Section 24

This section provides that 10 percent of oil extraction tax revenue must be deposited in the common schools trust fund.

This section was enacted in 1994 through voter approval of Measure No. 1 (1993 Senate Concurrent Resolution No. 4011). In 2015 the Legislative Assembly approved Senate Concurrent Resolution No. 4003 which provides for a constitutional amendment to Section 24 that, if approved by voters, would allow the Legislative Assembly to appropriate or transfer the principal balance of the foundation aid stabilization fund in excess of 15 percent of the general fund appropriation for state school aid for the most recently completed biennium for education-related purposes. Although the resolution also simplifies other language in the section, it does not change deposits to the fund or limit the balance in the common schools trust fund, which has not been changed since enactment.

Select North Dakota Century Code Provisions

Section 47-30.1-23

This section provides that all funds received by the state under the Uniform Unclaimed Property Act, except amounts deducted for the payment of claims and certain administrative costs, must be deposited in the common schools trust fund.

Section 54-27-25

This section, which was enacted by the 1999 Legislative Assembly, creates a tobacco settlement trust fund to be used to deposit tobacco settlement money received by the state. Forty-five percent of the tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement and deposited in the tobacco settlement trust fund must be transferred to the common schools trust fund and become a part of the principal of the fund.

The Legislative Assembly, in Senate Bill No. 2003 (2015), amended Section 54-27-25 related to the tobacco settlement trust fund to provide the principal and interest of the fund may be appropriated to the Attorney General for the enforcement of the master settlement agreement and any disputes with the agreement. Appropriations made to the Attorney General for enforcement of the master settlement agreement reduce the amount available for transfer from the tobacco settlement trust fund to the common schools trust fund.

To date, $171,537,405 of tobacco settlement money received by the state has been transferred to the common schools trust fund. The following is a summary of transfers to the common schools trust fund from the tobacco settlement trust fund, estimated based on actual revenues received through May 2015 and estimated revenues per the March 2015 legislative revenue forecast, net of funds appropriated from the tobacco settlement trust fund to the Attorney General's office for the enforcement of the master settlement agreement and related disputes.

1999-2001	$23,805,353 (actual)
2001-03	$23,998,745 (actual)
2003-05	$20,977,123 (actual)
2005-07	$19,722,653 (actual)
2007-09	$27,672,929 (actual)
2009-11	$18,248,834 (actual)
2011-13	$18,108,052 (actual)
2013-15	$19,003,716 (estimate)
2015-17	$17,910,000 (estimate)
2017-25 ($23,626,724 per biennium)	$94,506,896 (estimate)

DISTRIBUTIONS FROM THE COMMON SCHOOLS TRUST FUND

Select Constitutional Provisions

Article IX, Section 1

This section provides that revenues earned by the perpetual trust fund must be deposited in the fund, the costs of administering the fund may be paid out of the fund, and the perpetual trust funds must be managed to preserve their purchasing power and to maintain stable distributions to fund beneficiaries.

Article IX, Section 2

This section provides that payments to the common schools of the state include:

- Biennial distributions from each educational trust fund must be 10 percent of the five-year average value of the trust assets, excluding the value of land and minerals. This section was amended in November 2006 through voter approval of Measure No. 1 (2005 House Concurrent Resolution No. 3037). The measure changed the way distributions from the common schools trust fund and other permanent educational trust funds are determined. Previously, distributions were based on the amount of interest and income earned by each trust during a fiscal year. The amendment became effective July 1, 2009, and distributions from the common schools trust fund for the 2009-11 biennium and all subsequent bienniums are based on the distribution formula.
- All fines for violation of state laws. (This money is not added to the trust fund but is added to the distributions from the common schools trust fund and distributed to schools.)
- All other amounts provided by law.

This section was included in the original Constitution of North Dakota enacted in 1889. The original law contained the following two provisions that were removed through voter approval of Measure No. 3 in June 1982:

- Payments to the common schools must be distributed in proportion to the number of school-age children in each district.
- Any portion of the interest or income of the common schools trust fund not distributed during a fiscal year must be added to the permanent balance of the trust fund.

Select North Dakota Century Code Provisions

Section 15-01-02

This section provides that the Board of University and School Lands has full control of:

- The selection, appraisement, rental, sale, disposal, and management of common schools lands.
- The investment of any funds derived from the sale of common schools lands.
- The proceeds of any other property required by law to be used for the support of the common schools.

INVESTMENT OF THE COMMON SCHOOLS TRUST FUND

Section 15-03-04 provides that the Board of University and School Lands is to apply the prudent investor rule in investing the permanent funds under its control, including the common schools trust fund. The prudent investor rule means that in making investments, the board is to exercise the same judgment and care that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it.

ANALYSIS OF THE COMMUNITY HEALTH TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$47,258		$384,452
Add estimated revenues				
Transfers to date from the tobacco settlement trust fund	$4,223,048[1]			
Projected remaining transfers from the tobacco settlement trust fund			$3,980,000[2]	
Total estimated revenues		4,223,048[2]		3,980,000[2]
Total available		$4,270,306		$4,364,452
Less estimated expenditures and transfers				
State Department of Health (2013 SB 2004; 2015 HB 1004)				
Tobacco prevention and control, including the Tobacco Quitline and the tobacco cessation coordinator and operating expenses	$3,220,354[3]		$3,440,864[3]	
Dentists' loan repayment program	360,000[4]		0[4]	
Women's Way program	300,500[5]		400,000[5]	
Dental grant program	5,000[6]		0[6]	
Behavioral Risk Factor State Survey			496,000	
Total estimated expenditures and transfers		3,885,854		4,336,864
Estimated ending balance		$384,452		$27,588

[1]As of May 2015, $4,223,048 has been transferred from the tobacco settlement trust fund for the 2013-15 biennium. Total transfers of $38,119,423 have been made from the tobacco settlement trust fund to the community health trust fund.

[2]Revenues - Interest earned on the community health trust fund is deposited in the general fund. Community health trust fund revenues have been estimated based on actual revenues received through May 2015 and estimated revenues per the March 2015 legislative revenue forecast, net of funds appropriated from the tobacco settlement trust fund to the Attorney General's office for the enforcement of the Master Settlement Agreement and related disputes.

Initiated Measure No. 3 (2008) resulted in the following estimated allocation of the revised estimated collections for tobacco settlement payments through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds, Net of Attorney General Costs	Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund	Allocation of Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(1)		
			Common Schools Trust Fund	Water Development Trust Fund	Community Health Trust Fund
Actual payment April 2008	$36.4 million	N/A	$16.4 million	$16.4 million	$3.6 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Actual payments 2009-11 biennium	64.0 million	23.5 million	18.2 million	18.2 million	4.1 million
Actual payments 2011-13 biennium	63.0 million	22.8 million	18.1 million	18.1 million	4.0 million
Estimated 2013-15 biennium	64.6 million	22.4 million	19.0 million	19.0 million	4.2 million
Estimated 2015-17 biennium	62.4 million	22.6 million	17.9 million	17.9 million	4.0 million
Estimated 2017-19 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2019-21 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2021-23 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2023-25 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Total	$539.6 million	$105.4 million	$195.3 million	$195.3 million	$43.6 million

In 2006 certain tobacco companies began reducing their tobacco settlement payments to North Dakota contending the Master Settlement Agreement allows for the payments to be reduced if they lose sales to small cigarette makers that did not participate in the agreement and if states do not enforce laws intended to make smaller tobacco companies set aside money for legal claims. The Attorney General's office has filed a lawsuit against the tobacco companies to collect full payment.

[3]North Dakota Century Code Section 54-27-25 provides money in the community health trust fund may be used by the State Department of Health, subject to legislative appropriation, for community-based public health programs and other public health programs, including programs with an emphasis on preventing or reducing tobacco usage. The 2003 Legislative Assembly authorized the establishment of a telephone "Tobacco Quitline." The 2007 Legislative Assembly increased the funding for the Tobacco Quitline to provide nicotine replacement therapy and cessation counseling. The 2007 Legislative Assembly authorized 1 full-time equivalent (FTE) tobacco prevention coordinator position and related funding for salaries and wages and operating expenses for the position. The 2013 Legislative Assembly did not approve direct funding for the Tobacco Quitline or the tobacco prevention coordinator position, but appropriated $3,220,354 from the community health trust fund to the department for tobacco prevention and control programs for the 2013-15 biennium. The department anticipates expending $3,220,354 from the fund for the 2013-15 biennium. The 2015-17 executive budget recommended, and the Legislative Assembly approved, $3,440,864 from the community health trust fund for tobacco prevention and control programs for the 2015-17 biennium.

In the November 2008 general election, voters approved Initiated Measure No. 3 that amended Section 54-27-25 to establish a tobacco prevention and control trust fund. The measure also provides that 80 percent of the funds allocated to the community health trust fund from the tobacco settlement trust fund be used for tobacco prevention and control. Based on estimated tobacco settlement trust fund transfers during the 2015-17 biennium, tobacco prevention and control expenditures from the community health trust fund are required to total approximately $3.2 million.

[4]The dentists' loan repayment program, which is administered by the Health Council, was established in 2001 Senate Bill No. 2276 (Chapter 43-28.1). The Legislative Assembly, in 2015 Senate Bill No. 2205, amended Chapter 43-28.1 related to the dental loan repayment program to remove the maximum number of dentists and to provide the council select dentists who will provide services in areas of defined need, including populated areas where there are public health needs. The dentists are eligible to receive funds, not to exceed a total of $100,000 per applicant, for the repayment of their educational loans. The funds are payable over a five-year period ($20,000 per year). The 2013 Legislative Assembly appropriated $520,000, of which $180,000 is from the general fund and $340,000 is from the community health trust fund, for the dentists' loan repayment program. The department anticipates expending $360,000 from the fund for the dentists' loan repayment program for the 2013-15 biennium, including $20,000 of the $25,000 provided for the dental practice grant program. The 2015 Legislative Assembly provided a total of $540,000, of which $180,000 is from the general fund and $360,000 is from the student loan trust fund, for the dentists' loan repayment program during the 2015-17 biennium, $20,000 more than the 2013-15 biennium legislative appropriation. Dentists accepted into the program per biennium include:

Biennium (Number of Dentists Accepted Into Program)	Communities Served
2001-03 biennium (3)	Minot (2)
	Larimore
2003-05 biennium (6)	Fargo Community Health Center
	New Rockford
	Grand Forks
	Fargo
	Bismarck
	West Fargo
2005-07 biennium (4)	Fargo Community Health Center
	Bismarck (serving special populations)
	Mott
	Minot
2007-09 biennium (6)	Park River
	Bismarck
	Grand Forks
	Cando/Devils Lake
	Rugby
	Wishek

Biennium (Number of Dentists Accepted Into Program)	Communities Served
2009-11 biennium (6)	Bismarck Fargo Jamestown Larimore Valley City Williston
2011-13 biennium (6)	Bowman Hazen Langdon/Walhalla Carrington Cavalier Williston
2013-15 biennium (6 to date)	Minot New Rockford Fargo/Grand Forks Watford City (3)

In addition, the 2009 Legislative Assembly approved Senate Bill No. 2358 which created Section 43-28.1-01.1 and provided an appropriation of $180,000 from the general fund for a loan repayment program for dentists in public health and nonprofit dental clinics. In 2015 the Legislative Assembly repealed Section 43-28.1-01.1 and included dentists willing to serve in public health and nonprofit dental clinics in the same loan repayment program as dentists serving small communities. In 2013 the Legislative Assembly provided $180,000 from the general fund for the loan repayment program for three dentists who practice in a public health setting or a nonprofit dental clinic that uses a sliding fee schedule to bill patients. The State Department of Health has enrolled four dentists (Grand Forks (2) and Fargo (2)) in the loan repayment program for dentists in public health and nonprofit dental clinics. The State Department of Health used state funds to leverage federal funds for three of the four dentists in the loan repayment program. Additional funding ($30,000) remains in the loan repayment program and will be used to leverage federal funds if an applicant is received with sufficient time to comply with the requirements outlined in Century Code prior to the close of the biennium. The 2015-17 executive budget recommended, and the Legislative Assembly approved, $180,000 from the general fund for the loan repayment program for dentists who practice in a public health setting or a nonprofit dental clinic that uses a sliding fee schedule to bill patients. This funding is in addition to $540,000 provided for the dental loan repayment program. Senate Bill No. 2205 repealed Section 43-28.1-01.1 related to the loan repayment program for dentists in public health and nonprofit dental clinics and the $180,000 from the general fund is available for the dental loan repayment program, as amended in Senate Bill No. 2205. Total funding available for the combined dental loan repayment program based on defined need is $720,000, of which $360,000 is from the general fund and $360,000 is from the student loan trust fund.

[5]The 2013 Legislative Assembly provided $400,500 from the community health trust fund for the Women's Way program. The State Department of Health anticipates expending $300,500 from the fund for the Women's Way program during the 2013-15 biennium. The Legislative Assembly provided a total of $400,000 from the community health trust fund for the 2015-17 biennium, $500 less than the 2013-15 biennium.

[6]Senate Bill No. 2152 (2007) provided for a dental grant program. A dentist who has graduated from an accredited dental school within the previous five years and is licensed to practice in North Dakota may submit an application to the Health Council for a grant for the purpose of establishing a dental practice in North Dakota cities with a population of 7,500 or less. The council may award a maximum of two grants per year with a maximum grant award of $50,000 per applicant to be used for buildings, equipment, and operating expenses. The community in which the dentist is located must provide a 50 percent match. The grant must be distributed in equal amounts over a five-year period, and the dentist must commit to practice in the community for five years. The 2013 Legislative Assembly appropriated $25,000 from the community health trust fund for the dental grant program during the 2013-15 biennium. The State Department of Health anticipates expending $5,000 from the fund for the dental grant program during the 2013-15 biennium for expenditures related to one grant awarded to a dentist in Larimore during the 2009-11 biennium and $20,000 for dental loan repayments. The Legislative Assembly did not provide funding for the dental grant program during the 2015-17 biennium.

FUND HISTORY

Section 54-27-25 created by 1999 House Bill No. 1475 established the community health trust fund. This section creates a tobacco settlement trust fund for the deposit of all tobacco settlement money obtained by the state. Money in the fund must be transferred within 30 days of its deposit in the fund 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.

In the November 2008 general election, voters approved Initiated Measure No. 3 that amended Section 54-27-25 to establish a tobacco prevention and control trust fund. The measure provides for a portion of tobacco settlement funds received by the state to be deposited in this new fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement, which continues in perpetuity, will continue to be deposited into the tobacco settlement trust fund and allocated 10 percent to the community health trust fund, 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement relating to strategic contribution payments, which began in 2008 and continues through 2017, will be deposited beginning in 2009 into the newly created tobacco prevention and control trust fund. The measure also provides 80 percent of the funds allocated to the community health trust fund from the tobacco settlement trust fund be used for tobacco prevention and control.

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the Master Settlement Agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. Future tobacco settlement payments will be deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25, as amended by the measure.

The Legislative Assembly, in 2015 Senate Bill No. 2003, amended Section 54-27-25 related to the tobacco settlement trust fund to provide the principal and interest of the fund may be appropriated to the Attorney General for the enforcement of the Master Settlement Agreement and any disputes with the agreement. Appropriations made to the Attorney General for enforcement of the Master Settlement Agreement reduce the amount available for transfer from the tobacco settlement trust fund to the community health trust fund.

ANALYSIS OF THE STATE DISASTER RELIEF FUND FOR THE 2009-11, 2011-13, 2013-15, AND 2015-17 BIENNIUMS

	2009-11 Biennium Actual		2011-13 Biennium Actual		2013-15 Biennium Estimates		2015-17 Biennium Estimates	
Beginning balance		$37,623,216		$34,675,167		$77,651,986		$71,348,151
Add revenues								
Transfer from the general fund								
Transfer from the permanent oil tax trust fund (2011 SB 2369)	$22,000,000[1]							
Transfer from the general fund (Section 17 of 2011 SB 2371)			$48,700,000[2]					
Interest income	199,420		70,784		$76,000		$76,000	
Federal funds - Volunteer hours adjustment and local share federal-to-federal mission assignments	612,263		1,604,101					
Revenue/Refund from cities/counties					1,000,000		200,000	
National Guard reimbursements	136,057		705,950					
Oil and gas tax collections			22,000,000[3]		22,000,000[3]		16,422,400[13]	
Total revenues		22,947,740		73,080,835		23,076,000		16,698,400
Total available		$60,570,956		$107,756,002		$100,727,986		$88,046,551
Less estimated expenditures								
Emergency snow removal grants	9,000,000[4]							
Costs relating to disasters occurring prior to 2009	513,321[5]		826,535[6]					
Costs relating to 2009 flooding	5,739,762[5]		2,656,019[6]		3,075,469[6,15]		1,094,183[6]	
Costs relating to the January 2010 winter snowstorm	1,506,693[5]		69,717[2]		310,392[2,15]			
Costs relating to 2010 flooding	3,390,192[5]		164,272[2]		1,324,682[2,15]		208,927[2]	
Costs relating to the April 2010 ice storm	2,854,089[5]		544,138[2]		579,944[2,15]			
Costs relating to the April 2011 blizzard	16,937[5]							
Costs relating to 2011 flooding	2,874,795[5]		12,261,836[2,7,8]		8,940,334[2,7,8,15]		14,459,894[2,7,8]	
2011 ice storm (2013 HB 1016)					616,188[15]			

	2009-11 Biennium Actual		2011-13 Biennium Actual		2013-15 Biennium Estimates		2015-17 Biennium Executive Budget	
Costs relating to flooding in incorporated cities			1,715,887[8]		1,484,113[8]			
Disaster response coordination contract			400,000[9]		400,000[9]		200,000[9]	
State disasters and flood mitigation efforts			7,240[8]		7,085[8]		4,783,547[8]	
Contingent appropriation for 2012 disaster event			0[2]					
Housing rehab and retention			5,458,372[2]		4,541,628[2]			
Flood-impacted housing assistance grant program					1,500,000[11]			
Road grade raising projects - Department of Transportation			6,000,000[2]					
Disaster recovery planning and technical services					1,500,000[12]		1,000,000[12]	
Fargo interior flood protection (Section 11 of 2015 SB 2020)							30,000,000[14]	
Chronic flooding relief (Section 3 of 2015 SB 2016)							2,000,000[15]	
2013 Southern Red River Flood					900,000[16]		600,000	
2013 Northern Red River Flood					800,000[16]		1,300,000	
2013 Winter Storm (October)					100,000[16]		1,200,000	
2014 rain storms					300,000[16]		200,000	
Valley City flood protection (2015 SB 2023)					3,000,000[17]			
Double Ditch site repairs (Section 5 of 2015 SB 2018)							2,000,000[18]	
Bismarck area flood protection (Section 15 of 2015 SB 2020)							4,000,000[19]	
Total estimated expenditures and transfers		25,895,789		30,104,016[10]		29,379,835[20]		63,046,551
Estimated ending balance		$34,675,167		$77,651,986		$71,348,151		$25,000,000

[1]Senate Bill No. 2369 (2011) provided a $22 million transfer from the permanent oil tax trust fund to the state disaster relief fund and authorized the Adjutant General to use this funding for costs associated with state disasters and flood mitigation efforts.

[2]Section 17 of 2011 Senate Bill No. 2371 provided the Office of Management and Budget transfer $48.7 million from the general fund to the state disaster relief fund during the 2011-13 biennium for the following purposes:

Relief Assistance	Transfer Amount	Appropriation Authority
Disaster-related expenses	$32,700,000	Section 15 of 2011 Senate Bill No. 2371 provided appropriation authority of $29.5 million from the state disaster relief fund to the Adjutant General for providing the required state share of funding for expenses associated with presidentially declared state disasters. Section 16 of Senate Bill No. 2371 provided a contingent appropriation of $5 million from the state disaster relief fund to the Adjutant General relating to grants to political subdivisions for a portion of the local share required to match federal emergency relief funding. The funding is contingent upon a 2012 disaster event exceeding $50 million in damages across the state.
Flood-impacted housing assistance grant program	10,000,000	Section 9 of Senate Bill No. 2371 appropriated $10 million from the state disaster relief fund to the Adjutant General for providing: • Additional rebuilders loan program funding to the Bank of North Dakota. • Funding to political subdivisions for flood-impacted housing rehabilitation. Funding must be used as deemed most effective in that community to assist homeowners in rehabilitation or replacement of their flood-damaged homes and to retain homeowners in the community.
Road grade raising grants	6,000,000	Section 14 of Senate Bill No. 2371 appropriated $6 million from the state disaster relief fund to the Department of Transportation for grants to counties for road grade raising projects on federal aid-eligible roads.
Total	$48,700,000	

[3]House Bill No. 1451 (2011) created a new section to Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first $200,000,000 is deposited in the general fund;
- The next $341,790,000 is deposited in the property tax relief fund;
- The next $100,000,000 is deposited in the general fund;
- The next $100,000,000 is deposited in the strategic investment and improvements fund;
- The next $22,000,000 is deposited in the state disaster relief fund; and
- Any additional revenues are deposited in the strategic investment and improvements fund.

[4]Section 2 of 2011 Senate Bill No. 2369 authorized up to $9 million from the state disaster relief fund to be used for providing emergency snow removal grants to counties, cities, and townships. Section 2 of Senate Bill No. 2369 provided a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 60 percent of the costs incurred by the county, township, or city for the period January 2011 through March 2011 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. The Department of Emergency Services distributed $9 million in grants prior to June 30, 2011, and reported to the Budget Section regarding the grants awarded under this section on September 15, 2011.

[5]Section 6 of 2009 Senate Bill No. 2012 authorized up to $23 million from the state disaster relief fund to be used for paying costs relating to the 2009 flood disaster, snow removal damage to roads, and other disasters in accordance with Section 8 of Senate Bill No. 2012. Section 8 of Senate Bill No. 2012 provided a political subdivision receiving federal emergency relief funding relating to disasters occurring from January 2009 through June 2009 may apply to the Department of Emergency Services for an emergency relief grant of up to 50 percent of the local match required to receive the federal emergency relief funding.

[6]Section 1 of 2011 Senate Bill No. 2016 included spending authority of $7.8 million from the state disaster relief fund for expenses related to the 2009 flood disaster ($3,369,258) and other unclosed state disasters ($4,473,046) in the 2011-13 biennium.

[7]Section 5 of 2011 Senate Bill No. 2016 appropriated $3.5 million from the state disaster relief fund to the Adjutant General for the purpose of providing the required state share of funding for defraying the expenses associated with presidentially declared disasters pursuant to Section 37-17.1-27.

[8]Section 4 of 2011 Senate Bill No. 2369 appropriated $22 million from the state disaster relief fund for flood-related costs for the remainder of the 2009-11 biennium and for the 2011-13 biennium. Subject to Emergency Commission and Budget Section approval, the Adjutant General may use the funding for city flood mitigation projects (up to $3.2 million) and for disaster relief relating to 2011 spring flooding, road grade raising projects, 50 percent of the local match for disasters occurring from January 2011 through June 2011, and state expenses associated with presidentially declared disasters in the state. In September 2011 the Adjutant General received Emergency Commission and Budget Section approval for 2011-13 expenses of $17.5 million for flood disasters, $1.2 million for funding specific city flood mitigation projects, and $4.8 million for road grade raising and matching grants to political subdivisions.

[9]In 2011 Senate Bill No. 2016, the Legislative Assembly provided authority to the Department of Emergency Services to utilize $400,000 from the state disaster relief fund to contract for services to coordinate disaster response organizations with state and political subdivision disaster response efforts, including all aspects of disaster recovery from preparedness training through cleanup for declared or undeclared disasters. House Bill No. 1016 (2013) continued the same level of funding for the 2013-15 biennium. Senate Bill No. 2016 (2015) provides a $200,000 appropriation from the state disaster relief fund for disaster response coordination for the 2015-17 biennium.

[10]Total 2011-13 state disaster relief fund appropriation authority provided to the Adjutant General consists of:

$22,000,000	see Footnote 8
3,500,000	see Footnote 7
7,842,304	see Footnote 6
400,000	see Footnote 9
42,700,000	see Footnote 2
$76,442,304	

[11]Section 4 of 2013 House Bill No. 1016 appropriated $1.5 million from the state disaster relief fund to the Housing Finance Agency to provide grants to counties, cities, local housing authorities, and other nonprofit entities providing flood-impacted housing assistance. The section required an entity requesting grant funding to certify to the Housing Finance Agency that housing occupants were eligible to receive housing assistance under federal Department of Housing and Urban Development guidelines, that a land use agreement was in place for temporary housing units, and that a plan had been developed for the disposal of temporary housing units. The Housing Finance Agency was to develop guidelines for the distribution of funds, including the frequency of the distribution of grant funds.

[12]The 2013-15 biennium legislative appropriations include funding of $1.5 million for contracted services to provide technical assistance and support to state and local government agencies with emergency management needs associated with preparedness, mitigation, and response and recovery. Senate Bill No. 2016 (2015) provides funding of $1 million for continuing the disaster recovery planning and technical assistance contracted services for the 2015-17 biennium.

[13]This amount reflects estimated oil tax revenue allocations for the 2015-17 biennium based on the March 2015 revised revenue forecast and final legislative action.

[14]Section 11 of 2015 Senate Bill No. 2020 appropriates $30 million from the state disaster relief fund to the State Water Commission for flood protection projects within the city limits of Fargo.

[15]Section 3 of 2015 Senate Bill No. 2016 appropriates $2 million from the state disaster relief fund to the Adjutant General to provide for repair and replacement of infrastructure and for removal of debris and other health hazards in organized service districts that are experiencing chronic flooding. The Adjutant General is required to consult with the Environmental Division of the State Department of Health regarding the process of environmental cleanup.

[16]Subdivision 9 of Section 1 of 2015 Senate Bill No. 2023 provides a deficiency appropriation of $5 million from the state disaster relief fund for four disasters occurring in 2013 and 2014 ($2.1 million) and for disasters occurring in 2009, 2010, and 2011 ($2.9 million).

[17]Subdivision 6 of Section 1 of 2015 Senate Bill No. 2023 provides a deficiency appropriation of $3 million from the state disaster relief fund to Valley City State University for flood protection.

[18]Senate Bill No. 2018 appropriates $2 million from the state disaster relief fund for Double Ditch historic site repairs.

[19]Section 14 of 2015 Senate Bill No. 2020 appropriates $4 million from the state disaster relief fund to the State Water Commission for levee projects for the Missouri River Correctional Center ($1.2 million) and for Lincoln township's Fox Island area ($2.8 million).

[20]This amount is an estimate based on actual expenditures through February 28, 2015, and agency estimated expenditures through June 30, 2015.

FUND HISTORY

Section 37-17.1-27 (Section 4 of 2009 Senate Bill No. 2012) establishes a state disaster relief fund. In 2011 Senate Bill No. 2369, the Legislative Assembly amended Section 37-17.1-27 to limit use of money in the fund for only the required state share of funding for expenses associated with presidentially declared disasters in the state and to require Emergency Commission and Budget Section approval of the use of money in the fund. Senate Bill No. 2292 (2013) further amended the section to allow money in the fund to be used for wide area search and rescue activities. Any interest or other fund earnings must be deposited in the fund.

Section 3 of 2015 House Bill No. 1377 amends North Dakota Century Code Section 57-51.1-07.5 relating to the allocation of oil and gas taxes to the state disaster relief fund. The section provides that no oil and gas taxes may be deposited in the state disaster relief fund if the unobligated balance in the fund exceeds $25 million.

ANALYSIS OF THE ELECTRONIC HEALTH INFORMATION EXCHANGE FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$7,485,386[1]		$5,063,422
Add revenues				
Funds from health information network participants	$0		$1,765,339	
Total revenues		0		1,765,339
Total available		$7,485,386		$6,828,761
Less expenditures and transfers				
Implementing a statewide health information technology and exchange network	$2,352,988		$4,397,432	
Regional Extension Center for Health Information Technology Services payments/Department of Human Services Health Information Technology Grant Match	68,976		100,000	
Total expenditures and transfers		2,421,964		4,497,432
Ending balance		$5,063,422		$2,331,329

[1]Section 8 of 2009 Senate Bill No. 2332 provided the Industrial Commission transfer, during the 2009-11 biennium, as requested by the Director of the Health Information Technology Office, up to $8 million from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the health information technology loan fund to meet any required match for federal funds or to the electronic health information exchange fund to meet any required match for federal funds or as directed, a portion to both funds to meet any required match for federal funds.

Section 6 of 2011 House Bill No. 1021 amended Section 8 of 2009 Senate Bill No. 2332 to provide the Industrial Commission transfer, during the 2009-11 or 2011-13 biennium, up to $8 million from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the health information technology loan fund or to the electronic health information exchange fund to meet any required match for federal funds or for ongoing operating expenditures of the health information exchange. During the 2009-11 biennium, $500,000 was transferred, and $7.5 million was transferred during the 2011-13 biennium.

FUND HISTORY

North Dakota Century Code Section 54-59-27 (2009 Senate Bill No. 2332) establishes the electronic health information exchange fund. The fund consists of the money deposited in the fund from federal or other sources or money transferred into the fund as directed by the Legislative Assembly. The Health Information Technology Office is to administer the fund. The money in the fund is to be used to facilitate and expand the electronic health information exchange. Money in the fund may be used, subject to legislative appropriations, to provide services directly for grants and for costs of administration of the fund.

An application for a grant must be made to the Health Information Technology Office. The Health Information Technology Office is to determine the applicant's eligibility based upon criteria established by the Director of the Health Information Technology Office, in collaboration with the Health Information Technology Advisory Committee.

ANALYSIS OF THE ENVIRONMENT AND RANGELAND PROTECTION FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$3,012,852		$2,667,561
Add estimated revenues				
Pesticide registration fees (North Dakota Century Code Section 19-18-04)	$4,400,000[1]		$4,300,000[1]	
Weed seed-free forage (Section 4-35.2-03)	48,922[2]		48,922[2]	
Fertilizer registration, inspection, and tonnage fees (Sections 19-20.1-03, 19-20.1-03.1, and 19-20.1-06)	1,140,000[3,4]		1,080,850[3,4]	
Commercial feed registration, inspection, and tonnage fees (Section 19-13.1-16)	727,500[5]		727,500[5]	
Total estimated revenues		6,316,422		6,157,272
Total available		$9,329,274		$8,824,833
Less estimated expenditures and transfers				
Agriculture Commissioner				
Plant Industries Division (2013 HB 1009; 2015 SB 2009)	1,814,882		$1,737,727	
Pesticide and Fertilizer Division (2013 HB 1009; 2015 SB 2009)	2,665,275		3,093,473	
Marketing and Information Division (2013 HB 1009; 2015 SB 2009)	148,522		372,285	
Livestock Development Division (2013 HB 1009; 2015 SB 2009)	568,369[6]		533,365	
Animal Health Division (2013 HB 1009; 2015 SB 2009)	99,998[7]		107,464	
Wildlife Services program (2013 HB 1009; 2015 SB 2009)	384,400[7]		384,400	
Administrative Services Division (2013 HB 1009; 2015 SB 2009)	307,957		100,000	
Crop Protection Product Harmonization and Registration Board[8]				
Crop protection product registration, labeling, and grants (2015 SB 2009)	75,000		75,000	
Minor use pesticide registration (2013 HB 1009; 2015 SB 2009)	325,000		325,000	
State Department of Health				
Ground water testing (2013 SB 2004; 2015 HB 1004)	222,310		200,000	
North Dakota Stockmen's Association environmental services program (2013 SB 2004; 2015 HB 1004)	50,000		50,000	
Total estimated expenditures and transfers		6,661,713		6,978,714
Ending balance		$2,667,561		$1,846,119

[1]The Legislative Assembly in 1999 approved Senate Bill No. 2009, which included a provision increasing the biennial pesticide registration fee by $50, from $300 to $350. The Legislative Assembly in 2009 approved House Bill No. 1009, which deposits all pesticide registration fees in the environment and rangeland protection fund rather than a portion in the general fund.

[2]House Bill No. 1270 (2009) allows the Agriculture Commissioner to certify forage acreage as being free of certain weeds and weed seed. The appropriation provided to the department for the program is the amount that is anticipated to be received from fees charged for certifications.

[3]House Bill No. 1321 (2011) repealed Section 19-20.2-08.1 that deposits certain inspection fees in the anhydrous ammonia storage facility inspection fund. The bill provided that the fee collections are to be deposited in the environment and rangeland protection fund, and anhydrous ammonia inspection storage facility inspection duties are to be transferred from the Insurance Commissioner to the Agriculture Commissioner.

[4]Senate Bill No. 2009 (2011) amended Sections 19-20.1-03, 19-20.1-03.1, and 19-20.1-06 to deposit fertilizer distribution registration, licensing, and inspection fees in the environment and rangeland protection fund rather than the general fund. House Bill No. 1321 (2011) also amended Section 19-20.1-06 to deposit a portion of fertilizer distribution inspection fees in the environment and rangeland protection fund rather than the general fund.

[5]House Bill No. 1009 (2013) added a new section to Chapter 19-13.1 to deposit the first $727,500 of commercial feed inspection, licensing, and registration fees in the environment and rangeland protection fund rather than the general fund.

[6]House Bill No. 1009 (2013) provides for the Department of Agriculture to assume livestock development duties from the Dairy Coalition.

[7]House Bill No. 1009 (2013) provides for a portion of funding for the Wildlife Services program ($384,400) and the State Board of Animal Health ($99,998) to be paid from the environment and rangeland protection fund rather than the game and fish fund.

[8]Section 4-35-30, as created by 2001 House Bill Nos. 1009 and 1328, created the Crop Protection Product Harmonization and Registration Board. The duties of the board consist of:

- Identifying and prioritizing crop protection product labeling needs.
- Exploring the extent of authority given to North Dakota under the federal Insecticide, Fungicide, and Rodenticide Act.
- Identifying the data necessary to enable registration of a use to occur in a timely manner.
- Determining what research, if any, is necessary to fulfill data requirements for responsibilities of the board.
- Requesting the Agriculture Commissioner to pursue specific research funding options from public and private sources.
- Requesting the Agricultural Experiment Station to pursue specific research to coordinate registration efforts.
- Pursuing any opportunities to make more crop protection product options available to agricultural producers in this state through any means the board determines advisable.
- Administering a grant program through which agriculture commodity groups may apply for funds to be used to address issues related to the registration of crop protection products.

The members of the Crop Protection Product Harmonization and Registration Board consist of:

- The Governor or the Governor's designee (Chairman).
- The Agriculture Commissioner or the Commissioner's designee.
- The Chairman of the House Agriculture Committee or the Chairman's designee.
- The Chairman of the Senate Agriculture Committee or the Chairman's designee.
- A member of the House or Senate Agriculture Committee who is not a member of the faction in which the committee Chairman is a member, appointed by the Chairman of the Legislative Management.
- A crop protection product dealer in the state appointed by the Governor from a list of three nominees submitted by the North Dakota Agricultural Association.
- A consumer of crop protection products appointed by the Governor from a list of three nominees submitted by the North Dakota Grain Growers Association.
- A consumer of crop protection products appointed by the Governor from a list of three nominees submitted by the North Dakota Oilseed Council.
- A representative of the crop protection product manufacturing industry appointed by the Chairman of the Legislative Management (nonvoting).
- The Director of the Agricultural Experiment Station (nonvoting).

FUND HISTORY

Section 19-18-02.1, created by 1991 Senate Bill No. 2451, establishes the environment and rangeland protection fund. The fund contains collections from pesticide registration fees. During the 2007-09 biennium, the biennial fee was $350 per pesticide product registered in the state. Of this amount, $300 was deposited in the environment and rangeland protection fund and $50 in the general fund. Pursuant to provisions of 2009 House Bill No. 1009, beginning with the 2009-11 biennium, the entire pesticide registration fee is deposited in the environment and rangeland protection fund rather than a portion in the general fund.

ANALYSIS OF THE FIRE AND TORNADO FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$24,772,838		$23,511,431
Add estimated revenues				
Premium collections	$4,458,448		$9,000,000	
Investment income (loss)	4,364,073		5,000,000	
Boiler inspection fees	668,425		700,000	
Loss claims and insurance recoveries	323,280		350,000	
Total estimated revenues		9,814,226		15,050,000
Total available		$34,587,064		$38,561,431
Less estimated expenditures and transfers				
Loss claims payments	$3,110,573		$4,000,000	
Claims-related payments	6,945,506		7,000,000	
Insurance Department administration	910,664		1,660,748	
State Fire Marshal program (2013 HB 1003; 2015 SB 2003)	108,890		110,000	
Total estimated expenditures and transfers		11,075,633		12,770,748
Estimated ending balance		$23,511,431		$25,790,683

FUND HISTORY

The state fire and tornado fund originated in 1919. The fund is maintained to insure the various political subdivisions and state industries against loss to public buildings and permanent fixtures. North Dakota Century Code Section 26.1-22-14 requires that if the fire and tornado fund balance is less than $12 million, the Insurance Commissioner must increase assessments on policies.

ANALYSIS OF THE FOUNDATION AID STABILIZATION FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$335,364,942		$611,894,942
Add estimated revenues				
Oil extraction tax allocations	$276,530,000[1]		$134,230,000[1]	
Total estimated revenues		276,530,000		134,230,000
Total available		$611,894,942		$746,124,942
Less estimated expenditures and transfers				
Transfer to state school aid program	$0[2]		$0[2]	
Contingent transfer to the school construction assistance loan fund (2015 SB 2039)[3]			[3]	
Contingent transfer to the scholarship endowment fund (2015 SB 2039)[3]			[3]	
Total estimated expenditures and transfers		0		0
Estimated ending balance		$611,894,942		$746,124,942

[1]Estimated revenues - Based on actual oil extraction tax collections deposited in the fund through February 2015 and estimated allocations for the remainder of the 2013-15 biennium and the 2015-17 biennium per the March 2015 revised revenue forecast and final legislative action.

[2]Estimated expenditures - As provided in Article X, Section 24, of the Constitution of North Dakota, the principal of the foundation aid stabilization fund can only be used to offset foundation aid reductions made by executive action due to a revenue shortfall. No foundation aid reductions as a result of a revenue shortfall are currently anticipated in the 2013-15 biennium or the 2015-17 biennium.

[3]In 2015 the Legislative Assembly approved Senate Concurrent Resolution No. 4003 which proposes a constitutional amendment to allow the Legislative Assembly to appropriate or transfer the principal balance of the foundation aid stabilization fund in excess of 15 percent of the general fund appropriation for state school aid for the most recently completed biennium for education-related purposes. In addition, the Legislative Assembly approved Senate Bill No. 2039 which establishes a scholarship endowment fund and a school construction assistance loan fund. The bill provides for transfers from the foundation aid stabilization fund to the school construction assistance loan fund (the lesser of $200 million or 50 percent of the balance of the fund) and to the scholarship endowment fund (the lesser of $200 million or 50 percent of the balance of the fund) contingent on the approval of Senate Concurrent Resolution No. 4003 by the voters in June 2016. Senate Bill No. 2039 also provides any accessible funds that remain in the foundation aid stabilization fund, after completion of the required transfers to other funds, must be used for educationally-related purposes, including state aid to school districts and educationally-related property tax relief to school district patrons. Integrated formula payments, transportation aid, and special education grants total $1,822,100,000 during the 2013-15 biennium, of which $140,326,000 is provided from the state tuition fund and $1,681,774,000 is provided from the general fund. Based on the March 2015 revised revenue forecast and final legislative action, it is estimated the foundation aid stabilization fund balance will exceed 15 percent of the 2013-15 biennium general fund appropriation for state school aid of $252,266,100 by an estimated $493,858,842 by the end of the 2015-17 biennium.

FUND HISTORY

The foundation aid stabilization fund was created in 1994 when the voters of North Dakota approved a constitutional amendment, now Article X, Section 24, of the Constitution of North Dakota, to provide that 20 percent of oil extraction tax revenue be allocated as follows:

- 50 percent (of the 20 percent) to the common schools trust fund.
- 50 percent (of the 20 percent) to the foundation aid stabilization fund.

The principal of the foundation aid stabilization fund may only be spent upon order of the Governor to offset foundation aid reductions made by executive action due to a revenue shortfall. North Dakota Century Code Section 54-44.1-12 provides that the Director of the Budget may order an allotment to control the rate of expenditures of state agencies. This section provides that an allotment must be made by specific fund and all departments and agencies that receive money from a fund must be allotted on a uniform percentage basis, except 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.

Article X, Section 24, of the Constitution of North Dakota, provides that the interest income of the foundation aid stabilization fund must be transferred to the general fund on July 1 of each year. However, the State Treasurer's office allocates the interest income to the general fund on a monthly basis. For the period July 1, 2013, through March 31, 2015, $397,271 of interest from the foundation aid stabilization fund has been allocated to the general fund.

In 2015 the Legislative Assembly approved Senate Concurrent Resolution No. 4003 which purposes a constitutional amendment to allow the Legislative Assembly to appropriate or transfer the principal balance of the foundation aid stabilization fund in excess of 15 percent of the general fund appropriation for state school aid for education-related purposes. In addition, the Legislative Assembly approved Senate Bill No. 2039 which establishes a scholarship endowment fund and a school construction assistance loan fund. The bill provides for transfers from the foundation aid stabilization fund to the school construction assistance loan fund (the lesser of $200 million or 50 percent of the balance of the fund) and to the scholarship endowment fund (the lesser of $200 million or 50 percent of the balance of the fund) contingent on the approval of Senate Concurrent Resolution No. 4003 by the voters in June 2016. Senate Bill No. 2039 also provides any accessible funds that remain in the foundation aid stabilization fund, after completion of the required transfers to other funds, must be used for educationally-related purposes, including state aid to school districts and educationally-related property tax relief to school district patrons.

ANALYSIS OF THE HEALTH CARE TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$397,591		$285,551
Add estimated revenues				
Investment earnings	$1,174		$1,035	
Loan repayments - Principal and interest	1,026,297		999,499	
Total estimated revenues		1,027,471		1,000,534
Total available		$1,425,062		$1,286,085
Less estimated expenditures and transfers				
Department of Human Services increased payments to basic care and long-term care facilities (2011 HB 1325; 2013 HB 1012; 2015 SB 2012)	$546,786[1]		$546,786[1]	
Department of Human Services one-time grant to an assisted living facility that accepts low-income tenants (2013 HB 1012)	425,000			
Department of Human Services funding related to nursing facility asset limit changes and nursing home property asset limits (2015 HB 1234)			139,406[2]	
State Department of Health operation and maintenance of the nurse aide registry (2013 SB 2004)	167,725[3]		85,127[3]	
Total estimated expenditures and transfers		1,139,511		771,319
Ending estimated balance		$285,551		$514,766

[1]House Bill No. 1012 (2013) provides a special funds appropriation of $1,255,979, of which $546,786 is from the health care trust fund and $679,193 is from federal funds, to the Department of Human Services for increased payments to basic care and long-term care facilities to continue funding a portion of the bed layaway program from the health care trust fund. Senate Bill No. 2012 (2015) provides a special funds appropriation of $546,786 to the Department of Human Services for increased payments to basic care and long-term care facilities to continue funding a portion of the bed layaway program from the health care trust fund.

[2]Senate Bill No. 2012 (2015) appropriates funding from the health care trust fund for nursing home rate increases as a result of changes in 2015 House Bill No. 1234 to the property cost limitations of a single or double occupancy room.

[3]Section 6 of 2011 House Bill No. 1041 amends North Dakota Century Code Section 50-30-02 to provide money in the health care trust fund may not be included in draft appropriation Acts under Section 54-44.1-06, except for the operation and maintenance of the nurse aide registry.

FUND HISTORY

The health care trust fund was established by the Legislative Assembly in 1999 Senate Bill No. 2168 for providing nursing alternative loans or grants. The Legislative Assembly in 2011 House Bill No. 1196 provided that money in the fund may be transferred to the long-term care facility loan fund for nursing facility renovation projects and used for other programs as authorized by the Legislative Assembly. Money was generated for the health care trust fund as a result of the Department of Human Services making government nursing facility funding pool payments to two government nursing facilities--McVille and Dunseith. Payments were made based on the average amount Medicare rates exceeded Medicaid rates for all nursing care facilities in the state multiplied by the total of all Medicaid resident days of all nursing homes. Federal Medicaid funds were available for these payments and required a state match. Payments were made to the two government nursing facilities and were subsequently returned to the state, less a $50,000 transaction fee retained by each of the two government nursing facilities. Once returned to the state, the state's matching share was returned to its source, and the federal funds were deposited in the health care trust fund. Money in the fund is invested by the State Investment Board, and any investment earnings are retained in the fund. The federal government has eliminated this intergovernmental transfer program. As a result, North Dakota's final intergovernmental transfer payment was received in July 2004.

ANALYSIS OF THE HEALTH INFORMATION TECHNOLOGY LOAN FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$0		$0
Add estimated revenues				
Transfer from the Bank of North Dakota	$0		$0	
Total estimated revenues		0		0
Total available		$0		$0
Less estimated expenditures and transfers				
Loans to health care providers and other purposes	$0		$0	
Total estimated expenditures and transfers		0		0
Estimated ending balance		$0		$0

NOTE

Senate Bill No. 2364 (2015) repeals North Dakota Century Code Section 6-09-42 eliminating the health information technology loan fund effective August 1, 2015. This fund was established anticipating federal funds would be received through the Health Information Technology for Economic and Clinical Health Act for loans to health care providers. These funds were never made available; therefore, this fund has not been utilized.

FUND HISTORY

Section 6-09-42 (2009 Senate Bill No. 2332) establishes a health information technology loan fund at the Bank of North Dakota for providing loans to health care providers to purchase and upgrade electronic health record technology, train personnel in its use, improve security of information technology exchange, and for other purposes as established by the Health Information Technology Office, in collaboration with the Health Information Technology Advisory Committee. This fund is a revolving loan fund. All money transferred into the fund, interest upon money in the fund, and collections of interest and principal on loans made from the fund are appropriated for disbursement. Annually, the Bank may deduct a service fee for administering the revolving loan fund.

An application for a loan must be made to the Health Information Technology Office. The Director of the Health Information Technology Office, in collaboration with the Health Information Technology Advisory Committee, may approve the application of a qualified applicant that meets the criteria established by the Director of the Health Information Technology Office. The Health Information Technology Office is to forward approved applications to the Bank of North Dakota. Upon approval of the application by the Bank, the Bank is to make the loan from the revolving fund. A loan made under this fund must be repayable over a period that may not exceed 10 years.

ANALYSIS OF THE HEALTH INFORMATION TECHNOLOGY PLANNING LOAN FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$435,893		$929,602
Add revenues				
Transfer from the Bank of North Dakota current earnings and accumulated undivided profits	$0[1]		$0[1]	
Loan repayments - Principal	2,056,600		1,860,000	
Loan repayments - Interest and miscellaneous income	177,727		186,000	
Total revenues		2,234,327		2,046,000
Total available		$2,670,220		$2,975,602
Less expenditures and transfers				
Loans to health care entities[2]	$1,653,905		$2,882,602	
Bank of North Dakota fees	86,713		93,000	
Total expenditures and transfers		1,740,618		2,975,602
Ending balance		$929,602		$0

[1]Section 4 of 2011 House Bill No. 1021 provided the Industrial Commission transfer up to $5 million from the current earnings and accumulated undivided profits of the Bank of North Dakota to the health information technology planning loan fund or the health information technology loan fund in the 2011-13 biennium. The Director of the Health Information Technology Office is to request transfers from the Bank only as necessary to meet cashflow needs of the funds and only upon certification by the Director of a demonstrated need for health information technology planning loans.

[2]The Health Information Technology Advisory Committee has approved the following loan applications since the program's inception during the 2009-11 biennium through April 30, 2015:

St. Andrew's Health Center (Bottineau)	$625,000
Cooperstown Medical Center	200,000
Wishek Hospital	761,149
Towner County Medical Center (Cando)	924,018
Presentation Medical Center (Rolla)	625,000
West River Health Services (Hettinger)	1,250,000
Ashley Medical Center	625,000
Tioga Medical Center	931,320
St. Luke's Community Hospital and Clinics (Crosby)	541,776
Midgarden Family Clinic (Park River)	101,590
7-Day Clinic Walk-In Express Care (Fargo)	50,000
Linton Hospital	420,115
McKenzie County Health Care System	600,000
Garrison Memorial Hospital	800,000
Nelson County Health System	305,000
Southwest Healthcare System	605,000
St. Alexius Medical Center	1,250,000
Pediatric Therapy Partners	100,000
Valley Health	72,155
Knife River Care Center	125,000
Golden Acres Manor	98,648
St. Luke's Home	115,053
Richard P. Stadter Psychiatric Center	702,000
Elm Crest Manor	74,500
Northwood Deaconess	370,125
Total	$12,272,449

FUND HISTORY

North Dakota Century Code Section 6-09-43 (2009 Senate Bill No. 2332) establishes a health information technology planning loan fund at the Bank of North Dakota for providing low-interest loans to health care entities to assist those entities in improving health information technology infrastructure. This fund is a revolving loan fund. As prescribed in Section 9 of the bill, $5 million was transferred from the Bank to this fund during the 2009-11 biennium. All money transferred into the fund, interest upon money in the fund, and collections of interest and principal on loans made from the fund are appropriated for disbursement. Annually, the Bank may deduct a service fee for administering the revolving loan fund.

Section 4 of 2011 House Bill No. 1021 provided the Industrial Commission transfer up to $5 million from the current earnings and accumulated undivided profits of the Bank of North Dakota to the health information technology planning loan fund or the health information technology loan fund in the 2011-13 biennium. The Director of the Health Information Technology Office is to request transfers from the Bank only as necessary to meet cashflow needs of the funds and only upon certification by the Director of a demonstrated need for health information technology planning loans. During the 2011-13 biennium, $4,280,219 was transferred by the Bank to the health information technology loan fund.

An application for a loan must be made to the Health Information Technology Office. The Director of the Health Information Technology Office, in collaboration with the Health Information Technology Advisory Committee, may approve the application of a qualified applicant that meets the criteria established by the Director of the Health Information Technology Office. The Health Information Technology Office is to forward approved applications to the Bank. Upon approval of the application by the Bank, the Bank is to make the loan from the revolving loan fund.

ANALYSIS OF THE LEGACY FUND
FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$1,280,714,486		$3,250,983,817
Add estimated revenues				
30 percent of oil and gas gross production and extraction tax collections[1]	$1,644,390,000		$950,600,000	
Transfer of oil and gas tax revenues from the strategic investment and improvements fund[2,4]	180,149,222			
Transfer of other revenue sources from the strategic investment and improvements fund[3,4]	21,730,109			
Investment earnings[5]	124,000,000		124,000,000	
Total estimated revenues		1,970,269,331		1,074,600,000
Total available		$3,250,983,817		$4,325,859,817
Total estimated expenditures and transfers[6]		0		0
Estimated ending balance		$3,250,983,817		$4,325,859,817

[1]Estimated revenues - These amounts reflect actual oil tax revenue collections deposited in the fund through February 2015 and estimated allocations for the remainder of the 2013-15 biennium and estimated oil tax revenue allocations for the 2015-17 biennium based on the March 2015 revised revenue forecast and final legislative action. These amounts do not reflect any transfers from the strategic investment and improvements fund. The transfer amounts are shown separately on the schedule.

[2]Pursuant to North Dakota Century Code Section 15-08.1-08, if the unobligated balance of the strategic investment and improvements fund exceeds $300 million at the end of any month, 25 percent of any revenues received for deposit in the strategic investment and improvements fund in the subsequent month must be deposited instead into the legacy fund. These amounts do not reflect additional transfers from the strategic investment and improvements fund from revenue sources other than oil and gas tax revenue.

[3]These amounts reflect transfers to the legacy fund from the strategic investment and improvements fund from revenue sources other than oil and gas tax revenue, pursuant to Section 15-08.1-08.

[4]In 2015 House Bill Nos. 1176 and 1377, the Legislative Assembly amended Section 15-08.1-08 to eliminate the transfer of 25 percent of any revenues from the strategic investment and improvements fund to the legacy fund, if the unobligated balance of the strategic investment and improvements fund exceeds $300 million at the end of any month.

[5]These amounts reflect investment earnings estimated by the Retirement and Investment Office.

[6]The principal and earnings of the legacy fund may not be spent until after June 30, 2017.

FUND HISTORY

The legacy fund was created in 2010 when the voters of North Dakota approved a constitutional amendment--now Article X, Section 26, of the Constitution of North Dakota--to provide 30 percent of oil and gas gross production and oil extraction taxes on oil and gas produced after June 30, 2011, be transferred to the legacy fund. The principal and earnings of the legacy fund may not be spent until after June 30, 2017, and any expenditure of principal after that date requires a vote of at least two-thirds of the members elected to each house of the Legislative Assembly. Not more than 15 percent of the principal of the legacy fund may be spent during a biennium. The Legislative Assembly may transfer funds from any source to the legacy fund, and such transfers become part of the principal of the fund. The State Investment Board is responsible for investment of the principal of the legacy fund. Interest earnings accruing after June 30, 2017, are transferred to the general fund at the end of each biennium.

ANALYSIS OF THE LIGNITE RESEARCH FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$15,249,207		$16,157,867
Add estimated revenues				
Separate two-cent coal severance tax	$1,100,000		$1,100,000	
Fifty percent of coal severance taxes deposited in the coal development trust fund (result of passage of Measure No. 3 in June 1990)	3,075,000		3,075,000	
Twenty percent of coal severance taxes deposited in the coal development trust fund (committed to clean coal projects) (result of passage of constitutional amendment passed by voters in June 1994)	1,250,000		1,250,000	
Investment income on Dakota Gasification Company ammonia plant and Red Trail Energy ethanol plant	450,000		500,000	
Five percent of the general fund share of coal conversion tax (2007 HB 1093)	2,000,000		2,000,000	
Revenue bonds/short-term loan	0[1]		0[1]	
Grant funding from the general fund (2015 HB 1014)			5,000,000	
Interest income and return of funds	483,660		325,000	
Total estimated revenues		8,358,660		13,250,000
Total available		$23,607,867		$29,407,867
Less estimated expenditures and transfers[2,3]				
Administration	$750,000		$750,000	
Lignite feasibility studies (nonmatching grants)	2,100,000		3,000,000	
Small research grants	1,225,000		1,500,000	
Lignite marketing	1,800,000		1,200,000	
Lignite litigation	1,500,000[4]		1,500,000[4]	
Demonstration projects	75,000		2,604,000	
Allam Cycle grants (2015 HB 1014)			5,000,000	
Total estimated expenditures and transfers		7,450,000[5]		15,554,000[5]
Estimated ending balance		$16,157,867		$13,853,867

[1]Pursuant to North Dakota Century Code Section 54-17.5-04, the Industrial Commission may issue revenue bonds or borrow short-term funds from the Bank of North Dakota.

[2]The Industrial Commission has a policy stating that 18 percent of lignite research fund income will be used for small research projects, 56 percent for large demonstration research projects, 21 percent for marketing projects, and 5 percent for administration. The commission has further directed that no single large demonstration research project can receive more than 37.5 percent of available funds.

[3]The Industrial Commission has waived the fund allocation policy. The commission has committed $22 million through the 2011-13 biennium to three projects. On January 9, 2015, the commission learned one of the projects is not proceeding and released the project's commitment of $8,732,503. Expenditures for Lignite Vision 21 Project have been $1,360,750 during the 2003-05 biennium, $2,243,391 during the 2005-07 biennium, $2,200,000 during the 2007-09 biennium, $3,972,090 during the 2009-11 biennium, $678,851 during the 2011-13 biennium and anticipated expenditures of $2,812,415 in subsequent bienniums. The objective of the Lignite Vision 21 Project is to construct new lignite-fired power plants in North Dakota. (These amounts are net of funds expended and then subsequently returned when projects did not proceed.)

[4]Lignite litigation - 2007 House Bill No. 1093 provides that $500,000 of the amount allocated to the lignite research fund in Section 1 of the bill is to be used to pay for fees associated with lignite litigation that may be brought by the state to protect and promote the continued development of lignite resources. Activities associated with the litigation have been initiated with $83,379 spent during the 2007-09 biennium, $153,907 spent during the 2009-11 biennium, $652,519 spent during the 2011-13 biennium, and $1,500,000 anticipated to be spent during the 2013-15 biennium. The original $500,000 will have been spent by the end of the 2011-13 biennium with additional funding being provided from nonmatching program funds. The state's portion of the litigation costs during the 2013-15 and 2015-17 bienniums will be from the nonmatching program funds. In addition, the lignite industry has agreed to pay a portion of the litigation costs.

[5]The Industrial Commission has continuing appropriation authority for all money deposited in the lignite research fund pursuant to Section 57-61-01.6.

FUND HISTORY

Section 57-61-01.5(2) and Article X, Section 21, of the Constitution of North Dakota, provide for 70 percent of the taxes collected and deposited in the coal development trust fund to be deposited in the lignite research fund. The remaining 30 percent of the funds deposited in the coal development trust fund are to be held in trust and administered by the Board of University and School Lands, which has the authority to invest the funds, and may, as provided by law, lend money from the fund to political subdivisions.

ANALYSIS OF THE NORTH DAKOTA OUTDOOR HERITAGE FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$0		($803,942)
Add estimated revenues				
Oil and gas gross production tax collections	$18,390,000[1]		$27,500,000[2]	
Interest income	7,000		20,000	
Total estimated revenues		18,397,000		27,520,000
Total available		$18,397,000		$26,716,058
Less estimated expenditures and transfers				
Grant award commitments	$19,100,942[3]		$26,416,058[4]	
Administrative expenses	100,000		300,000	
Total estimated expenditures and transfers		19,200,942		26,716,058
Estimated ending balance		($803,942)[5]		$0

[1]Pursuant to North Dakota Century Code Section 57-51-15, 4 percent of the 1 percent of oil and gas gross production tax collections is deposited in the fund up to $15 million per fiscal year or $30 million per biennium. The March 2015 revised revenue forecast for oil and gas taxes estimated collections of $18.39 million will be deposited in the fund during the 2013-15 biennium. The estimated revenue amounts reflect actual oil tax revenue collections deposited in the fund through February 2015 and estimated allocations for the remainder of the 2013-15 biennium.

[2]House Bill No. 1176 (2015) amends Section 57-51-15 to increase the amount deposited in the North Dakota outdoor heritage fund from 4 percent of the 1 percent of oil and gas production tax collections to 8 percent, and to increase the maximum oil and gas gross production tax collection deposits from $15 million to $20 million per year and from $30 million to $40 million per biennium. The March 2015 revised revenue forecast for oil and gas taxes estimated oil and gas production tax collections of $27.5 million will be deposited in the fund during the 2015-17 biennium. The estimated revenue amounts reflect estimated oil tax revenue allocations for the 2015-17 biennium based on the March 2015 revised revenue forecast and final legislative action.

[3]The Industrial Commission established five rounds of grant awards during the 2013-15 biennium and has approved contract awards of $19,100,942 through March 2015. The commission awarded grants of $5,848,133 on December 2, 2013, $2,509,428 on April 1, 2014, $5,752,839 on August 1, 2014, and $5,202,225 on January 9, 2015. In addition, $211,683 of grant awards have been withdrawn through March 2015. The commission anticipates one more round of grant awards during the 2013-15 biennium which is scheduled for June 9, 2015. Grant applications of $10,977,315 have been received for the next round of grant awards. The North Dakota Outdoor Heritage Advisory Board is recommending the Industrial Commission approve projects up to the amount of anticipated collections this biennium. Not all of the grant funds awarded will be expended in the 2013-15 biennium as many of the grants are for multiyear projects. The Industrial Commission has expended $1,334,997 from the fund through March 2015 and anticipates $3 million of the funds will be expended during the 2013-15 biennium.

[4]The amount shown reflects estimated funds that will be available for grants in the 2015-17 biennium.

[5]The 2013-15 biennium estimated ending balance of ($803,942) is based on grants awarded to date, not amounts anticipated to be spent. Because some grant awards are paid over multiple years, the Industrial Commission anticipates only $3 million of the $19.1 million awarded will be spent by June 30, 2015, leaving an estimated balance of $15,297,000.

FUND HISTORY

The North Dakota outdoor heritage fund was established in 2013 House Bill No. 1278 (Chapter 54-17.8) to provide, pursuant to a continuing appropriation, grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to enhancing conservation practices in this state by:

- Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
- Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching;
- Developing, enhancing, conserving, and restoring wildlife and fish habitat on private and public lands; and
- Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

For the 2013-15 biennium, pursuant to Section 57-51-15, 4 percent of the first 1 percent of oil and gas production tax collections is deposited in the North Dakota outdoor heritage fund, up to $15 million per year. Effective July 1, 2015, 8 percent of the first 1 percent of oil and gas gross production tax collections is deposited in the North Dakota outdoor heritage fund. A maximum of $20 million of oil and gas gross production tax collections may be deposited in the fund each year. The Industrial Commission has oversight of the North Dakota outdoor heritage fund. The North Dakota Outdoor Heritage Advisory Board (consisting of 12 voting and 4 ex officio members) makes recommendations to the commission on the funding of grants.

ANALYSIS OF THE RESEARCH NORTH DAKOTA FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$0		$6,885,000
Add revenues				
Transfer from the general fund	$12,000,000[1]		$4,500,000[2]	
Transfer from the centers of excellence fund			1,559,995[3]	
Investment income	10,000		5,000	
Total revenues		12,010,000		6,064,995
Total available		$12,010,000		$12,949,995
Less expenditures and transfers				
Technical review expenses	$125,000		$125,000	
Research North Dakota grants	2,500,000[4]		4,000,000[4]	
Research North Dakota grants designated for biotechnology	1,500,000[5]		1,500,000[5]	
Research North Dakota venture grants	1,000,000[6]		2,000,000[6]	
Total expenditures and transfers		5,125,000		7,625,000
Ending balance		$6,885,000[7]		$5,324,995[2]

[1]In 2013 Senate Bill No. 2018, the Legislative Assembly established the Research North Dakota fund and provided a transfer of $12 million from the general fund to provide funding for the Research North Dakota grant program and the Research North Dakota venture grant program.

[2]House Bill No. 1018 (2015) includes a transfer of $4.5 million from the general fund to the Research North Dakota fund. The department anticipates awarding the total amount of $4.5 million during the 2015-17 biennium. As a result, the 2015-17 biennium ending balance includes $5,324,995 of funds anticipated to be awarded but not distributed.

[3]House Bill No. 1018 (2015) directs the Office of Management and Budget to transfer unobligated funds from the centers of excellence fund to the Research North Dakota fund. The Department of Commerce anticipates $1,559,995 in unobligated funds will be transferred to the Research North Dakota fund.

[4]Of the $12 million appropriated for Research North Dakota for the 2013-15 biennium, $6 million is available for Research North Dakota grants without any specific designation. The purpose of the Research North Dakota grant program is to provide grants to research universities for research, development, and commercialization activities in collaboration with a private sector partner. The Department of Commerce and the Centers of Excellence Commission are to develop guidelines for the grant application, which must include a detailed partnership agreement and proof of dollar-for-dollar matching funds, which must be in cash. The partnership agreement must include the scope and location of the work, a budget, and intellectual property agreements.

[5]The 2013 Legislative Assembly designated $4 million of the $12 million provided for the Research North Dakota grant program for biotechnology grants. These grants are to be provided to a research university to conduct research on and develop and commercialize vaccines and antibodies for the prevention of, treatment of, or cure for cancer; virally infectious diseases; or other pathogens, including bacteria, mycobacteria, fungi, and parasites. The Department of Commerce did not receive sufficient applications to award the full $4 million of funding for biotechnology grants; therefore, the department is reallocating unawarded funds for other Research North Dakota grants. The 2015 Legislative Assembly designated $1 million of the $4.5 million general fund transfer to the Research North Dakota fund for biotechnology grants. If the entire $1 million allocation is not awarded by December 31, 2016, any remaining funds must be reallocated for other Research North Dakota purposes.

[6]The 2013 Legislative Assembly designated up to $2 million of the $12 million provided for the Research North Dakota grant program for venture grants. These grants are to be provided to a research university to further the commercialization of technology developed by the university or jointly with a startup or spinoff business operating in North Dakota. The Department of Commerce and the Centers of Excellence Commission developed guidelines for the grants.

The 2015 Legislative Assembly did not designate any funding for venture grants. However, the Department of Commerce anticipates $1 million of unallocated Research North Dakota funding will be reallocated for venture grants.

[7]Of the $12 million appropriated to the Department of Commerce from the Research North Dakota fund for the 2013-15 biennium, the department anticipates awarding $10.2 million during the 2013-15 biennium. The department anticipates $5 million of the $10.2 million awarded will be distributed during the 2013-15 biennium. As a result, the 2013-15 biennium ending balance includes $5.2 million of funds anticipated to be awarded but not distributed as well as $1,675,000 of available funds not yet awarded.

FUND HISTORY

Section 17 of 2013 Senate Bill No. 2018 established a Research North Dakota fund. Money in the fund is appropriated to the Department of Commerce on a continuing basis for implementing and administering the Research North Dakota grant program and the Research North Dakota venture grant program. Interest earned on money in the fund is retained in the fund.

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$292,961,846		$519,959,516
Add estimated revenues				
Oil extraction tax collections	$553,070,000[1]		$268,460,000[1]	
Repayments and reimbursements	9,104,000		12,682,000	
Investment earnings/Miscellaneous income	2,284,170		3,445,000	
Total estimated revenues		564,458,170[1]		284,587,000
Total available		$857,420,016		$804,546,516
Less estimated expenditures and transfers				
State Water Commission - Grants, projects, and project administration, including expenditures approved by the Budget Section pursuant to 2013 HB 1020 and 2015 SB 2020	$333,260,500[2]		$755,817,897[3]	
Transfer to renewable energy development fund (2013 SB 2014)	3,000,000[4]		3,000,000[4]	
Transfer to energy conservation grant fund (2013 SB 2014)	1,200,000[4]		1,200,000[4]	
Total estimated expenditures and transfers		337,460,500		760,017,897
Estimated ending balance		$519,959,516		$44,528,619
Restricted fund estimated income				
Infrastructure revolving loan fund pursuant to 2013 SB 2233		10,260,000[5]		37,106,000[5]
Estimated ending balance - Undesignated		$509,699,516		$7,422,619

[1]Estimated revenues - These amounts reflect actual oil tax revenue collections deposited in the fund through February 2015 and estimated allocations for the remainder of the 2013-15 biennium and estimated oil tax revenue allocations for the 2015-17 biennium based on the March 2015 revised revenue forecast and final legislative action.

[2]Sections 1 and 4 of 2013 House Bill No. 1020 appropriated $700.9 million, or any additional amount that becomes available subject to Budget Section approval, from the resources trust fund for the purpose of defraying the expenses of the State Water Commission for the 2013-15 biennium. If funding available from the resources trust fund for water projects for the 2013-15 biennium exceeds $287 million, Section 13 of House Bill No. 1020 provides legislative intent that, of the funds appropriated to the commission in the water and atmospheric resources line item, $60 million from the resources trust fund is provided to the commission for the purpose of paying off or defeasing the commission's outstanding bond issues. Through October 2014, $403.8 million was credited to the resources trust fund. Funding from the water development trust fund provided for bond payments ($16.9 million) and contingent funding from the resources trust fund ($60 million) totaling $76.9 million would be available to defease the commission's outstanding bond issues of $75,250,000 and pay related fees. The State Water Commission used $17.7 million of the $60 million authorized from the resources trust fund to retire five Southwest Pipeline series bonds and defease another. The State Water Commission plans to defease two remaining water development series bonds before the end of the 2013-15 biennium with the remaining $42.3 million of the $60 million. The Legislative Assembly, in Senate Bill No. 2020 (2015), directed the State Water Commission to refinance the bonds referenced in this footnote with the Bank of North Dakota and to continue annual loan payments reducing 2013-15 biennium expenditures by $37,639,500.

[3]Sections 1 and 5 of 2015 Senate Bill No. 2020 appropriates $755,817,897 or any additional funding that becomes available from the resources trust fund and $37,106,000 from the infrastructure revolving loan fund for the purpose of defraying the expenses of the State Water Commission for the 2015-17 biennium.

[4]The Legislative Assembly in 2013 Senate Bill No. 2014 authorized quarterly transfers of 5 percent of the amount credited to the resources trust fund to the renewable energy development fund--up $3 million per biennium and of one-half of 1 percent of the amount credited to the resources trust fund to the energy conservation grant fund--up to $1.2 million per biennium. Funds in the newly created energy conservation grant fund are appropriated on a continuing basis to the Department of Commerce for grants to political subdivisions for energy conservation projects in nonfederal public buildings.

[5]Effective January 1, 2015, the Legislative Assembly in 2013 Senate Bill No. 2233 established an infrastructure revolving loan fund within the resources trust fund. The bill provides 10 percent of oil extraction tax revenue deposited in the resources trust fund is to be made available on a continuing basis to provide loans for water supply, flood protection, or other water development and water management projects. Loans are approved by the State Water Commission and administered by the Bank of North Dakota. The estimated effect of 2013 Senate Bill No. 2233 on oil extraction tax allocations during the remainder of the 2013-15 biennium reflect actual revenues through February 2015 and estimated revenues for the remainder of the 2013-15 biennium and the 2015-17 biennium based on the March 2015 revised revenue forecast and final legislative action.

FUND HISTORY

The resources trust fund was created pursuant to passage of Measure No. 6 in the November 1980 general election. Measure No. 6 created a 6.5 percent oil extraction tax, 10 percent of which was to be allocated to the resources trust fund. In June 1990 the Constitution of North Dakota was amended to establish the resources trust fund as a constitutional trust fund and provide that the principal and income of the fund could be spent only upon legislative appropriations for:

- Constructing water-related projects, including rural water systems.
- Energy conservation programs.

In November 1994 the voters of North Dakota approved a constitutional amendment, which is now Article X, Section 24, of the Constitution of North Dakota, to provide that 20 percent of oil extraction taxes be allocated as follows:

- 50 percent (of the 20 percent) to the common schools trust fund.
- 50 percent (of the 20 percent) to the foundation aid stabilization fund.

The 1995 Legislative Assembly amended North Dakota Century Code Section 57-51.1-07 to increase the percentage of oil extraction tax deposited into the resources trust fund from 10 to 20 percent. The state general fund received 60 percent of oil extraction tax revenues, and the remaining 20 percent was allocated pursuant to Article X, Section 24, of the Constitution of North Dakota.

Section 57-51.1-07, as amended by 2011 Senate Bill No. 2129, provides that oil extraction tax revenues be distributed as follows:

- 20 percent to the resources trust fund.
- 20 percent allocated as provided in Article X, Section 24, of the Constitution of North Dakota.
- 30 percent to the legacy fund.
- 30 percent to be allocated to the state's general fund with certain funds designated for deposit in the property tax relief sustainability fund, the strategic investment and improvements fund, and the state disaster relief fund as provided in 2011 House Bill No. 1451.

The 2013 Legislative Assembly in Senate Bill No. 2014 authorized quarterly transfers of 5 percent of the amount credited to the resources trust fund to the renewable energy development fund--up to $3 million per biennium and of one-half of 1 percent of the amount credited to the resources trust fund to the energy conservation grant fund--up to $1.2 million per biennium. Funds in the newly created energy conservation grant fund are appropriated on a continuing basis to the Department of Commerce for grants to political subdivisions for energy conservation projects in nonfederal public buildings. In addition, effective January 1, 2015, the Legislative Assembly in Senate Bill No. 2233 established an infrastructure revolving loan fund within the resources trust fund. The bill provides 10 percent of oil extraction tax revenue deposited in the resources trust fund is to be made available on a continuing basis to provide loans for water supply, flood protection, or other water development and water management projects. Loans are approved by the State Water Commission and administered by the Bank of North Dakota.

ANALYSIS OF THE RISK MANAGEMENT FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$7,205,543		$3,411,607
Add estimated revenues				
Premiums	$1,728,623[1]		$1,875,000[2]	
Interest and other revenue	240,000[3]		240,000[3]	
Total estimated revenues		1,968,623		2,115,000
Total available		$9,174,166		$5,526,607
Less estimated expenditures and transfers				
Administration	$1,531,086		$1,650,546	
Claims-related expenses	10,000[4]		10,000[4]	
Claims, litigation, and excess insurance	4,221,473		3,408,454	
Total estimated expenditures and transfers		5,762,559		5,069,000
Estimated ending balance		$3,411,607		$457,607

[1]In response to an actuarial review completed in 2012 by Aon Risk Services, the Risk Management Division is assessing a total of $1,875,000 in risk management premiums to state agencies, boards, and commissions and the North Dakota University System for the 2013-15 biennium. Assessments are subject to a risk management discount program for agencies that adopt proactive loss control practices, with a maximum available discount of 15 percent. The amount shown for premiums reflects fiscal year 2014 discounts of $75,000 and estimated fiscal year 2015 discounts of $75,000.

[2]In response to an actuarial review completed in 2014 by Aon Risk Services, the Risk Management Division is assessing a total of $1,875,000 in risk management premiums to state agencies, boards, and commissions and the University System for the 2015-17 biennium.

[3]Investment and other revenue relates to realized or projected gains from risk management investments, payments received from salvaged vehicles, and costs and attorney's fees collected for successful lawsuits.

[4]The amounts listed for claims-related expenses are for adjusting consulting services required for large or unusual claims.

FUND HISTORY

In September 1994, the North Dakota Supreme Court abolished the doctrine of sovereign immunity. As a result of this court decision, the 1995 Legislative Assembly passed the Tort Claims Act (1995 Senate Bill No. 2080), which created a risk management fund and assigned the responsibility of administering a risk management program to the Office of Management and Budget.

ANALYSIS OF THE SENIOR CITIZEN SERVICES AND PROGRAMS FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$0		$0
Add estimated revenues				
Allocation from sales, use, and motor vehicle excise tax collections	$4,965,409[1,2]		$6,765,000[1,2]	
Total estimated revenues		4,965,409		6,765,000
Total available		$4,965,409		$6,765,000
Less estimated expenditures and transfers				
State Treasurer - County senior citizen matching grants	$4,941,688[3]		$6,744,617[3]	
Transfer to the general fund	23,721[4]		20,383[4]	
Total estimated expenditures and transfers		4,965,409		6,765,000
Estimated ending balance		$0		$0

[1]The allocation from sales, use, and motor vehicle excise tax collections is shown below:

Fiscal Year	Allocation From Sales, Use, and Motor Vehicle Excise Tax Collections	Percentage Increase (Decrease) From Previous Year
2008	$1,163,721 (actual)	N/A
2009	$1,243,493 (actual)	6.9%
2010	$1,310,947 (actual)	5.4%
2011	$1,399,652 (actual)	6.8%
2012	$1,695,832 (actual)	21.2%
2013	$1,821,347 (actual)	7.4%
2014	$2,311,346 (actual)	26.9%
2015	$2,654,063 (actual)	14.8%
2016	$3,382,500 (estimate)	27.4%
2017	$3,382,500 (estimate)	0.0%

[2]Senate Bill No. 2242 (2011) increased the amount of general fund revenue to be allocated to the senior citizen services and programs fund from two-thirds of one mill levied statewide to three-fourths of one mill levied statewide effective for taxable years beginning after December 31, 2010. The bill also increased the amount of grants provided to counties that have approved a mill levy for senior citizen services and programs from two-thirds of the amount levied in the county for senior citizen programs to three-fourths of the amount levied in the county for senior citizen programs, limited to one mill.

Senate Bill No. 2162 (2013) increased the amount of general fund revenue to be allocated to the senior citizen services and programs fund from three-fourths of one mill levied statewide to 85 percent of one mill levied statewide effective for taxable years beginning after December 31, 2012. The bill also increased the amount of grants provided to counties that have approved a mill levy for senior citizen programs from three-fourths of the amount levied in the county for senior citizen programs to 85 percent of the amount levied up to one mill.

Senate Bill No. 2143 (2015) increased the amount of general fund revenue to be allocated to the senior citizen services and programs fund from 85 percent of one mill levied statewide to 87.5 percent of the amount appropriated up to one mill levied statewide effective for taxable years beginning after December 31, 2014. The bill also increased the amount of grants provided to counties that have approved a mill levy for senior citizen programs from 85 percent of the amount levied in the county for senior citizen programs to 87.5 percent of the amount appropriated up to one mill.

[3]The county senior citizen matching grants are shown below:

Fiscal Year	County Senior Citizen Matching Grants	Percentage Increase (Decrease) From Previous Year
2008	$1,153,293 (actual)	N/A
2009	$1,225,933 (actual)	6.3%
2010	$1,298,462 (actual)	5.9%
2011	$1,384,391 (actual)	6.6%
2012	$1,687,098 (actual)	21.9%
2013	$1,789,363 (actual)	6.1%
2014	$2,290,963 (actual)	28.0%
2015	$2,650,725 (actual)	15.7%
2016	$3,372,308 (estimate)	27.2%
2017	$3,372,309 (estimate)	0.0%

[4]Any funds remaining at the end of each biennium are transferred to the general fund.

FUND HISTORY

The Legislative Assembly in 2005 approved Senate Bill No. 2267, which created the senior citizen services and programs fund. Statutory provisions are contained in North Dakota Century Code Sections 57-15-56(5) and 57-39.2-26.2. Current statutory provisions provide that each year during July through December, the State Treasurer is to transfer to the fund the portion of sales, use, and motor vehicle excise tax collections that are equivalent to the amount generated from 87.5 percent of one mill levied statewide as reported by the Tax Commissioner. The State Treasurer, by March 1, of the following year, pursuant to a continuing appropriation, distributes money in the fund as grants to eligible counties for senior citizen programs. The grants are provided to counties that have approved a mill levy for senior citizen services and programs. Current statutory provisions provide that the amount of each county's annual grant is equal to 87.5 percent of the amount appropriated in dollars in the county for senior citizen programs, limited to one mill. The Legislative Assembly provided intent that counties match 50 percent of the state grant with funding from the county general fund or state aid distribution fund receipts. Any money remaining in the fund at the end of each biennium is transferred to the general fund, except in the 2005-07 biennium any remaining money in the fund at the end of the biennium was allocated to those counties that were levying the statutory maximum for senior citizen programs in proportion to the amounts generated by those levies in those counties. The Legislative Assembly in 2011 Senate Bill No. 2242 amended statutory provisions to increase the amount of collections to be allocated to the fund and the amount of grants provided to counties from two-thirds of the amount levied for senior citizen programs to three-fourths of the amount levied for senior citizen programs, limited to one mill. In 2013 Senate Bill No. 2162, the Legislative Assembly increased these amounts to 85 percent of the amounts levied for senior citizen programs, limited to one mill. In 2015 Senate Bill No. 2143, the Legislative Assembly increased these amounts to 87.5 percent of the amounts appropriated for senior citizen programs, limited to one mill.

ANALYSIS OF THE STATE AID DISTRIBUTION FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$27,330,704		$0
Add estimated revenues				
Sales, use, and motor vehicle excise taxes (based on 40 percent of an equivalent one-cent sales tax through June 30, 2014, and 43.5 percent of an equivalent one-cent sales tax effective July 1, 2014)	$253,994,213[1]		$303,246,987[1]	
Total estimated revenues		253,994,213		303,246,987
Total available		$281,324,917		$303,246,987
Less estimated expenditures and transfers				
Payments to political subdivisions				
County share (53.7 percent)	$151,071,480		$162,843,632	
City share (46.3 percent)	130,253,437		140,403,355	
Total estimated expenditures and transfers		281,324,917		303,246,987
Estimated ending balance		$0		$0

[1]Estimated revenues reflect March 2015 revised revenue forecast and final legislative action.

FUND HISTORY

North Dakota Century Code Section 57-39.2-26.1 provided, prior to January 1999, for a portion of sales, use, and motor vehicle excise tax collections equal to 60 percent of an equivalent one-cent sales tax to be deposited by the State Treasurer in the state aid distribution fund. The Tax Commissioner certified to the State Treasurer the portion of sales, use, and motor vehicle excise tax net revenues that were deposited in the state aid distribution fund. The state aid distribution fund had historically been allocated, subject to legislative appropriation, with 50 percent of revenues for state revenue sharing and 50 percent for personal property tax replacement.

The 1997 Legislative Assembly amended Section 57-39.2-26.1 to provide that, effective January 1, 1999, deposits into the state aid distribution fund are based on an amount equal to 40 percent of an equivalent one-cent sales tax instead of an amount equal to 60 percent of an equivalent one-cent sales tax. In addition, a continuing appropriation was added which appropriates all revenues deposited in the state aid distribution fund for payments to political subdivisions. Senate Bill No. 2325 (2013) provides that effective July 1, 2014, deposits into the state aid distribution fund be based on an amount equal to 43.5 percent of an equivalent one-cent sales tax instead of an amount equal to 40 percent of an equivalent one-cent sales tax.

The 1997 Legislative Assembly also changed the allocation of the state aid distribution fund from 50 percent for personal property tax replacement and 50 percent for revenue sharing to 53.7 percent for counties and 46.3 percent for cities. The allocation for each county includes townships, rural fire protection districts, rural ambulance districts, soil conservation districts, county recreation service districts, county hospital districts, the Garrison Diversion Conservancy District, the Southwest Water Authority, and other taxing districts within the county, excluding school districts, cities, and taxing districts within the cities. The allocation for each city includes park districts and other taxing districts within the city, excluding school districts. The county allocation to townships must be based on the same percentage allocation that a township received in calendar year 1996.

House Bill No. 1025 (2003), which became effective on August 1, 2003, revised the state aid distribution formula for cities and counties to account for population changes resulting from the 2000 federal census. The bill provides for total distribution percentages to cities and counties to remain at 53.7 percent to counties and 46.3 percent to cities; however, the allocation formula to specific counties and cities is:

Population Category Through June 30, 2011			
Counties	**Percentage**	**Cities (Based on Population)**	**Percentage**
17 counties with the largest population (allocated equally)	20.48%	80,000 or more	19.4%
17 counties with the largest population (allocated based on population)	43.52%	20,000 or more but less than 80,000	34.5%
Remaining counties (allocated equally)	14.40%	10,000 or more but less than 20,000	16.0%
Remaining counties (allocated based on population)	21.60%	5,000 or more but less than 10,000	4.9%
		1,000 or more but less than 5,000	13.1%
		500 or more but less than 1,000	6.1%
		200 or more but less than 500	3.4%
		Less than 200	2.6%
Total	100.00%		100.0%

Senate Bill No. 2253 (2011), which became effective July 1, 2011, revised the state aid distribution formula for cities to provide that distributions be based upon the proportion each city's population bears to the total population of all cities. The bill did not change the total distribution percentages to cities and counties which remains at 53.7 percent to counties and 46.3 percent to cities. The allocation formula for specific counties and cities is:

Population Category Effective July 1, 2011		
Counties	**Percentage**	**Cities**
17 counties with the largest population (allocated equally)	20.48%	Based upon the proportion each city's population bears to total population
17 counties with the largest population (allocated based on population)	43.52%	
Remaining counties (allocated equally)	14.40%	
Remaining counties (allocated based on population)	21.60%	
Total	100.00%	

Senate Bill No. 2325 (2013), which became effective July 1, 2014, increased the portion of the sales and use, gross receipts, and motor vehicle excise tax collections that is deposited in the state aid distribution fund from an amount equal to 40 percent of the equivalent one-cent sales tax to an amount equal to 43.5 percent of an equivalent one-cent sales tax.

House Bill No. 1067 (2015), which becomes effective July 1, 2015, and expires on June 30, 2021, changes the state aid distribution formula from allocations based on the decennial census to allocations based on most recent actual or estimated census date.

ANALYSIS OF THE STRATEGIC INVESTMENT AND IMPROVEMENTS FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$969,920,162		$487,336,230
Add estimated revenues				
Production royalties[1]	$197,917,741		$161,843,440	
Mineral leases[1]	687,347		400,000	
Oil and gas bonuses[1]	23,165,934		8,000,000	
Loan income[1]	2,650,966		4,000,000	
Investment earnings[1]	3,272,103		2,621,489	
Oil and gas tax collections[2]	1,136,970,000		202,490,000	
Total estimated revenues		1,364,664,091		379,354,929
Total available		$2,334,584,253		$866,691,159
Less estimated expenditures and transfers				
Transfer to legacy fund from oil and gas tax revenue[3,4]	$180,149,222			
Transfer to legacy fund from other revenue sources[3,4]	21,730,109			
Transfer to the general fund (2013 HB 1015)	520,000,000			
Grants to critical access hospitals - Department of Human Services (2013 HB 1358)	9,600,000			
Grants for law enforcement needs - Attorney General (2013 HB 1358)	9,600,000			
Enhanced use lease grant program - Department of Commerce (2013 SB 2018)	2,500,000			
Grant program for nursing homes, basic care facilities, and providers of services to developmentally disabled individuals - Department of Commerce (2013 HB 1358)	2,000,000			
Private land study - Department of Trust Lands (2013 SB 2013)	50,000			
Funding for political subdivisions and state highways (2015 SB 2103)	1,100,000,000			
Short line railroad revolving loan fund (2015 HB 1012)			$7,000,000	
Core library expansion project - Industrial Commission (2015 HB 1014)			13,625,322	
Contingent appropriation - Enhanced use lease grant program - Department of Commerce (2015 HB 1018)			7,500,000	
Veterinary diagnostics laboratory - Main Research Center (2015 HB 1020)			18,000,000	
Contract service fees - Commission on Legal Counsel for Indigents (2015 HB 1022)			200,000	
Grants for domestic violence shelters - Department of Commerce (2015 HB 1285)			650,000	
Transfer to infrastructure revolving loan fund - Bank of North Dakota (2015 HB 1443)			50,000,000	
Transfer to medical facility infrastructure loan fund - Bank of North Dakota (2015 SB 2012)			50,000,000	
Contingent transfer to highway fund - Department of Transportation[5] (2015 SB 2015)			0	
Transfer to school construction assistance loan fund - Department of Public Instruction and Bank of North Dakota (2015 SB 2039)			150,000,000	

Administrative costs/other fees	1,618,692		1,980,000	
Total estimated expenditures and transfers		1,847,248,023		298,955,322
Estimated ending balance		$487,336,230		$567,735,837
Restricted fund income				
Reserve relating to potential title disputes[6]		141,197,060		141,197,060
Expanded school construction loan program - Department of Public Instruction (2013 HB 1013; 2015 SB 2013)		150,000,000		
Medical facility infrastructure loans - Bank of North Dakota (2013 SB 2187)		50,000,000		0
Bank of North Dakota - Maintain guarantee reserve fund balance[7] (2011 SB 2306; 2013 SB 2287)		25,000,000		25,000,000
Ending balance - Undesignated		$121,139,170		$401,538,777

[1]The amounts shown reflect projections by the Department of Trust Lands for the 2013-15 and 2015-17 bienniums.

[2]House Bill No. 1451 (2011) created a new section to North Dakota Century Code Chapter 57-51.1 to provide for the allocation of the state's share of oil and gas tax revenues designated for deposit in the general fund under Chapters 57-51 and 57-51.1 as follows:

- The first $200 million is deposited in the general fund;
- The next $341.79 million is deposited in the property tax relief fund;
- The next $100 million is deposited in the general fund;
- The next $100 million is deposited in the strategic investment and improvements fund;
- The next $22 million is deposited in the state disaster relief fund; and
- Any additional revenues are deposited in the strategic investment and improvements fund.

House Bill No. 1176 (2015) increased the allocation of oil and gas gross production tax collections to counties decreasing the state's share, including the allocation to the strategic investment and improvements fund. House Bill No. 1377 (2015) amended Section 57-51.1-07.5 to change the allocation of the state's share of oil and gas tax revenue to provide the following:

- The first $200 million to the general fund;
- The next $300 million to the tax relief fund;
- The next $100 million to the general fund;
- The next $100 million to the strategic investment and improvements fund;
- The next $22 million to the state disaster relief fund, but not in an amount that would bring the unobligated balance of the fund to more than $25 million;
- Seventy percent of any remaining revenue to the strategic investment and improvements fund; and
- Thirty percent of any remaining revenue to the political subdivision allocation fund.

Estimated revenues - These amounts reflect actual oil tax revenue collections deposited in the fund through February 2015 and estimated allocations for the remainder of the 2013-15 biennium, estimated oil tax revenue allocations for the 2015-17 biennium based on the March 2015 revised revenue forecast, and final legislative action. These amounts do not reflect any transfers to the legacy fund. The transfer amounts are shown under estimated expenditures and transfers.

[3]Pursuant to Section 15-08.1-08, if the unobligated balance of the strategic investment and improvements fund exceeds $300 million at the end of any month, 25 percent of any revenues received for deposit in the strategic investment and improvements fund in the subsequent month must be deposited instead into the legacy fund.

[4]House Bill Nos. 1176 and 1377 (2015) amend Section 15-08.1-08 to eliminate the transfer of 25 percent of any revenues from the strategic investment and improvements fund to the legacy fund, if the unobligated balance of the strategic investment and improvements fund exceeds $300 million at the end of any month.

[5]Senate Bill No. 2015 (2015) provides a contingent transfer of $25.85 million from the strategic investment and improvements fund to the highway fund and a contingent appropriation of $25.85 million from the highway fund to the Department of Transportation for state highway investments. The $25.85 million is available only if actual general fund revenues for the period beginning July 1, 2015, and ending December 31, 2015, exceed the legislative estimates for the same period by at least $126 million, or if actual general fund revenues for the period beginning July 1, 2015, and ending June 30, 2016, exceed the legislative estimates for the same period by at least $126 million.

[6]These amounts represent oil and gas bonuses received from areas of the Yellowstone and Missouri Rivers and Lake Sakakawea where mineral rights are in dispute. Based on the outcome of legal settlements, these funds may need to be returned. Pursuant to action of the Board of University and School Lands, this portion of the fund balance is designated to be held in reserve pending the settlement of mineral ownership title disputes.

[7]Senate Bill No. 2306 (2011) provided guarantees on fuel production facility loans administered by the Bank of North Dakota be increased by $10.5 million to $12.5 million, and the value of all fuel production facility loan guarantees is increased by $15 million, from $10 million to $25 million. Money in the strategic investment and improvements fund is available to the Bank to maintain 25 percent of the guarantee reserve fund balance not to exceed a total of $6.25 million. Senate Bill No. 2287 (2013), which became effective on March 27, 2013, provides that money in the strategic investment and improvements fund is available to the Bank to maintain 100 percent of the guarantee reserve fund balance not to exceed a total of $25 million. Any money transferred from the strategic investment and improvements fund to maintain the guarantee reserve fund is available to reimburse lenders for guaranteed loans in default.

FUND HISTORY

House Bill No. 1451 (2011) provided the lands and minerals trust fund be renamed the strategic investment and improvements fund, and as soon as feasible after June 30, 2011, the State Treasurer close out the lands and minerals trust fund and transfer any remaining unobligated balance to the strategic investment and improvements fund. The lands and minerals trust fund originated in 1977 when the Legislative Assembly transferred to the Board of University and School Lands possessory interest in properties obtained by the Bank of North Dakota, including tracts of real property and reserved mineral interests.

All income from the sale, lease, and management of the mineral interests relating to these properties is deposited in the strategic investment and improvements fund, pursuant to Section 15-08.1-08. The principal and interest of the fund may be used for one-time expenditures relating to improving state infrastructure or for initiatives to improve the efficiency and effectiveness of state government. Money in the fund may be included in draft appropriation Acts under Section 54-44.1-06 and may be appropriated by the Legislative Assembly, but only to the extent the money is estimated to be available at the beginning of the biennium in which the appropriations are authorized.

If the unobligated balance in the fund at the end of any month exceeds $300 million, 25 percent of any revenues received for deposit in the fund in the subsequent month must be deposited instead into the legacy fund. Unobligated balance in the fund is defined as the balance in the fund reduced by appropriations or transfers from the fund authorized by the Legislative Assembly, guarantee reserve fund requirements under Section 6-09.7-05, and any fund balance designated by the Board of University and School Lands relating to potential title disputes related to certain riverbed leases.

ANALYSIS OF THE STUDENT LOAN TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS (REFLECTING BOTH THE 1979 AND 1996 BOND RESOLUTIONS)

	2013-15 Biennium[1]		2015-17 Biennium[1]	
Beginning balance		$41,375,000		$35,870,256
Add estimated revenues				
Fund earnings (net)	$500,000[2]		$400,000[2]	
Total revenues		500,000		400,000
Total available		$41,875,000		$36,270,256
Less estimated expenditures and transfers				
Funding for veterinary medical education program (2013 SB 2003; 2015 HB 1003)	$465,307[3]		$465,307[4]	
Funding for North Dakota University System information technology services (2013 SB 2003; 2015 HB 1003)	539,437[5]		539,437[6]	
Transfer to the North Dakota Guarantee Agency	5,000,000[7]			
Funding for addiction counseling internship loans (2015 HB 1049)			200,000[8]	
Funding for Dickinson State University transition (2015 HB 1003)			2,000,000[9]	
Funding for tribal college assistance grants (2015 HB 1003)			500,000[10]	
Funding for tribal college workforce development grants (2015 HB 1018)			1,000,000[11]	
Funding for higher education challenge grants (2015 HB 1151)			2,500,000[12]	
Funding for dental loan repayment program (2015 HB 1004 and SB 2015)			360,000[13]	
Total estimated expenditures and transfers		6,004,744		7,564,744
Estimated ending balance		$35,870,256		$28,705,512

[1]This analysis reflects the estimated revenues, expenditures, and ending balance for **both the 1979 and 1996 bond resolutions**. Prior to fiscal year 2012, permission was needed from the Ambac Assurance Corporation to use any assets from the 1996 bond resolution. There are no longer any bonds insured by the Ambac Assurance Corporation, however, there are outstanding bonds as of May 1, 2015. Debt service to bondholders has priority over all other transfers.

[2]The projected income for the 2013-15 and 2015-17 bienniums is based on interest rates as of January 1, 2014, and is net of the Industrial Commission and trustee expenses.

[3]The Legislative Assembly in 2013 provided $465,307 of funding from the student loan trust fund for the Kansas State University veterinary medical education program. This represents the same level of funding as provided in the 2011-13 biennium.

[4]The Legislative Assembly in 2015 approved House Bill No. 1003 which includes $465,307 of funding from the student loan trust fund for the Kansas State University veterinary medical education program. This represents the same level of funding as provided in the 2013-15 biennium.

[5]The Legislative Assembly in 2013 provided $539,437 of funding from the student loan trust fund for the University System information technology services pool for ConnectND positions within the University System. This represents the same level of funding as provided in the 2011-13 biennium.

[6]The Legislative Assembly in 2015 approved House Bill No. 1003 which includes $539,437 of funding from the student loan trust fund for the University System information technology services pool for ConnectND positions within the University System. This represents the same level of funding as provided in the 2013-15 biennium.

[7]Pursuant to the provisions of the 1996 bond resolution, the Industrial Commission authorized the transfer of $5 million to the North Dakota Student Loan Guarantee Agency in December 2014 to maintain the reserve requirements for alternative student loan guarantees relating primarily to DEAL One loans.

[8]The Legislative Assembly in 2015 approved House Bill No. 1049, which provides $200,000 of funding from the student loan trust fund for addiction counselor internship loans.

[9]The Legislative Assembly in 2015 approved House Bill No. 1003, which includes $2 million of one-time funding from the student loan trust fund for campus leadership transition needs at Dickinson State University.

[10]The Legislative Assembly in 2015 approved House Bill No. 1003, which includes $500,000 of funding from the student loan trust fund for grants to tribal colleges to assist in costs associated with the enrollment of nonbeneficiary students.

[11]The Legislative Assembly in 2015 approved House Bill No. 1018, which includes $1 million of one-time funding from the student loan trust fund for tribal college workforce development grants.

[12]The Legislative Assembly in 2015 approved House Bill No. 1151, which includes $2.5 million of funding from the student loan trust fund for higher education challenge grants.

[13]The Legislative Assembly in 2015 approved House Bill No. 1004 and Senate Bill No. 2015, which include $360,000 of funding from the student loan trust fund for the dental loan repayment program.

FUND HISTORY

The Legislative Assembly in 1971 authorized the Industrial Commission to acquire and hold all unpaid government-guaranteed or reinsured student loans and North Dakota student loans belonging to the state or any of its agencies. As a result, the student loan trust fund was created which enabled the state to sell tax-exempt bonds and use the proceeds for purchasing student loans made or acquired by the Bank of North Dakota.

The student loan trust fund does not make loans to students or service loans which it acquires. The Bank continues to service those loans which the student loan trust fund holds.

The student loan trust fund is comprised of funds held under two general bond resolutions. The first general bond resolution includes funds from bonds issued in 1979, 1988, 1989, 1992, and 2004. The second general bond resolution--referred to as the 1996 bond resolution--includes funds from bonds issued in 1996, 1997, 1998, and 2000. All bond issuances prior to 2004 were insured by Ambac Assurance Corporation. There are no longer any outstanding bonds insured by Ambac Assurance Corporation.

Under both of the bond resolutions, assets may only be used for:

- Purchase of student loans.
- Payment of debt service to bondholders.
- Providing financial assistance to the North Dakota Student Loan Guarantee Agency.
- Payment of any rebate liability to the federal government.
- Administration of the student loan trust fund.

After all bonds in the 1979 and 1996 bond resolutions have matured, been redeemed or defeased and all expenses paid, and the resolutions closed, any remaining assets held under the bond resolutions would be transferred to the Industrial Commission for use at its discretion and as allowed by law. As of May 1, 2015, $1 million in bonds remains outstanding. In order to use assets held under the 1979 and 1996 general bond resolutions for a purpose other than those stated in the general bond resolution, the administrator of the student loan trust fund must receive a certification from the trustee of the bond (the Bank) that sufficient reserves remain for bond payments and other related program costs. Prior to 2012, permission needed to be obtained from Ambac Assurance Corporation for any use of assets held in the 1996 general bond resolution. However, there are no longer any bonds insured by Ambac Assurance Corporation.

North Dakota Century Code Section 54-17-25 provides the Industrial Commission may issue subordinate or residual bonds when the commission determines that it is appropriate or expedient to do so.

ANALYSIS OF THE TAX RELIEF FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$341,790,000		$657,000,000
Add estimated revenues				
Allocation of oil and gas tax revenues (North Dakota Century Code Section 57-51.1-07.5)	$341,790,000[1]		$300,000,000[1]	
Transfer from general fund for the property tax relief component of the integrated school aid formula for the 2015-17 biennium (Section 3 of 2013 HB 1015)	315,210,000			
Total estimated revenues		657,000,000		300,000,000
Total available		$998,790,000		$957,000,000
Less estimated expenditures and transfers				
Transfer to general fund (Section 5 of 2013 HB 1013) (Section 3 of 2015 SB 2015)	$341,790,000		$657,000,000	
Total estimated expenditures and transfers		341,790,000		657,000,000
Estimated ending balance		$657,000,000		$300,000,000

[1] Estimated revenues - These amounts reflect actual oil tax revenue collections deposited in the fund through February 2015 and estimated allocations for the remainder of the 2013-15 biennium and estimated oil tax revenue allocations for the 2015-17 biennium based on the March 2015 revised revenue forecast and final legislative action.

House Bill No. 1377 (2015) repealed Sections 15.1-27-45 and 57-64-05 relating to the property tax relief sustainability fund and amended Section 57-51.1-07.5 to change the name of the property tax relief sustainability fund to the tax relief fund and changed the allocation of the state's share of oil and gas tax revenue to provide the following:

- The first $200 million to the general fund;
- The next $300 million to the tax relief fund;
- The next $100 million to the general fund;
- The next $100 million to the strategic investment and improvements fund;
- The next $22 million to the state disaster relief fund if the amounts do not bring the unobligated balance of the fund to more than $25 million; and
- Any remaining revenues deposited:
  - Seventy percent into the strategic investment and improvements fund; and
  - Thirty percent into the political subdivision allocation fund.

FUND HISTORY

Section 57-64-05, as created by 2009 Senate Bill No. 2199, created the property tax relief sustainability fund for property tax relief programs, pursuant to legislative appropriation. Senate Bill No. 2199 provided an initial transfer of $295 million from the permanent oil tax trust fund to the property tax relief sustainability fund. Chapter 57-51.1 provided for an allocation of the state's share of oil and gas tax revenues of $341,790,000 each biennium to the property tax relief sustainability fund.

Section 15.1-27-45, as created by the Legislative Assembly in Section 40 of 2013 House Bill No. 1013, changed the name of the property tax relief sustainability fund to the property tax relief fund, but only for the 2013-15 biennium. House Bill No. 1377 (2015) repealed Sections 15.1-27-45 and 57-64-05 and amended Section 57-51.1-07.5 to change the name of the property tax relief sustainability fund to the tax relief fund and decreased the amount of the state's share of oil and gas tax revenue deposited in the fund from $341,790,000 per biennium to $300 million per biennium.

ANALYSIS OF THE TOBACCO PREVENTION AND CONTROL TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$40,654,656		$47,283,334
Add estimated revenues				
Tobacco settlement revenues collected to date	$22,388,231[1]			
Projected tobacco settlement revenues			$22,608,486[2]	
Investment and miscellaneous revenue	56,275		56,521	
Total estimated revenues		22,444,506[3]		22,665,007[3]
Total available		$63,099,162		$69,948,341
Less estimated expenditures and transfers				
Tobacco Prevention and Control Executive Committee expenditures (2013 SB 2024; 2015 HB 1024)	$15,815,828[4]		$16,548,039[4]	
Total estimated expenditures and transfers		15,815,828		16,548,039
Estimated ending balance		$47,283,334		$53,400,302

[1]As of May 2015, the state has received tobacco settlement payments totaling $64,618,711 for the 2013-15 biennium, of which $42,230,480 was deposited in the tobacco settlement trust fund and $22,388,231 was deposited in the tobacco prevention and control trust fund. To date, the state has received total tobacco settlement collections of $463,976,236, including $367,396,503 under subsection IX(c)(1) of the Master Settlement Agreement and $96,579,733 under subsection IX(c)(2) of the Master Settlement Agreement. Of the $463,976,236, $381,194,232 has been deposited into the tobacco settlement trust fund and $82,782,004 has been deposited into the tobacco prevention and control trust fund.

[2]Tobacco prevention and control trust fund revenues have been estimated based on the average of actual annual revenues received into the tobacco prevention and control trust fund during fiscal years 2013 and 2014.

[3]Initiated Measure No. 3 approved in the November 2008 general election provides if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the Tobacco Prevention and Control Executive Committee to adequately provide for the comprehensive plan. The Legislative Assembly in Section 39 of 2009 House Bill No. 1015 provided any money deposited in the water development trust fund under North Dakota Century Code Section 54-27-25 may only be spent pursuant to legislative appropriations.

The measure will result in the following estimated allocation of the revised estimated collections of the tobacco settlement payments through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds, Net of Attorney General Costs	Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund	Allocation of Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(1)		
			Common Schools Trust Fund	Water Development Trust Fund	Community Health Trust Fund
Actual payment April 2008	$36.4 million	N/A	$16.4 million	$16.4 million	$3.6 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Actual payments 2009-11 biennium	64.0 million	23.5 million	18.2 million	18.2 million	4.1 million
Actual payments 2011-13 biennium	63.0 million	22.8 million	18.1 million	18.1 million	4.0 million
Estimated 2013-15 biennium	64.6 million	22.4 million	19.0 million	19.0 million	4.2 million
Estimated 2015-17 biennium	62.4 million	22.6 million	17.9 million	17.9 million	4.0 million
Estimated 2017-19 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2019-21 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2021-23 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2023-25 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Total	$539.6 million	$105.4 million	$195.3 million	$195.3 million	$43.6 million

[4]The 2013 Legislative Assembly appropriated $15,815,828 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee for the purpose of providing a level of funding that will meet the annual level recommended by the Centers for Disease Control and Prevention for North Dakota as published in its *Best Practices for Comprehensive Tobacco Control* for the 2013-15 biennium. The 2015-17 executive budget recommendation provided $16,109,756 from the tobacco prevention and control trust fund to the Tobacco Prevention and Control Executive Committee. The Legislative Assembly increased funding from the tobacco prevention and control trust fund to provide $16,548,039 for tobacco prevention and control, $732,211 more than the 2013-15 biennium.

FUND HISTORY

The tobacco prevention and control trust fund was created as a result of voter approval of Initiated Measure No. 3 in the November 2008 general election. The measure added seven new sections to Century Code and amended Section 54-27-25 to establish the Tobacco Prevention and Control Advisory Committee and an executive committee, develop and fund a comprehensive statewide tobacco prevention and control plan, and create a tobacco prevention and control trust fund to receive tobacco settlement dollars to be administered by the executive committee. The measure provides for the advisory committee, appointed by the Governor, to develop the initial comprehensive plan and select an executive committee responsible for the implementation and administration of the comprehensive plan. The initiated measure became effective 30 days after the election (December 4, 2008).

Tobacco settlement payments received by the state under the Master Settlement Agreement are derived from two subsections of the Master Settlement Agreement. Subsection IX(c)(1) of the Master Settlement Agreement provides payments on April 15, 2000, and on April 15 of each year thereafter in perpetuity, while subsection IX(c)(2) of the Master Settlement Agreement provides for additional strategic contribution payments that began on April 15, 2008, and continue each April 15 thereafter through 2017. Section 54-27-25, created by 1999 House Bill No. 1475, did not distinguish between payments received under the separate subsections of the Master Settlement Agreement and provided for the deposit of all tobacco settlement money received by the state into the tobacco settlement trust fund. Money in the fund, including interest, is transferred within 30 days of deposit in the fund 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.

The measure provides for a portion of tobacco settlement dollars received by the state to be deposited in the newly created tobacco prevention and control trust fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement will continue to be deposited in the tobacco settlement trust fund and allocated 10 percent to the community health trust fund (with 80 percent used for tobacco prevention and control), 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement will be deposited into the tobacco prevention and control trust fund. Interest earned on the balance in this fund will be deposited in the fund. The fund will be administered by the executive committee created by the measure for the purpose of creating and implementing the comprehensive plan.

The measure also provides if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the executive committee to adequately provide for the comprehensive plan. The Legislative Assembly in Section 39 of 2009 House Bill No. 1015 provided any money deposited in the water development trust fund under Section 54-27-25 may only be spent pursuant to legislative appropriation.

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the Master Settlement Agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. In 2009 tobacco settlement payments began to be deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25 as amended by the measure.

ANALYSIS OF THE TOBACCO SETTLEMENT TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$0		$0
Add estimated revenues				
Tobacco settlement revenues collected to date	$42,230,480[1]			
Projected tobacco settlement revenues			$40,000,000	
Total estimated revenues		42,230,480[2]		40,000,000[2]
Total available		$42,230,480[3,4]		$40,000,000[3,4]
Less estimated expenditures and transfers				
Attorney General - Tobacco settlement agreement costs (2015 SB 2003)			$200,000[5]	
Transfers to the community health trust fund	$4,223,048		3,980,000	
Transfers to the common schools trust fund	19,003,716		17,910,000	
Transfers to the water development trust fund	19,003,716		17,910,000	
Total estimated expenditures and transfers		42,230,480[4]		40,000,000[4]
Estimated ending balance		$0		$0

[1]As of May 2015, the state has received tobacco settlement payments totaling $64,618,711 for the 2013-15 biennium, of which $42,230,480 was deposited in the tobacco settlement trust fund and $22,388,231 was deposited in the tobacco prevention and control trust fund. To date, the state has received total tobacco settlement collections of $463,976,236, including $367,396,503 under subsection IX(c)(1) of the Master Settlement Agreement and $96,579,733 under subsection IX(c)(2) of the Master Settlement Agreement. Of the $463,976,236, $381,194,232 has been deposited into the tobacco settlement trust fund and $82,782,004 has been deposited into the tobacco prevention and control trust fund.

[2]Revenues - House Bill No. 1475 (1999) (North Dakota Century Code Section 54-27-25) provides interest on the money in the tobacco settlement trust fund must be retained in the fund, and the principal and interest must be allocated 10 percent to the community health trust fund, 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. The interest earned on the money in the tobacco settlement trust fund will increase the amount available for transfers to the other funds. However, because of uncertainty regarding the timing of the receipt of the tobacco settlement proceeds, interest earned on the balance of the tobacco settlement trust fund has not been included in this analysis. Tobacco settlement revenues collected to date have been transferred immediately to the proper trust funds; therefore, no interest has been earned by the tobacco settlement trust fund to date.

In the November 2008 general election, voters approved Initiated Measure No. 3 that amends Section 54-27-25 to provide a portion of tobacco settlement funds received by the state be deposited in the newly created tobacco prevention and control trust fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement, which continues in perpetuity, will continue to be deposited into the tobacco settlement trust fund and allocated 10 percent to the community health trust fund, 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement, which began in 2008 and continues through 2017, was deposited beginning in 2009 in the tobacco prevention and control trust fund. The amount received under subsection IX(c)(2) of the Master Settlement Agreement for 2008 was $13,797,729, which, because it was received prior to passage of the measure, was allocated pursuant to Section 54-27-25 prior to amendment. Tobacco settlement trust fund revenues have been estimated based on actual revenues received through May 2015 and estimated revenues per the March 2015 legislative revenue forecast and do not include anticipated strategic contribution payments, which are deposited in the tobacco prevention and control trust fund.

[3]In 2006 certain tobacco companies began reducing their tobacco settlement payments to North Dakota contending that the Master Settlement Agreement allows for the payments to be reduced if they lose sales to small cigarette makers that did not participate in the agreement and if states do not enforce laws intended to make smaller tobacco companies set aside money for legal claims. The Attorney General's office has filed a lawsuit against the tobacco companies to collect the full payment. The total original estimated tobacco settlement collections, including payments to be received under both subsection IX(c)(1) and subsection IX(c)(2) of the Master Settlement Agreement, and the total actual and estimated collections as revised by the Office of Management and Budget are:

Biennium	1999 Original Estimated Collections	Actual and Office of Management and Budget Revised Estimated Collections
1999-2001	$57,593,770	$52,900,784
2001-03	61,143,578	53,636,363
2003-05	51,271,214	46,310,010
2005-07	51,271,214	43,828,118
2007-09	82,231,080	75,633,409
2009-11	82,231,080	64,013,596
2011-13	82,231,080	63,035,245
2013-15	82,231,080	64,618,711
2015-17	82,231,080	62,608,486
2017-25 ($58,591,490/$52,503,832 per biennium)	234,365,960	210,015,328
Total	$866,801,136	$736,600,050

[4]Initiated Measure No. 3, approved by voters in the November 2008 general election, will result in the following estimated allocation of the revised estimated collections of the tobacco settlement payments through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds, Net of Attorney General Costs	Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund	Allocation of Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(1)		
			Common Schools Trust Fund	Water Development Trust Fund	Community Health Trust Fund
Actual payment April 2008	$36.4 million	N/A	$16.4 million	$16.4 million	$3.6 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Actual payments 2009-11 biennium	64.0 million	23.5 million	18.2 million	18.2 million	4.1 million
Actual payments 2011-13 biennium	63.0 million	22.8 million	18.1 million	18.1 million	4.0 million
Estimated 2013-15 biennium	64.6 million	22.4 million	19.0 million	19.0 million	4.2 million
Estimated 2015-17 biennium	62.4 million	22.6 million	17.9 million	17.9 million	4.0 million
Estimated 2017-19 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2019-21 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2021-23 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2023-25 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Total	$539.6 million	$105.4 million	$195.3 million	$195.3 million	$43.6 million

[5]The Legislative Assembly in Senate Bill No. 2003 amended Section 57-27-25 relating to the tobacco settlement trust fund to provide the principal and interest of the fund may be appropriated to the Attorney General for the enforcement of the Master Settlement Agreement and any disputes with the agreement.

FUND HISTORY

Section 54-27-25, created by 1999 House Bill No. 1475, established a tobacco settlement trust fund for the deposit of all tobacco settlement money obtained by the state. Money in the fund, including interest, must be transferred within 30 days of its deposit in the fund:

- 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 the November 2008 general election, voters approved Initiated Measure No. 3 that amended Section 54-27-25 to establish a tobacco prevention and control trust

fund. The measure provides for a portion of tobacco settlement funds received by the state to be deposited in a new fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement, which continues in perpetuity, will continue to be deposited into the tobacco settlement trust fund and allocated 10 percent to the community health trust fund, 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement, relating to strategic contribution payments, which began in 2008 and continue through 2017, began to be deposited in 2009 into the newly created tobacco prevention and control trust fund.

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the Master Settlement Agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. In 2009 tobacco settlement payments began to be deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25 as amended by the measure.

The Legislative Assembly, in 2015 Senate Bill No. 2003, amended Section 54-27-25 relating to the tobacco settlement trust fund to provide the principal and interest of the fund may be appropriated to the Attorney General for the enforcement of the Master Settlement Agreement and any disputes with the agreement.

ANALYSIS OF THE STATE TUITION FUND
FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$1,852,546[1]		$5,926,544[1]
Add estimated revenues				
Fines for violation of state laws	$14,073,998[2]		$10,800,000[2]	
Transfers from the common schools trust fund	130,326,000		206,134,000	
Total estimated revenues		144,399,998		216,934,000
Total available		$146,252,544		$222,860,544
Less estimated expenditures and transfers				
State aid to schools	$140,326,000[3]		$219,134,000	
Total estimated expenditures and transfers		140,326,000		219,134,000
Estimated ending balance		$5,926,544[1]		$3,726,544[1]

[1]Beginning/ending balance - North Dakota Century Code Section 15.1-28-03 provides for the distribution of money in the state tuition fund in August, September, October, November, December, January, February, March, and April of each fiscal year. Fine proceeds deposited in the tuition fund during May and June of each fiscal year are carried forward for distribution in August of the subsequent year.

[2]Fines for violation of state laws - Fine proceeds estimated to be deposited in the state tuition fund during the 2013-15 biennium are based on actual fines deposited into the fund through April 2015 and estimated fine proceeds for the remainder of the 2013-15 biennium based on the March 2015 revenue forecast. Fine proceeds estimated to be deposited in the state tuition fund during the 2015-17 biennium are based on the March 2015 revenue forecast. The amount of state tuition fund distributions from fine proceeds is shown below.

Fiscal Year	Revenue From Fines	Percentage Increase (Decrease) From Previous Year
1998	$3,384,890 (actual)	N/A
1999	$3,818,890 (actual)	12.8%
2000	$4,866,644 (actual)	27.4%
2001	$4,241,256 (actual)	(12.9%)
2002	$4,778,756 (actual)	12.7%
2003	$4,607,423 (actual)	(3.6%)
2004	$4,721,407 (actual)	2.5%
2005	$4,507,137 (actual)	(4.5%)
2006	$4,506,316 (actual)	(0.01%)
2007	$4,590,395 (actual)	1.9%
2008	$4,692,048 (actual)	2.2%
2009	$4,452,118 (actual)	(5.1%)
2010	$4,593,325 (actual)	3.2%
2011	$4,963,691 (actual)	8.1%
2012	$5,769,861 (actual)	16.2%
2013	$6,158,750 (actual)	6.7%
2014	$6,844,632 (actual)	11.1%
2015	$7,229,366 (estimate)	5.6%
2016	$5,400,000 (estimate)	(25.3%)
2017	$5,400,000 (estimate)	0.0%

[3]The Legislative Assembly in 2013 provided $140,326,000 from the state tuition fund for state school aid payments during the 2013-15 biennium. In addition, Section 4 of 2013 House Bill No. 1013 provides that any money available in the state tuition fund in excess of the $140,326,000 is appropriated to the Department of Public Instruction for distribution to school districts. The department anticipates obligations related to state school aid will be fulfilled during the 2013-15 biennium, therefore any additional funding will remain in the state tuition fund and is included in funds appropriated from the state tuition fund for state school aid during the 2015-17 biennium.

FUND HISTORY

The state tuition fund originated in 1889 with enactment of the Constitution of North Dakota. The original constitutional provisions have not changed significantly since enactment and are currently contained in Article IX, Section 2, of the Constitution of North Dakota, which provides that payments to the common schools trust fund of the state include:

- Interest and income from the common schools trust fund.
- All fines for violation of state laws.
- All other amounts provided by law.

Section 15.1-28-01 provides the state tuition fund consists of the net proceeds from all fines for violation of state laws and leasing of school lands (included in transfers from the common schools trust fund) and the interest income from the common schools trust fund. Section 15.1-28-03 directs the Office of Management and Budget, on or before the third Monday in January, February, March, April, August, September, October, November, and December of each year, to certify to the Superintendent of Public Instruction the amount of the state tuition fund. Prior to the 2007-09 biennium, the Superintendent apportioned the money in the state tuition fund among the school districts in the state based on the number of school-age children in the district. The Legislative Assembly in 2007 Senate Bill No. 2200 consolidated funding for the state school aid program, including per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments, into a new state school aid funding formula with a new distribution methodology; therefore, beginning with the 2007-09 biennium, the Superintendent includes the money in the state tuition fund in state school aid payments to school districts as determined by Chapter 15.1-27.

ANALYSIS OF THE VETERANS' POSTWAR TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$4,601,887[1]		$5,447,021
Add estimated revenues and other funds available for benefits				
Principal deposit pursuant to 2013 House Bill No. 1439	$250,000			
Investment income and increases in market value	900,000[2]		$900,000[2]	
Total deposits, estimated revenues, and other increases in market value		1,150,000		900,000
Total available		$5,751,887		$6,347,021
Less estimated expenditures and transfers				
Grants and related expenditures	$232,119			
Administrative Committee travel				
Veterans' Home equipment				
Vehicles - Vans				
Veterans' transportation programs	7,652			
Other veterans' programs	1,144			
Appeals Committee				
Stand Down (outreach to homeless veterans)				
Remaining funds available for programs that benefit veterans	63,951[3]		$300,000[4]	
Total estimated expenditures and transfers		304,866[3]		300,000[4]
Estimated ending balance		$5,447,021		$6,047,021

[1]Revenue from the sale of vans during the 2011-13 biennium ($8,000) and funding available from the 2009-11 biennium ($20,326) is available for programs during the 2013-15 biennium and is included in the beginning balance.

[2]The State Treasurer has not provided investment income estimates for the 2013-15 or the 2015-17 bienniums. Investment income for the 2013-15 and the 2015-17 biennium is estimated based on the monthly change in the fund value, biennium to date through March 2015. See footnote 4 below regarding payable income.

[3]Prior to July 2011, North Dakota Century Code Section 37-14-14 appropriated on a continuing basis all income of the veterans' postwar trust fund to the Administrative Committee on Veterans' Affairs for programs that benefit veterans or their dependents. The Legislative Assembly in 2011 House Bill No. 1468 amended Section 37-14-14 to provide that all income earned in a biennium is appropriated to the Administrative Committee on Veterans' Affairs on a continuing basis in the following biennium, and not in the biennium in which it is earned, for authorized programs. In addition to 2011-13 biennium earnings totaling $262,372, funds available for benefits during the 2013-15 biennium include funds continued from prior bienniums ($28,326), interest income ($168), and funds available from the sale of vans ($14,000). Investment income earned by the fund during the 2013-15 biennium will not be available for programs until the 2015-17 biennium.

[4]Pursuant to provisions of House Bill No. 1468, investment income earned during the 2013-15 biennium is not available for program expenditures until the 2015-17 biennium. The amount shown for income available for benefits does not include investment changes in market value. Funds available for benefits during the 2015-17 biennium are estimated based on average monthly payable income earned through March 2015.

FUND HISTORY

Established

The fund was created by Section 6 of 1981 Senate Bill No. 2271:

> **SECTION 6. TRANSFER OF VIETNAM BONUS FUNDS TO VETERANS' POSTWAR TRUST FUND.** All unobligated moneys in the Vietnam veterans' adjusted compensation funds in the state treasury after July 1, 1981, shall be transferred by the state treasurer to the veterans' postwar trust fund. Any obligations of such funds as a result of any amendment of section 37-25-10 by the forty-seventh legislative assembly shall be paid out of the veterans' postwar trust fund and the moneys necessary to meet those obligations are hereby appropriated.

1988 Initiated Measure No. 4

Initiated Measure No. 4, approved by the voters in the November 1988 general election, provided the following:

- Established the veterans' postwar trust fund as a permanent fund.
- Required the State Treasurer to transfer $740,000 per year for five years commencing July 1, 1989, from the state general fund or other sources as appropriated by the Legislative Assembly to the veterans' postwar trust fund to total $3.7 million.
- Appropriated the income from the veterans' postwar trust fund on a continuing basis to the Administrative Committee on Veterans' Affairs to be spent for veterans' programs as authorized by law.
- Required the State Treasurer to invest the fund in legal investments as provided by Section 21-10-07.

The principal balance in the fund on December 8, 1988, was $401,849.

Senate Bill No. 2009 (1989) transferred $1,480,000, $740,000 on July 1, 1989, and $740,000 on July 1, 1990, from the state general fund to the veterans' postwar trust fund. The bill also appropriated up to $274,000 of investment income earned on the veterans' postwar trust fund balance to the Veterans' Home for its operating costs. Because of net budget reductions during the 1989-91 biennium, the transfer from the general fund to the veterans' postwar trust fund for the second year of the 1989-91 biennium was reduced by $95,005, from $740,000 to $644,995.

Senate Bill No. 2001 (1991) transferred $1,575,005 from the general fund to the veterans' postwar trust fund during the 1991-93 biennium. This amount restored the $95,005 which was not transferred during the 1989-91 biennium because of net budget reductions. Because of budget allotments ordered by the Governor during the 1991-93 biennium, the transfer from the general fund to the veterans' postwar trust fund for the second year of the 1991-93 biennium was reduced by $5,670, from $740,000 to $734,330.

House Bill No. 1001 (1993) transferred $745,670 from the general fund to the veterans' postwar trust fund during the 1993-95 biennium. This was the final transfer required by the initiated measure and included $5,670 to restore the reduction made during the 1991-93 biennium because of budget reductions.

1996 Initiated Constitutional Measure No. 4

Initiated Constitutional Measure No. 4, approved by the voters in the November 1996 general election, created the following new section to Article X of the Constitution of North Dakota:

> The veterans' postwar trust fund shall be a permanent trust fund of the state of North Dakota and shall consist of moneys transferred or credited to the fund as authorized by legislative enactment. Investment of the fund shall be the responsibility of the state treasurer who shall have full authority to invest the fund only in the same manner as the state investment board is authorized to make investments. All income received from investments is to be utilized for programs which must be of benefit and service to veterans, who are defined by legislative enactment, or their dependents, and such income is hereby appropriated to the administrative committee on veterans' affairs on a continuing basis for expenditure upon those programs selected at the discretion of the administrative committee on veterans' affairs.

2011 House Bill No. 1468

The Legislative Assembly in House Bill No. 1468 amended Section 37-14-14 to provide that all income earned in a biennium is appropriated to the Administrative Committee on Veterans' Affairs on a continuing basis in the following biennium, and not in the biennium in which it is earned, for authorized programs.

2013 House Bill No. 1439

The Legislative Assembly in House Bill No. 1439 provided $250,000 from the general fund to increase the principal balance of the veterans' postwar trust fund.

ANALYSIS OF THE WATER DEVELOPMENT TRUST FUND FOR THE 2013-15 AND 2015-17 BIENNIUMS

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		$26,550,736		$26,764,452
Add estimated revenues				
Transfers to date from tobacco settlement trust fund	$19,003,716[1]			
Projected remaining transfers from tobacco settlement trust fund			$17,910,000[2]	
Total estimated revenues		19,003,716[2]		17,910,000[2]
Total available		$45,554,452		$44,674,452
Less estimated expenditures and transfers				
Water projects	$1,908,500[3]		$27,500,000[4]	
State Water Commission (2013 HB 1020; 2015 SB 2020)	16,881,500[3]		7,000,000[4]	
Total estimated expenditures and transfers		18,790,000		34,500,000
Estimated ending balance		$26,764,452		$10,174,452

[1]As of May 2015, $19,003,716 has been transferred from the tobacco settlement trust fund for the 2013-15 biennium. Total transfers of $171,537,405 have been made from the tobacco settlement trust fund to the water development trust fund.

[2]Revenues - Interest earned on the water development trust fund is deposited in the general fund. Water development trust fund revenues have been estimated based on actual revenues received through May 2015 and estimated revenues per the March 2015 legislative revenue forecast, net of funds appropriated from the tobacco settlement trust fund to the Attorney General's office for the enforcement of the Master Settlement Agreement and related disputes.

Initiated Measure No. 3 (2008) resulted in the following estimated allocation of the revised estimated collections for tobacco settlement payments through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds, Net of Attorney General Costs	Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(2) Deposited in the Tobacco Prevention and Control Trust Fund	Allocation of Actual and Estimated Payments Under Master Settlement Agreement Subsection IX(c)(1)		
			Common Schools Trust Fund	Water Development Trust Fund	Community Health Trust Fund
Actual payment April 2008	$36.4 million	N/A	$16.4 million	$16.4 million	$3.6 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Actual payments 2009-11 biennium	64.0 million	23.5 million	18.2 million	18.2 million	4.1 million
Actual payments 2011-13 biennium	63.0 million	22.8 million	18.1 million	18.1 million	4.0 million
Estimated 2013-15 biennium	64.6 million	22.4 million	19.0 million	19.0 million	4.2 million
Estimated 2015-17 biennium	62.4 million	22.6 million	17.9 million	17.9 million	4.0 million
Estimated 2017-19 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2019-21 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2021-23 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Estimated 2023-25 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million
Total	$539.6 million	$105.4 million	$195.3 million	$195.3 million	$43.6 million

In 2006 certain tobacco companies began reducing their tobacco settlement payments to North Dakota contending that the Master Settlement Agreement allows for the payments to be reduced if they lose sales to small cigarette makers that did not participate in the agreement and if states do not enforce laws intended to make smaller tobacco companies set aside money for legal claims. The Attorney General's office has filed a lawsuit against the tobacco companies to collect full payment.

[3]Sections 1 and 4 of 2013 House Bill No. 1020 appropriated $44,250,000, or any additional funding that becomes available subject to Budget Section approval, from the water development trust fund for the purpose of defraying the expenses of the State Water Commission for the 2013-15 biennium, including bond payments. Bond payments for the 2013-15 biennium were estimated to total $16,881,500. The remainder of the funds appropriated totaling $27.4 million were available for water projects. However, if funding available from the resources trust fund for water projects for the 2013-15 biennium exceeds $287 million, Section 13 of House Bill No. 1020 provided legislative intent that, of the funds appropriated to the commission in the water and atmospheric resources line item, $60 million from the resources trust fund was provided to the commission for the purpose of paying off or defeasing the commission's outstanding bond issues. Funding from the water development trust fund provided for bond payments ($16.9 million) and contingent funding from the resources trust fund ($60 million) totaling $76.9 million would be available to defease the commission's outstanding bond issues of $75,250,000 and pay related fees. Through October 2014, $403.8 million was credited to the resources trust fund. The State Water Commission has retired five Southwest Pipeline Project series bonds and defeased another. In addition, the State Water Commission anticipated using funds available in the water development trust fund and the resources trust fund to pay off two remaining water development series bonds before the end of the 2013-15 biennium. The Legislative Assembly, in Senate Bill No. 2020 (2015), directed the State Water Commission to refinance the bonds referenced in this footnote with the Bank of North Dakota and to continue annual loan payments on the bonds, instead of paying them off, reducing 2013-15 biennium expenditures by $17.5 million.

[4]Sections 1 and 5 of 2015 Senate Bill No. 2020 appropriate $34.5 million, or any additional funding that becomes available, from the water development trust fund for the purpose of defraying the expenses of the State Water Commission for the 2015-17 biennium, of which $27.5 million is for water projects and $7 million is for payment on refinanced bonds.

FUND HISTORY

North Dakota Century Code Section 54-27-25, created by 1999 House Bill No. 1475, establishes a water development trust fund to be used for the long-term water development and management needs of the state. This section creates a tobacco settlement trust fund for the deposit of all tobacco settlement money obtained by the state. Money in the fund must be transferred within 30 days of its deposit in the fund:

- 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 the November 2008 general election, voters approved Initiated Measure No. 3 that amended Section 54-27-25 to establish a tobacco prevention and control trust fund. The measure provides for a portion of tobacco settlement funds received by the state to be deposited in this new fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement, which continues in perpetuity, will continue to be deposited into the tobacco settlement trust fund and allocated 10 percent to the community health trust fund, 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement relating to strategic contribution payments, which began in 2008 and continue through 2017, began to be deposited in 2009 into the newly created tobacco prevention and control trust fund. The measure also provides that if in any biennium the tobacco prevention and control trust fund does not have adequate funding for the comprehensive plan, money may be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the Tobacco Prevention and Control Executive Committee to adequately provide for the comprehensive plan. The Legislative Assembly in Section 39 of 2009 House Bill No. 1015 provided any money deposited in the water development trust fund under Section 54-27-25 may only be spent pursuant to legislative appropriation.

The tobacco settlement payment received by the state in April 2008 was the first payment that included funds relating to subsection IX(c)(2) of the agreement. This payment was received prior to the approval of the measure and was deposited in the tobacco settlement trust fund and disbursed as provided for in Section 54-27-25 prior to amendment by the measure. In 2009 tobacco settlement payments began to be deposited in the tobacco settlement trust fund and the tobacco prevention and control trust fund pursuant to Section 54-27-25 as amended by the measure.

Section 61-02.1-04, created by 1999 Senate Bill No. 2188, provides the principal and interest on bonds issued for flood control projects, the Southwest Pipeline Project, and an outlet to Devils Lake must be repaid with money appropriated from the water development trust fund.

The Legislative Assembly, in Senate Bill No. 2003 (2015), amended Section 54-27-25 relating to the tobacco settlement trust fund to provide the principal and interest of the fund may be appropriated to the Attorney General for the enforcement of the Master Settlement Agreement and any disputes with the agreement. Appropriations made to the Attorney General for enforcement of the Master Settlement Agreement reduce the amount available for transfer from the tobacco settlement trust fund to the water development trust fund.

SECTION M - HISTORICAL DATA

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GENERAL FUND STATEMENTS - HISTORY

The schedule below provides a summary of actual and estimated general fund balances, revenues, expenditures, and transfers:

	Actual			Estimated	
	2007-09	**2009-11**	**2011-13**	**2013-15**	**2015-17**
Beginning balance	$295,541,176	$361,843,514	$996,832,711	$1,396,059,186	$598,664,078
Revenues	2,520,712,137	2,753,012,281	4,530,367,522	4,815,449,878	4,950,442,696
Transfers to general fund	194,551,242	1,179,682,508	625,487,038	884,764,114	688,065,496
Total available	$3,010,804,555	$4,294,538,303	$6,152,687,271	$7,096,273,178	$6,237,172,270
Expenditures	($2,524,024,493)	($3,236,291,030)	($4,575,567,500)	($6,497,609,100)	($6,026,162,678)
Transfers to budget stabilization fund	(124,936,548)	(61,414,562)	(181,060,585)	0	0
Total expenditures and transfers	($2,648,961,041)	($3,297,705,592)	($4,756,628,085)	($6,497,609,100)	($6,026,162,678)
Ending balance	$361,843,514	$996,832,711	$1,396,059,186	$598,664,078	$211,009,592[1]

[1]The estimated general fund ending balance does not reflect any potential transfers at the end of the 2015-17 biennium from the general fund to the budget stabilization fund pursuant to North Dakota Century Code Chapter 54-27.2.

MEMORANDUM ON TOTAL GENERAL FUND AND SPECIAL FUNDS APPROPRIATIONS FOR THE 1967-69 THROUGH 2015-17 BIENNIUMS AND THE RELATIONSHIP TO TOTAL PERSONAL INCOME

The following schedule presents the general fund and special funds appropriations for the 1967-69 through 2015-17 bienniums. It includes an analysis of the relationship between appropriations and the total personal income in the state. This analysis indicates that the percentage of general fund appropriations to personal income has varied with the highest percentage occurring in the 2013-15 biennium and the lowest percentage occurring in the 1967-69 biennium. Regarding all funds appropriations, the highest percentage occurred in the 1981-83 biennium and the lowest percentage in the 1967-69 biennium.

The biennial appropriation totals include major deficiency appropriations for the various bienniums made by subsequent Legislative Assemblies. The special funds appropriation totals do not necessarily reflect total expenditures of special funds since in some instances federal funds and certain fees are not specifically appropriated but authorized to be spent by Emergency Commission action or continuing appropriations.

TOTAL RESTATED GENERAL FUND AND SPECIAL FUNDS APPROPRIATIONS FOR THE 1967-69 THROUGH 2015-17 BIENNIUMS AND THE RELATIONSHIP TO TOTAL PERSONAL INCOME

					Percentage of Appropriations to Personal Income	
Biennium	Total General Fund Appropriations[1]	Total Special Funds Appropriations[1]	Grand Total All Funds Appropriations	Total Personal Income	General Fund	All Funds
1967-69	$145,638,671	$205,351,205	$350,989,876	$3,293,000,000[8]	4.42%	10.66%
1969-71	$183,686,131	$261,745,459	$445,431,590	$3,459,000,000[8]	5.31%	12.88%
1971-73	$226,255,732	$267,845,499	$494,101,231	$4,137,000,000[8]	5.47%	11.94%
1973-75	$297,820,935	$356,127,664	$653,948,599	$5,770,000,000[8]	5.16%	11.33%
1975-77	$442,529,561	$436,181,752	$878,711,313	$7,987,000,000[8]	5.54%	11.00%
1977-79	$575,067,852	$565,096,709	$1,140,164,561	$8,051,000,000[8]	7.14%	14.16%
1979-81	$680,417,154	$772,341,770	$1,452,758,924	$10,102,000,000[8]	6.74%	14.38%
1981-83	$910,249,232	$1,205,292,293	$2,115,541,525	$11,206,000,000[8]	8.12%	18.88%
1983-85	$1,017,861,170	$1,148,055,629	$2,165,916,799	$14,757,000,000[8]	6.90%	14.68%
1985-87	$1,134,183,661[2]	$1,339,411,840	$2,473,595,501	$16,544,000,000[8]	6.86%	14.95%
1987-89	$1,058,708,224[3]	$1,440,445,277	$2,499,153,501	$17,508,000,000[8]	6.05%	14.27%
1989-91	$1,061,507,822[4]	$1,760,553,694[5]	$2,822,061,516	$17,419,000,000[8]	6.09%	16.20%
1991-93	$1,202,891,103[6]	$2,028,208,088	$3,231,099,191	$19,905,000,000[8]	6.04%	16.23%
1993-95	$1,251,925,967	$2,162,505,820	$3,414,431,787	$24,188,000,000[8]	5.18%	14.12%
1995-97	$1,352,467,281	$2,242,848,894	$3,595,316,175	$26,716,000,000[8]	5.06%	13.46%
1997-99	$1,510,747,421	$2,485,617,317	$3,996,364,738	$29,332,000,000[8]	5.15%	13.62%
1999-2001	$1,614,882,210	$3,265,271,344	$4,880,153,554	$32,622,000,000[8]	4.95%	14.96%
2001-03	$1,728,640,384[7]	$3,049,996,983	$4,778,637,367	$35,082,000,000[8]	4.93%	13.62%
2003-05	$1,816,885,505	$3,289,715,994	$5,106,601,499	$39,038,000,000[8]	4.65%	13.08%
2005-07	$2,000,537,074	$3,785,221,167	$5,785,758,241	$43,236,000,000[8]	4.63%	13.38%
2007-09	$2,574,313,275	$4,049,667,487	$6,623,980,762	$51,996,000,000[8]	4.95%	12.74%
2009-11	$3,296,595,649	$5,642,342,384	$8,938,938,033	$57,675,000,000[8]	5.72%	15.50%
2011-13	$4,297,001,161	$6,387,287,420	$10,684,288,581	$75,020,000,000[8]	5.73%	14.24%
2013-15	$6,879,671,380	$7,275,054,956	$14,154,726,336	$81,513,000,000[9]	8.44%	17.36%
2015-17	$6,026,162,678	$8,174,234,116	$14,200,396,794	$91,522,000,000[9]	6.58%	15.52%

[1]Appropriation amounts are restated to reflect, where appropriate, deficiency appropriations provided by a subsequent Legislative Assembly.

[2]In addition, changes made to general fund appropriations were (a) reductions of $12,965,250 as a result of 1987 Legislative Assembly action; (b) a $44,125,917 reduction as of May 1987 as a result of a 4 percent allotment reduction made by the Governor; and (c) an increase of $4,388,862 for Emergency Commission action and 1983-85 carryover.

[3]In addition, changes made to general fund appropriations were reductions of $3,175,000 required because of the cable television sales tax referral and $21 million budget allotment mandated by the Governor in September 1988.

[4]This amount is adjusted for revisions made to general fund appropriations, including reductions of $95,763,770 resulting from the December 1989 sales and individual income tax referrals, increases of $5,967,192 relating to the use of the budget stabilization fund, and increases of $22,395,712 resulting from an August 1990, 2 percent unallotment.

[5]This amount is adjusted for revisions made to special funds appropriations, including reductions of $14,876,540 resulting from the December 1989 gas tax referral and a net reduction of $1,003,977 resulting from higher education tuition increases and Department of Human Services estimated income adjustments.

[6]In addition, the Legislative Assembly in 1991 House Bill No. 1046, appropriated up to $9.5 million from the general fund for rural development if 1991-93 biennium revenues were more than 1991-93 revenue estimates made by the Legislative Assembly in 1991, excluding the effect of Sunday opening, by at least $11 million. This did not become effective. This amount does not reflect budget allotments ordered by the Governor during the 1991-93 biennium of $4,305,000.

[7]The general fund appropriation amount for the 2001-03 biennium has been restated to reflect the 1.05 percent budget allotment ordered by Governor Hoeven in July 2002.

[8]Source: United States Bureau of Economic Analysis.

[9]Source: Economy.com, Inc. - Moody's Analytics.

COMPARISON OF EXECUTIVE BUDGET RECOMMENDATIONS TO FINAL BUDGETS APPROVED BY THE LEGISLATIVE ASSEMBLY FOR THE 1967-69 THROUGH 2015-17 BIENNIUMS[1]

	General Fund Appropriations	Special Funds Appropriations	Total All Appropriations	General Fund Revenues[2]
1967-69				
Executive budget	$132,496,141	$204,346,811	$336,842,952	$148,269,822
Legislative increase (decrease)	13,142,530	1,004,394	14,146,924	16,980,000
Legislative budget	$145,638,671	$205,351,205	$350,989,876	$165,249,822
1969-71				
Executive budget	$166,602,105	$216,086,092	$382,688,197	$181,000,000
Legislative increase (decrease)	17,084,026	45,659,367	62,743,393	22,092,623
Legislative budget	$183,686,131	$261,745,459	$445,431,590	$203,092,623
1971-73				
Executive budget	$226,640,383	$257,317,128	$483,957,511	$241,840,000
Legislative increase (decrease)	(384,651)	10,528,371	10,143,720	1,769,348
Legislative budget	$226,255,732	$267,845,499	$494,101,231	$243,609,348
1973-75				
Executive budget	$267,951,706	$314,124,492	$582,076,198	$307,075,000
Legislative increase (decrease)	6,733,531	38,835,098	45,568,629	(5,705,492)
Legislative budget	$274,685,237	$352,959,590	$627,644,827	$301,369,508
Add				
Deficiency appropriations provided by the 1975 Legislative Assembly	23,135,698	3,168,074	26,303,772	
Legislative budget as restated	$297,820,935	$356,127,664	$653,948,599	$301,369,508
1975-77				
Executive budget	$438,882,752	$394,903,834	$833,786,586	$530,645,000
Legislative increase (decrease)	3,646,809	41,277,918	44,924,727	5,461,978
Reduction to June 30, 1975, general fund balance for deficiency appropriations for 1973-75				(23,135,698)
Legislative budget	$442,529,561	$436,181,752	$878,711,313	$512,971,280

1977-79				
Executive budget	$538,440,978	$477,421,009	$1,015,861,987	$647,900,000
Legislative increase (decrease)	35,376,433	87,268,156	122,644,589	371,650
Legislative budget	$573,817,411	$564,689,165	$1,138,506,576	$648,271,650
Add				
Deficiency appropriations provided by the 1979 Legislative Assembly	1,250,441	407,544	1,657,985	
Legislative budget as restated	$575,067,852	$565,096,709	$1,140,164,561	$648,271,650
1979-81				
Executive budget	$646,401,970	$710,607,537	$1,357,009,507	$694,467,657
Legislative increase (decrease)	8,317,480	57,780,260	66,097,740	10,028,475
Reduction to June 30, 1979, general fund balance for deficiency appropriations for 1977-79				(1,250,441)
Legislative budget	$654,719,450	$768,387,797	$1,423,107,247	$703,245,691
Add				
Deficiency appropriations provided by the 1981 Legislative Assembly	25,697,704	3,953,973	29,651,677	
Legislative budget as restated	$680,417,154	$772,341,770	$1,452,758,924	$703,245,691
1981-83				
Executive budget	$1,030,540,733	$1,043,972,705	$2,074,513,438	$1,129,692,934
Legislative increase (decrease)	(126,944,501)	133,544,456	6,599,955	(102,960,239)
Legislative budget	$903,596,232	$1,177,517,161	$2,081,113,393	$1,026,732,695
Add				
Deficiency appropriations provided by the 1983 Legislative Assembly	6,653,000	27,775,132	34,428,132	
Legislative budget as restated	$910,249,232	$1,205,292,293	$2,115,541,525	$1,026,732,695
1983-85				
Executive budget	$924,455,265 [3]	$1,114,112,221	$2,038,567,486	$974,408,000
Legislative increase (decrease)	80,655,781	25,386,761	106,042,542	68,097,250
Legislative budget	$1,005,111,046	$1,139,498,982	$2,144,610,028	$1,042,505,250

Add				
Deficiency appropriations provided by the 1985 Legislative Assembly	12,750,124	8,556,647	21,306,771	
Legislative budget as restated	$1,017,861,170	$1,148,055,629	$2,165,916,799	$1,042,505,250
1985-87				
Executive budget	$1,188,601,469 [4]	$1,292,110,406	$2,480,711,875	$1,219,290,080
Legislative increase (decrease)	(63,055,462)	42,502,011	(20,553,451)	(62,146,218)
Legislative budget	$1,125,546,007	$1,334,612,417	$2,460,158,424	$1,157,413,862
Add				
Deficiency appropriations provided by the 1987 Legislative Assembly	130,000	4,799,423	4,929,423	
49th Legislative Assembly personal property tax replacement deficiency appropriation not spent until 1985-87 biennium	8,507,654		8,507,654	
Impact of revised revenue estimate				(75,126,740)
Legislative budget as restated	$1,134,183,661 [5]	$1,339,411,840	$2,473,595,501	$1,082,017,122
1987-89				
Executive budget	$1,114,031,918	$1,406,353,403	$2,520,385,321	$1,119,465,000
Legislative increase (decrease)	(56,862,745)	32,891,874	(23,970,871)	(56,462,787)
Legislative budget	$1,057,169,173	$1,439,245,277	$2,496,414,450	$1,063,002,213
Add				
Deficiency appropriations provided by the 1989 Legislative Assembly	1,539,051	1,200,000	2,739,051	
Legislative budget as restated	$1,058,708,224 [6]	$1,440,445,277	$2,499,153,501	$1,063,002,213
1989-91				
Executive budget	$1,115,265,227	$1,690,091,064	$2,805,356,291	$1,126,110,000
Legislative increase (decrease)	4,520,393	86,034,147	90,554,540	(2,152,095)
Legislative budget	$1,119,785,620	$1,776,125,211	$2,895,910,831	$1,123,957,905
Add				
Deficiency appropriations provided by the 1991 Legislative Assembly	9,123,068	309,000	9,432,068	
Reductions due to sales, individual income, and gas tax referrals	(95,763,770)	(14,876,540)	(110,640,310)	(103,240,108)

Increase in June 30, 1989, balance				7,361,495
Adjustments for higher education tuition increases and Department of Human Services estimated income adjustments		(1,003,977)	(1,003,977)	
Use of budget stabilization fund	5,967,192		5,967,192	
2 percent unallotment (August 1990)	22,395,712		22,395,712	
Legislative budget as restated	$1,061,507,822	$1,760,553,694	$2,822,061,516	$1,028,079,292
1991-93				
Executive budget	$1,166,588,941	$1,901,143,193	$3,067,732,134	$1,185,456,000
Legislative increase (decrease)	32,041,733	125,939,720	157,981,453	36,936,959
Legislative budget	$1,198,630,674 [7]	$2,027,082,913	$3,225,713,587 [7]	$1,222,392,959
Add				
Deficiency appropriations provided by the 1993 Legislative Assembly	4,260,429	1,125,175	5,385,604	
Legislative budget as restated	$1,202,891,103	$2,028,208,088	$3,231,099,191	$1,222,392,959
1993-95				
Executive budget	$1,228,289,194	$2,248,975,882	$3,477,265,076	$1,253,054,000
Legislative increase (decrease)	22,940,773	(88,551,589)	(65,610,816)	7,099,865
Legislative budget	$1,251,229,967	$2,160,424,293	$3,411,654,260	$1,260,153,865
Add				
Deficiency appropriations provided by the 1995 Legislative Assembly	696,000	2,081,527	2,777,527	
Legislative budget as restated	$1,251,925,967	$2,162,505,820	$3,414,431,787	$1,260,153,865
1995-97				
Executive budget	$1,345,660,131	$2,207,522,902	$3,553,183,033	$1,355,491,421
Legislative increase (decrease)	1,284,129	34,396,992	35,681,121	2,668,581
Legislative budget	$1,346,944,260	$2,241,919,894	$3,588,864,154	$1,358,160,002
Add				
Deficiency appropriations provided by the 1997 Legislative Assembly	5,523,021	929,000	6,452,021	
Legislative budget as restated	$1,352,467,281	$2,242,848,894	$3,595,316,175	$1,358,160,002

1997-99				
Executive budget	$1,494,395,064	$2,507,943,925	$4,002,338,989	$1,504,489,758
Legislative increase (decrease)	(5,154,977)	(22,576,608)	(27,731,585)	(4,393,735)
Legislative budget	$1,489,240,087	$2,485,367,317	$3,974,607,404	$1,500,096,023
Add				
Deficiency appropriations provided by the 1999 Legislative Assembly	21,507,334	250,000	21,757,334	
Legislative budget as restated	$1,510,747,421	$2,485,617,317	$3,996,364,738	$1,500,096,023
1999-2001				
Executive budget	$1,615,319,416	$2,711,061,796	$4,326,381,212	$1,625,566,507
Legislative increase (decrease)	(21,280,878)	504,237,505 [8]	482,956,627	(20,209,113)
Legislative budget	$1,594,038,538	$3,215,299,301	$4,809,337,839	$1,605,357,394
Add				
Deficiency appropriations provided by the 2001 Legislative Assembly	20,843,672	49,972,043	70,815,715	
Legislative budget as restated	$1,614,882,210	$3,265,271,344	$4,880,153,554	$1,605,357,394
2001-03				
Executive budget	$1,706,299,108	$2,970,092,352	$4,676,391,460	$1,720,969,291
Legislative increase (decrease)	40,684,605	52,604,631	93,289,236	38,009,116
Legislative budget	$1,746,983,713	$3,022,696,983 [9]	$4,769,680,696	$1,758,978,407
Add				
Deficiency appropriations provided by the 2003 Legislative Assembly		27,300,000	27,300,000	
Less				
1.05 percent budget allotment	(18,343,329)		(18,343,329)	
Legislative budget as restated	$1,728,640,384 [10]	$3,049,996,983	$4,778,637,367 [10]	$1,758,978,407
2003-05				
Executive budget	$1,762,103,934	$3,231,267,168	$4,993,371,102	$1,772,149,343
Legislative increase (decrease)	41,557,227	24,511,067	66,068,294	41,764,727
Legislative budget	$1,803,661,161	$3,255,778,235	$5,059,439,396	$1,813,914,070

Add				
Deficiency appropriations provided by the 2005 Legislative Assembly	13,224,344	34,000,000	47,224,344	
Less				
Special funds reductions required by 2003 HB 1505		(62,241)	(62,241)	
Legislative budget as restated	$1,816,885,505	$3,289,715,994	$5,106,601,499	$1,813,914,070
2005-07				
Executive budget	$2,007,001,269	$3,538,353,475	$5,545,354,744	$2,017,154,996
Legislative increase (decrease)	(17,548,646)	224,867,692	207,319,046	(17,406,842)
Legislative budget	$1,989,452,623	$3,763,221,167	$5,752,673,790	$1,999,748,154
Add				
Deficiency appropriations provided by the 2007 Legislative Assembly	11,084,451	22,000,000	33,084,451	
Legislative budget as restated	$2,000,537,074	$3,785,221,167	$5,785,758,241	$1,999,748,154
2007-09				
Executive budget	$2,468,326,339	$3,864,876,095	$6,333,202,434	$2,502,682,419
Legislative increase (decrease)	(6,352,383)	155,638,989	149,286,606	(27,052,284)
Legislative budget	$2,461,973,956	$4,020,515,084	$6,482,489,040	$2,475,630,135
Add				
Deficiency appropriations provided by the 2009 Legislative Assembly	112,339,319	29,152,403	141,491,722	
Legislative budget as restated	$2,574,313,275	$4,049,667,487	$6,623,980,762	$2,475,630,135
2009-11				
Executive budget	$3,110,921,665	$4,598,634,482	$7,709,556,147	$3,175,713,942
Legislative increase (decrease)	148,443,816	1,000,274,902	1,148,718,718	103,180,918
Legislative budget	$3,259,365,481	$5,598,909,384	$8,858,274,865	$3,278,894,860
Add				
Deficiency appropriations provided by the 2011 Legislative Assembly	37,230,168	43,433,000	80,663,168	
Legislative budget as restated	$3,296,595,649	$5,642,342,384	$8,938,938,033	$3,278,894,860

2011-13				
Executive budget	$3,295,569,541	$5,998,005,832	$9,293,575,373	$3,351,306,217
Legislative increase (decrease)	941,116,919	364,281,588	1,305,398,507	1,092,272,719
Legislative budget	$4,236,686,460	$6,362,287,420	$10,598,973,880	$4,443,578,936
Add				
Deficiency appropriations provided by the 2013 Legislative Assembly	60,314,701	25,000,000	85,314,701	
Legislative budget as restated	$4,297,001,161	$6,387,287,420	$10,684,288,581	$4,443,578,936
2013-15				
Executive budget	$4,786,171,981	$7,998,462,773	$12,784,634,754	$4,866,676,875
Legislative increase (decrease)	2,087,415,373	(1,116,787,817)	970,627,556	2,082,954,407
Legislative budget	$6,873,587,354	$6,881,674,956	$13,755,262,310	$6,949,631,282
Add				
Deficiency appropriations provided by the 2015 Legislative Assembly	6,084,026	393,380,000	399,464,026	
Legislative budget as restated	$6,879,671,380	$7,275,054,956	$14,154,726,336	$6,949,631,282
2015-17				
Executive budget	$7,232,580,330	$8,494,450,631	$15,727,030,961	$7,329,943,668
Legislative increase (decrease)	(1,206,417,652)	(320,216,515)	(1,526,634,167)	(1,092,771,398)
Legislative budget	$6,026,162,678	$8,174,234,116	$14,200,396,794	$6,237,172,270

[1]This schedule presents totals of appropriations and revenues recommended in the executive budget compared to the appropriations and revenues approved by the Legislative Assembly. Appropriation totals are adjusted to reflect deficiency appropriations made by succeeding Legislative Assemblies which are reflected in the previous biennium appropriation amounts.

[2]The general fund revenues include estimated general fund balances at the beginning of a biennium which are in several instances adjusted to reflect deficiency appropriations.

The following is a summary of major action by the Legislative Assembly affecting general fund revenues:

- The 1967 Legislative Assembly increased the sales tax from 2.25 to 3 percent.
- The 1969 Legislative Assembly repealed the personal property tax, increased the sales tax from 3 to 4 percent, and enacted the business privilege tax. Also, the Legislative Assembly reduced the executive budget general fund revenue estimates (primarily income tax estimates) by $4.7 million.

- The 1973 Legislative Assembly increased the estimated July 1, 1973, general fund balance from the executive estimate by $3 million and increased executive budget 1973-75 revenue estimates for sales and income tax collections by $3.3 million. In addition, revenue estimates were reduced by exempting food purchases from the sales tax, revising the income tax rates, and repealing the tax on oleomargarine.
- The 1975 Legislative Assembly increased the July 1, 1975, estimated general fund balance from the executive estimate by $14 million because of increased sales and income tax collections and increased the executive budget 1975-77 revenue estimates for sales and income tax collections by $10 million. In addition, a coal conversion tax and a coal severance tax were enacted. Also, revenue estimates were reduced by enacting the income tax inflation credit, reducing the business privilege tax, requiring driver's license fees to be deposited in the highway fund rather than the general fund, and amending the estate tax laws so no portion of estate tax collections are deposited in the general fund.
- The executive budget and legislative revenue estimates for the 1977-79 biennium reflect the reduction of the sales tax from 4 to 3 percent.
- The 1979 Legislative Assembly increased the June 30, 1979, estimated general fund balance from the executive budget estimate by $4 million because of increased income tax collections for the 1977-79 biennium and increased estimated income tax collections for the 1979-81 biennium by $7 million.
- The 1981 Legislative Assembly reduced estimated income tax collections by $51.7 million as a result of an updating of the definition of federal taxable income and reducing income tax rates, changed the percentage of oil extraction tax going to the general fund from 45 to 30 percent resulting in a reduction of $39,766,667, transferred a portion of the oil and gas gross production tax to the highway tax distribution fund and townships resulting in a reduction of $32 million to general fund revenues, and added $21.5 million due to a March 19, 1981, executive budget office revision of revenue estimates.
- The 1983 Legislative Assembly reduced revenues by $58,406,000 due to revised revenue estimates of the executive budget office; increased revenues by $86.03 million to change the percentage of oil extraction tax going to the general fund from 30 to 90 percent; and provided major tax increases of $102.75 million for personal and corporate income taxes, $41.59 million in accelerated tax collections, $8.2 million in coal conversion taxes, $9.5 million in cigarette taxes, and $4.2 million in liquor taxes. Also, the executive budget and legislative revenue estimates for the 1983-85 biennium reflect an increase in the sales tax from 3 to 4 percent.
- The 1985 Legislative Assembly reduced general fund revenues by $56,057,658 due to revised revenue estimates of the executive budget office and increased revenues by $9,415,651 relating to a transfer from the coal development impact fund to the general fund, by $5.32 million to remove the sales tax exemption from candy and selected carbonated beverages, and by $7,832,450 related to keeping the percentage of the oil extraction tax allocated to the general fund at 90 percent rather than 85 percent in the original executive budget.
- Revenues for the 1985-87 biennium were reduced by $75,126,740 after the 1985 legislative session consisting of a reduction of $110,386,758 due to revised revenue estimates of the executive budget office, primarily a result of significant oil tax revenue shortfalls; an increase of $18,984,018 due to a higher than estimated July 1, 1985, general fund balance; increases totaling $16,276,000 as a result of the 1986 special session action, of which $13,276,000 relates to a one-cent sales and use tax increase for the last six months of the 1985-87 biennium; and a $3 million increase relating to increasing the individual income tax from 10.5 to 14 percent and implementing mandatory withholding effective January 1, 1987 (this is the fiscal impact after the referral measure relating to the income tax increase, which was defeated in March 1987).
- The 1987 Legislative Assembly increased general fund revenues by $9.22 million due to revised revenue estimates of the executive budget office by $46.14 million due to a temporary .5 percent sales, use, and aircraft excise tax increase from 5 to 5.5 percent and to include cable television; by $8.3 million due to a one-year 10 percent individual income tax surtax; by $9,724,000 due to a nine-cent per package cigarette tax increase; and by $4,255,000 due to removing the royalty owners exemption from the oil extraction tax. Revenues were reduced by $4,625,000 to provide a 15-month oil extraction tax exemption and to reduce the oil extraction tax rate from 6.5 to 4 percent for new wells.
- The 1989 Legislative Assembly increased general fund revenues by $32,236,000 due to revised revenue estimates of the executive budget office by $87,241,000 due to a one-cent sales and use tax increase from 5 to 6 percent (the actual increase was from 5.5 to 6 percent; however, .5 percent was a temporary tax and the rate would have reverted to 5 percent); by $4,714,200 for a 6 percent sales tax on bingo; by $42.6 million to increase the individual income tax from 14 to 17 percent of federal tax liability and the equivalent increases in the long-form rates; and by $4.6 million to increase the insurance premium tax rates on accident, health, and other lines, except life insurance, from 1.25 to 1.75 percent.

- The 1991 Legislative Assembly increased general fund revenues by $16.3 million due to allowing Sunday opening and by $23.2 million due to a transfer from Bank of North Dakota earnings.
- The 1993 Legislative Assembly increased general fund revenues by $11.8 million due to repealing the capital construction fund, which received a portion of the sales, use, and motor vehicle excise tax; by $15.5 million due to increasing the cigarette tax by 15 cents (from 29 cents to 44 cents) and other tobacco products from 22 to 28 percent of the wholesale price; and by $8.2 million due to increasing the tax on charitable gaming tickets (pull tabs) from 2 to 4.5 percent.
- The 1995 Legislative Assembly increased general fund revenues by $2.7 million due to increasing court fees and providing that the fees be deposited in the general fund rather than with the counties, additional revenues being projected in the March revenue forecast, and requiring a sales certificate on used vehicle sales. Revenues were reduced as a result of increasing the oil extraction tax allocation to the resources trust fund and decreasing transfers from the Mill and Elevator and state agency 1993-95 estimated turnback.
- The 1997 Legislative Assembly reduced general fund revenues by $4.4 million due to decreasing Bank of North Dakota transfers to the general fund, decreasing state aid distribution fund transfers to the general fund, expanding the exemptions from the coal conversion tax, and a reduction resulting from the March revenue forecast. Revenues were increased as a result of estimating additional agency turnback for the 1995-97 biennium and additional oil and gas gross production tax revenues and increasing the percentage of sales and use tax collections that are deposited in the general fund.
- The 1999 Legislative Assembly reduced general fund revenues by $20.2 million due to a reduction resulting from the March revenue revision, decreasing Bank of North Dakota transfers to the general fund, and a sales tax rate reduction for used farm machinery and repair parts and used irrigation equipment. Revenues were increased as a result of increased departmental collections from governmental nursing facility payment reimbursements, the contingent sale of developmentally disabled facility loans to the Bank of North Dakota, increased special funds transfers, and additional court filing fee revenue.
- The 2001 Legislative Assembly increased general fund revenues by $38 million due to an increase resulting from the March revenue revision, increasing Bank of North Dakota transfers to the general fund, the providing of a transfer from the student loan trust fund, and increased departmental collections from governmental nursing facility payment reimbursements.
- The 2003 Legislative Assembly increased general fund revenues by $41.7 million due to an increase resulting from the March revenue revision, a 1 percent lodging tax increase, increasing the transfer from the student loan trust fund, and providing transfers from the water development trust fund and the health care trust fund.
- The 2005 Legislative Assembly decreased general fund revenues by $17.4 million due to defeating the executive budget proposal to repeal North Dakota Century Code Section 54-27.2-02 providing for the end of the biennium general fund balance in excess of $65 million to be transferred to the budget stabilization fund resulting in a reduction in revenue of $65 million, defeating the executive budget proposal to increase the limit for oil revenues to be deposited in the general fund rather than the permanent oil tax trust fund resulting in a reduction in revenue of $13.3 million, increasing the transfer from the lands and minerals trust fund, and providing transfers from the permanent oil tax trust fund.
- The 2007 Legislative Assembly decreased general fund revenues by $120.85 million due to reducing the income tax "marriage penalty" and providing property tax relief by an income tax credit, decreased general fund revenues by $12.62 million to deposit motor vehicle excise tax collections in the highway fund rather than the general fund, decreased general fund revenues by $4.6 million to provide tax reductions and exemptions for heating fuels, and increased general fund revenues by $115 million by providing a transfer from the permanent oil tax trust fund.
- The 2009 Legislative Assembly increased general fund revenues by $103.18 million due to providing a $435 million transfer from the permanent oil tax trust fund to the general fund, providing individual and corporate income tax rate reductions of $100 million, removing a $60 million transfer from the Bank of North Dakota to the general fund, defeating the executive recommendation to increase the limit of oil revenues deposited in the general fund rather than the permanent oil tax trust fund by $39 million, and depositing $30.46 million of motor vehicle excise tax collections in the highway fund rather than the general fund.
- The 2011 Legislative Assembly increased general fund revenues by $1,092,270,000 due to providing a $295 million transfer from the property tax relief sustainability fund, providing a $305 million transfer from the strategic investment and improvements fund, increasing the amount of oil and gas tax revenues deposited in the general fund by $229 million, transferring the permanent oil tax trust fund balance of $615 million at the end of the 2009-11 biennium, removing a transfer of $60 million from the Bank of North Dakota, removing a transfer of $239 million from the lands and minerals trust fund,

removing a transfer of $232 million from the permanent oil tax trust fund, defeating the executive recommendation to deposit $45.7 million of motor vehicle excise taxes in the highway tax distribution fund rather than the general fund, and providing individual and corporate income tax rate reductions of $145 million. The amount shown also reflects adjustments made during the November 2011 special session to reflect an additional $336.6 million for the actual general fund balance on July 1, 2011, and a decrease in general fund revenue or $11 million due to an increase in available tax credits for contributions to the housing incentive fund from $4 million to $15 million.

- The 2013 Legislative Assembly increased general fund revenues by $2,082,950,000 due to providing a $520 million transfer from the strategic investment and improvements fund; providing a $341.79 million transfer from the property tax relief fund; removing 2011-13 transfers of $744.8 million to the property tax relief fund, $720 million to the highway fund, and $30 million to the housing incentive fund all of which affected the estimated beginning balance; and approving individual and corporate income tax rate reductions of $250 million.
- The 2015 Legislative Assembly decreased general fund revenues by $1.1 billion primarily due to removing a $700 million transfer from the strategic investment and improvements fund and reducing the general fund revenue forecast by $419 million.

[3]This is the amount of general fund appropriations recommended by the Governor in the original executive budget as submitted on December 13-14, 1982. On February 10, 1983, and March 21, 1983, the Governor made specific recommendations in regard to reductions in various general fund appropriations. The Governor also supported an additional general fund foundation aid appropriation due to depositing 90 percent of the oil extraction tax in the general fund. The Governor's revised general fund appropriation level, subsequent to the February 1983 adjustments discussed above, was $897.8 million, which included an additional $15.8 million for foundation aid due to a decline in oil revenue estimates. Subsequent to the March 1983 adjustments, the Governor's revised general fund appropriation level was $973.4 million, which was $871.5 million plus $101.9 million due to funding foundation aid from the general fund rather than from oil extraction tax collections.

[4]This is the amount of general fund appropriations recommended by Governor Alan Olson in the original executive budget as submitted on December 6-7, 1984. On February 5, 1985, Governor George Sinner recommended reductions to general fund appropriations which totaled $72,995,855. Governor Sinner's revised general fund appropriation level was $1,115,605,614.

[5]In addition to adjustments for deficiency appropriations, Governor Sinner mandated a 4 percent general fund allotment reduction totaling $44,125,917 as of May 1987, the 50th Legislative Assembly made general fund reductions totaling $12,965,250, and $4,388,862 was added for Emergency Commission action and 1983-85 carryover which resulted in a 1985-87 general fund spending level of $1,081,481,356.

[6]Other adjustments to the 1987-89 legislative general fund appropriations were a $3,174,998 reduction due to the cable television sales tax referral and a $20,520,081 reduction from budget allotments ordered by Governor Sinner because of an anticipated reduction in general fund revenues.

[7]In addition, the 1991 Legislative Assembly House Bill No. 1046, appropriated up to $9.5 million from the general fund for rural development if 1991-93 revenues were more than the 1991-93 revenue estimates made by the 1991 Legislative Assembly, excluding the effect of Sunday opening, by at least $11 million. This amount does not reflect budget allotments ordered by Governor Sinner during the 1991-93 biennium of $4,305,000.

[8]The special funds appropriation increase results primarily from the Legislative Assembly appropriating $476.3 million of higher education local funds for the 1999-2001 biennium.

[9]The special funds appropriation decrease from the prior biennium results primarily from the Legislative Assembly removing $755,859,048 of higher education tuition income and local funds by providing a continuing appropriation for higher education special funds, including tuition income and local funds. If higher education tuition income and local funds had been specifically appropriated, the 2001-03 legislative budget for special funds would have been approximately $3,778,556,031, a $513,284,687 increase from the 1999-2001 special funds legislative budget of $3,265,271,344.

[10]In addition to an adjustment for deficiency appropriations, Governor John Hoeven mandated a 1.05 percent general fund allotment reduction totaling $18,343,329 in July 2002.

COMPARISON OF AGENCY REQUESTS, EXECUTIVE RECOMMENDATIONS, AND LEGISLATIVE APPROPRIATIONS FOR STATE SCHOOL AID FOR THE 1967-69 THROUGH 2015-17 BIENNIUMS

Biennium	Department of Public Instruction Request	Executive Recommendation	Legislative Appropriation	Appropriated Increase (Decrease) From Previous Biennium Appropriation and Previous Year Per Student Payment	Appropriated Percentage Increase (Decrease) From Previous Biennium Appropriation and Previous Year Per Student Payment
1967-69					
General fund state school aid appropriation	$48,200,000	$38,450,000	$45,500,000	$9,650,000	26.9%
First-year per student payments	N/A	$220	$220	$44	25.0%
Second-year per student payments	N/A	$220	$220	$0	0.0%
1969-71					
General fund state school aid appropriation	$51,750,000	$48,700,000	$50,200,000	$4,700,000	10.3%
First-year per student payments	N/A	$230	$230	$10	4.5%
Second-year per student payments	N/A	$230	$240	$10	4.3%
1971-73					
General fund state school aid appropriation	$67,200,000	$51,135,000	$54,385,000	$4,185,000	8.3%
First-year per student payments	N/A	Not specified	$250	$10	4.2%
Second-year per student payments	N/A	Not specified	$260	$10	4.0%
1973-75					
Total state school aid appropriation	$77,025,000	$67,000,000	$118,200,000	$63,815,000	117.3%
Less federal revenue sharing			25,300,000	25,300,000	
General fund appropriation	$77,025,000	$67,000,000	$92,900,000	$38,515,000	70.8%
First-year per student payments	N/A	Not specified	$540	$280	107.7%
Second-year per student payments	N/A	Not specified	$540	$0	0.0%
1975-77					
Total state school aid appropriation	$156,600,000	$156,600,000	$153,378,805	$35,178,805	29.8%
Less federal revenue sharing	12,000,000	12,000,000	12,000,000	(13,300,000)	
General fund appropriation	$144,600,000	$144,600,000	$141,378,805	$48,478,805	52.2%
First-year per student payments	$620	$620	$640	$100	18.5%
Second-year per student payments	$680	$680	$690	$50	7.8%

1977-79					
Total state school aid appropriation	$187,000,000	$185,000,000	$186,752,000	$33,373,195	21.8%
Less federal revenue sharing	11,000,000	11,000,000	11,000,000	(1,000,000)	
General fund appropriation	$176,000,000	$174,000,000	$175,752,000	$34,373,195	24.3%
First-year per student payments	$765	$765	$775	$85	12.3%
Second-year per student payments	$840	$840	$850	$75	9.7%
1979-81					
State school aid					
Per student payments	$255,943,625	$243,074,830	$256,252,000	N/A	
Less: 20-mill district and 21-mill county deducts	61,080,000	61,080,000	63,631,500	N/A	
Net per student payments	$194,863,625	$181,994,830	$192,620,500	N/A	
Tuition fund distributions			16,500,000 [1]	N/A	
Textbooks	6,000,000	5,000,000			
Transportation aid	21,910,000	21,910,000	22,073,500	N/A	
Total state school aid appropriation	$222,773,625	$208,904,830	$231,194,000	$44,442,000	23.8%
Less					
Federal revenue sharing		12,400,000	12,400,000	1,400,000	
Oil and gas bonuses			5,300,000	5,300,000	
Vietnam bonus sinking funds			4,400,000	4,400,000	
Tuition fund distributions			16,500,000 [1]	16,500,000	
General fund appropriation	$222,773,625	$196,504,830	$192,594,000 [2]	$16,842,000	9.6%
First-year per student payments	$875	$875	$903	$53	6.2%
First-year tuition fund payments			Not specified	N/A	N/A
Total first-year payments	$875	$875	$903	$53	6.2%
Second-year per student payments	$970	$922	$970	$67	7.4%
Second-year tuition fund payments			Not specified	N/A	N/A
Total second-year payments	$970	$922	$970	$67	7.4%
1981-83					
State school aid					
Per student payments	$429,250,044	$429,250,044	$385,961,408	$129,709,408	
Less: 20-mill district and 21-mill county deducts	69,300,000	71,972,000	34,972,000 [3]	(28,659,500)	
Net per student payments	$359,950,044	$357,278,044	$350,989,408	$158,368,908	
Appropriation for 21-mill levy replacement		$34,000,000			
Tuition fund distributions			29,877,400	13,377,400	
Transportation aid	40,053,500	40,053,500	37,715,468	15,641,968	
Total state school aid appropriation	$400,003,544	$431,331,544	$418,582,276	$187,388,276	81.1%

Less					
Oil extraction tax		128,000,000	169,266,667 [4]	169,266,667	
Oil and gas bonuses			16,000,000	10,700,000	
Federal revenue sharing			700,000	(11,700,000)	
Vietnam bonus sinking funds				(4,400,000)	
Tuition fund distributions			29,877,400	13,377,400	
General fund appropriation	$400,003,544	$303,331,544	$202,738,209	$10,144,209	5.3%
First-year per student payments	$1,569	$1,569	$1,425	$455	46.9%
First-year tuition fund payments			Not specified	N/A	N/A
Total first-year payments	$1,569	$1,569	$1,425	$455	46.9%
Second-year per student payments	$1,777	$1,777	$1,591	$166	11.6%
Second-year tuition fund payments			Not specified	N/A	N/A
Total second-year payments	$1,777	$1,777	$1,591	$166	11.6%
1983-85					
State school aid					
Per student payments	$372,716,564	$321,223,600	$351,139,250	($34,822,158)	
Less: 20-mill deduct		38,000,000	38,000,000	3,028,000	
Net per student payments	$372,716,564	$283,223,600	$313,139,250	($37,850,158)	
Tuition fund distributions	32,000,000	36,300,000	37,100,000 [5]	7,222,600	
Transportation aid	39,635,052	39,635,052	39,527,552	1,812,084	
Total state school aid appropriation	$444,351,616	$359,158,652	$389,766,802	($28,815,474)	(6.9%)
Less					
Oil extraction tax	103,000,000	101,877,000	[6]	(169,266,667)	
Oil and gas bonuses				(16,000,000)	
Federal revenue sharing				(700,000)	
Tuition fund distributions	32,000,000	36,300,000	37,100,000 [5]	7,222,600	
General fund appropriation	$309,351,616	$220,981,652	$352,666,802 [7]	$149,928,593	74.0%
First-year per student payments	$1,526	$1,400	$1,400	($191)	(12.0%)
First-year tuition fund payments	N/A [8]	N/A [8]	120 [5]	120	N/A
Total first-year payments	$1,526 [8]	$1,400 [8]	$1,520	($71)	(4.5%)
Second-year per student payments	$1,648	$1,400	$1,350	($50)	(3.6%)
Second-year tuition fund payments	N/A [8]	N/A [8]	170 [5]	50	41.7%
Total second-year payments	$1,648 [8]	$1,400 [8]	$1,520	$0	0.0%
1985-87					
State school aid					
Per student payments	$392,518,482	$378,745,728	$369,727,725	$18,588,475	
Less: 20-mill deduct	42,432,000	42,432,000	39,709,423	1,709,423	
Net per student payments	$350,086,482	$336,313,728	$330,018,302	$16,879,052	
Tuition fund distributions	47,895,000	47,895,000	47,895,000 [9]	10,795,000	
Transportation aid	41,511,724	41,511,724	40,068,810	541,258	
Total state school aid appropriation	$439,493,206	$425,720,452	$417,982,112	$28,215,310	7.2%

Less					
Tuition fund distributions	47,895,000	47,895,000	47,895,000 [9]	10,795,000	
Federal revenue sharing		187,000	187,000	187,000	
General fund appropriation	$391,598,206	$377,638,452	$369,900,112 [10]	$17,233,310	4.9%
First-year per student payments	$1,470	$1,406	$1,425 [10]	$75	5.6%
First-year tuition fund payments	190	190	195 [9]	25	14.7%
Total first-year payments	$1,660	$1,596	$1,620	$100	6.6%
Second-year per student payments	$1,544	$1,502	$1,455 [10]	$30	2.1%
Second-year tuition fund payments	190	190	195 [9]		0.0%
Total second-year payments	$1,734	$1,692	$1,650	$30	1.9%
1987-89					
State school aid					
Per student payments	$455,264,726	$360,756,666	$355,570,464	($14,157,261)	
Less: 20-mill deduct	39,204,350	39,204,350	39,070,442	(638,981)	
Net per student payments	$416,060,376	$321,552,316	$316,500,022	($13,518,280)	
Tuition fund distributions	47,895,000	43,100,000	43,100,000 [11]	(4,795,000)	
Transportation aid	40,068,810	40,068,810	38,109,386	(1,959,424)	
Total state school aid appropriation	$504,024,186	$404,721,126	$397,709,408	($20,272,704)	(4.9%)
Less					
Federal revenue sharing				(187,000)	
Tuition fund distributions	47,895,000	43,100,000	43,100,000 [11]	(4,795,000)	
General fund appropriation	$456,129,186	$361,621,126	$354,609,408 [12]	($15,290,704)	(4.1%)
First-year per student payments	$1,729	$1,413	$1,400 [12]	($55)	(3.8%)
First-year tuition fund payments	195	177	177 [11]	(18)	(9.2%)
Total first-year payments	$1,924	$1,590	$1,577	($73)	(4.4%)
Second-year per student payments	$1,806	$1,440	$1,412 [12]	$12	0.9%
Second-year tuition fund payments	195	177	177 [11]		0.0%
Total second-year payments	$2,001	$1,617	$1,589	$12	0.8%
1989-91					
State school aid					
Per student payments	$458,214,936	$402,575,604	$378,769,140	$23,198,676	
Less: Mill deduct					
40 mills	77,400,055	77,400,055			
21 mills first year, 22 mills second year			41,207,625	2,137,183	
Net per student payments	$380,814,881	$325,175,549	$337,561,515	$21,061,493	
Tuition fund distributions	40,700,000	40,700,000	48,200,000	5,100,000	
Transportation aid	40,000,000	34,200,000	36,637,073	(1,472,313)	
Total state school aid appropriation	$461,514,881	$400,075,549	$422,398,588	$24,689,180	6.2%

Less					
Tuition fund distributions	40,700,000	40,700,000	48,200,000	5,100,000	
General fund appropriation	$420,814,881	$359,375,549	$374,198,588 [13]	$19,589,180	5.5%
First-year per student payments	$1,850	$1,641	$1,525 [13]	$113	8.0%
First-year tuition fund payments	169	169	200	23	13.0%
Total first-year payments	$2,019	$1,810	$1,725	$136	8.6%
Second-year per student payments	$1,942	$1,690	$1,545 [13]	$20	1.3%
Second-year tuition fund payments	169	169	200		0.0%
Total second-year payments	$2,111	$1,859	$1,745	$20	1.2%
1991-93					
State school aid					
Per student payments	$435,561,700	$381,730,789	$386,784,025	$8,014,885	
Less: Mill deduct					
40 mills	76,762,904				
22 mills		42,131,994	42,076,240	868,615	
Net per student payments	$358,798,796	$339,598,795	$344,707,785	$7,146,270	
Tuition fund distributions	47,400,000	47,225,456	47,225,456	(974,544)	
Transportation aid	36,274,714	36,274,714	36,306,549	(330,524)	
Total state school aid appropriation	$442,473,510	$423,098,965	$428,239,790	$5,841,202	1.4%
Less					
Tuition fund distributions	47,400,000	47,225,456	47,225,456	(974,544)	
General fund appropriation	$395,073,510	$375,873,509	$381,014,334 [14]	$6,815,746	1.8%
First-year per student payments	$1,750	$1,531	$1,552 [14]	$7	0.5%
First-year tuition fund payments	198	197	197	(3)	(1.5%)
Total first-year payments	$1,948	$1,728	$1,749	$4	0.2%
Second-year per student payments	$1,825	$1,587	$1,608 [14]	$56	3.6%
Second-year tuition fund payments	198	198	198	1	0.5%
Total second-year payments	$2,023	$1,785	$1,806	$57	3.3%
1993-95					
State school aid					
Per student payments	$457,832,320	$472,112,798	$404,839,927	$18,055,902	
Less: Mill deduct					
40 mills	74,254,832				
50 mills first year, 60 mills second year		103,271,462			
23 mills first year, 24 mills second year			43,920,035	1,843,795	
Net per student payments	$383,577,488	$368,841,336	$360,919,892	$16,212,107	
Tuition fund distributions	47,225,456	46,017,000	46,017,000	(1,208,456)	
Transportation aid	35,538,279	31,521,432	35,600,000	(706,549)	
Total state school aid appropriation	$466,341,223	$446,379,768	$442,536,892	$14,297,102	3.3%

Less					
Tuition fund distributions	47,225,456	46,017,000	46,017,000	(1,208,456)	
General fund appropriation	$419,115,767	$400,362,768 [15]	$396,519,892 [16]	$15,505,558	4.1%
First-year per student payments	$1,860	Not specified	$1,570	($38)	(2.4%)
First-year tuition fund payments	197	$192	192	(6)	(3.0%)
Total first-year payments	$2,057	$192	$1,762	($44)	(2.4%)
Second-year per student payments	$1,900	Not specified	$1,636 [16]	$66	4.2%
Second-year tuition fund payments	197	$192	192		0.0%
Total second-year payments	$2,097	$192	$1,828	$66	3.7%
1995-97					
State school aid					
Per student payments	$426,533,854	$417,050,148	$456,215,232	$51,375,305	
Less: Mill deduct					
24 mills	46,010,284	46,010,284			
28 mills first year, 32 mills second year			59,709,197	15,789,162	
Net per student payments	$380,523,570	$371,039,864	$396,506,035	$35,586,143	
Tuition fund distributions	46,017,000	46,017,000	46,017,000		
Transportation aid	36,000,798	36,000,798	36,000,798	400,798	
Total state school aid appropriation	$462,541,368	$453,057,662	$478,523,833	$35,986,941	8.1%
Less					
Tuition fund distributions	46,017,000	46,017,000	46,017,000		
Transportation aid - Special funds			880,000 [17]	880,000	
General fund appropriation	$416,524,368	$407,040,662	$431,626,833 [18]	$35,106,941	8.9%
First-year per student payments	$1,662	$1,652	$1,757	$121	7.4%
First-year tuition fund payments	211 [19]	190 [19]	190 [19]	(2)	(1.0%)
Total first-year payments	$1,873	$1,842	$1,947	$119	6.5%
Second-year per student payments	$1,734	$1,668	$1,862	$105	6.0%
Second-year tuition fund payments	211 [19]	190 [19]	190 [19]		0.0%
Total second-year payments	$1,945	$1,858	$2,052	$105	5.4%
1997-99					
State school aid					
Per student payments	$519,317,404	$483,650,506	$501,586,540	$45,371,308	
Less: Mill deduct					
36.05 mills first year, 39.91 mills second year	78,727,193				
32.42 mills first year, 33.34 mills second year		73,281,153			
32 mills			72,298,601	12,589,404	
Net per student payments	$440,590,211	$410,369,353	$429,287,939	$32,781,904	
Tuition fund distributions	49,273,144	49,273,144	49,273,144	3,256,144	
Limited English proficient student payments			300,000	300,000	

Equity payments		20,000,000 [20]			
Transportation aid	37,671,610	37,128,220	36,768,320	767,522	
Total state school aid appropriation	$527,534,965	$516,770,717	$515,629,403	$37,105,570	7.8%
Less					
Transportation aid - Special funds				(880,000)	
Tuition fund distributions	49,273,144	49,273,144	49,273,144	3,256,144	
General fund appropriation	$478,261,821	$467,497,573	$466,356,259 [21]	$34,729,426	8.0%
First-year per student payments	$2,010	$1,899	$1,954	$92	4.9%
First-year tuition fund payments	225 [22]	204 [22]	204 [22]	14	7.4%
Total first-year payments	$2,235	$2,103	$2,158	$106	5.2%
Second-year per student payments	$2,121	$1,935	$2,032	$78	4.0%
Second-year tuition fund payments	225 [22]	204 [22]	204 [22]		0.0%
Total second-year payments	$2,346	$2,139	$2,236	$78	3.6%
1999-2001					
State school aid					
Per student payments	$546,659,759	$517,678,909	$520,678,909	$19,092,369	
Less: 32-mill deduct	78,072,650	78,072,650	78,072,650	5,774,049	
Net per student payments	$468,587,109	$439,606,259	$442,606,259	$13,318,320	
Tuition fund distributions	53,528,217	53,528,217	53,528,217	4,255,073	
Limited English proficient student payments	300,000	300,000	400,000	100,000	
Transportation aid	36,400,000	36,000,000	36,000,000	(768,320)	
Total state school aid appropriation	$558,815,326	$529,434,476	$532,534,476	$16,905,073	3.3%
Less					
Tuition fund distributions	53,528,217	53,528,217	53,528,217	4,255,073	
General fund appropriation	$505,287,109	$475,906,259	$479,006,259	$12,650,000	2.7%
First-year per student payments	$2,195	$2,129	$2,145	$113	5.6%
First-year tuition fund payments	234 [23]	220 [23]	220 [23]	16	7.8%
Total first-year payments	$2,429	$2,349	$2,365	$129	5.8%
Second-year per student payments	$2,371	$2,221	$2,230	$85	4.0%
Second-year tuition fund payments	234 [23]	220 [23]	220 [23]		0.0%
Total second-year payments	$2,605	$2,441	$2,450	$85	3.6%
2001-03					
State school aid					
Per student payments	$555,110,467	$532,704,091	$522,264,541	$1,585,632	
Less: 32-mill deduct	83,611,330	83,611,330	84,942,893	6,870,243	
Net per student payments	$471,499,137	$449,092,761	$437,321,648	($5,284,611)	
Tuition fund distributions	61,346,025	67,239,025	67,239,025	13,710,808	
Limited English proficient student payments	450,000	450,000	650,000	250,000	

Teacher compensation payments			35,036,000 [24]	35,036,000	
Transportation aid	36,600,000	36,000,000	36,000,000		
Total state school aid appropriation	$569,895,162	$552,781,786	$576,246,673	$43,712,197	8.2%
Less					
Tuition fund distributions	61,346,025	67,239,025	67,239,025	13,710,808	
General fund appropriation	$508,549,137	$485,542,761	$509,007,648	$30,001,389	6.3%
First-year per student payments	$2,364	$2,323	$2,287	$57	2.6%
First-year tuition fund payments	266	300	300	80	36.4%
Total first-year payments	$2,630	$2,623	$2,587	$137	5.6%
Second-year per student payments	$2,506	$2,420	$2,347	$60	2.6%
Second-year tuition fund payments	266	300	300		
Total second-year payments	$2,772	$2,720	$2,647	$60	2.3%
2003-05					
State school aid					
Per student payments	$605,477,848	$534,667,340	$555,800,961	$33,536,420	
Less: Mill deduct[25]	92,127,848	92,460,350	101,870,971	16,928,078	
Net per student payments	$513,350,000	$442,206,990	$453,929,990	$16,608,342	
Tuition fund distributions	69,495,371	69,495,371	69,495,371	2,256,346	
Limited English proficient student payments	650,000	650,000	650,000		
Teacher compensation payments		66,277,000	51,854,000 [26]	16,818,000	
Transportation aid	36,000,000	35,200,000	34,800,000	(1,200,000)	
Total state school aid appropriation	$619,495,371	$613,829,361	$610,729,361	$34,482,688	6.0%
Less					
Tuition fund distributions	69,495,371	69,495,371	69,495,371	2,256,346	
General fund appropriation	$550,000,000	$544,333,990	$541,233,990	$32,226,342	6.3%
First-year per student payments	$2,766	$2,430	$2,509	$162	6.9%
First-year tuition fund payments	335	335	335	35	11.7%
Total first-year payments	$3,101	$2,765	$2,844	$197	7.4%
Second-year per student payments	$2,843	$2,528	$2,623	$114	4.5%
Second-year tuition fund payments	335	335	335		0.0%
Total second-year payments	$3,178	$2,863	$2,958	$114	4.0%
2005-07					
State school aid					
Per student payments	$628,674,605	$599,665,519	$607,953,450	$52,152,489	
Less: Mill deduct[27]	122,961,760	122,961,760	124,549,691	22,678,720	
Net per student payments	$505,712,845	$476,703,759	$483,403,759	$29,473,769	
Tuition fund distributions	71,600,000	71,600,000	71,600,000	2,104,629	
Limited English proficient student payments	650,000	650,000	650,000		

Teacher compensation payments	50,912,120	50,912,120	50,912,120 [28]	(941,880)	
Transportation aid	34,800,000	34,800,000	33,500,000	(1,300,000)	
Total state school aid appropriation	$663,674,965	$634,665,879	$640,065,879	$29,336,518	4.8%
Less					
Tuition fund distributions	71,600,000	71,600,000	71,600,000	2,104,629	
General fund appropriation	$592,074,965	$563,065,879	$568,465,879	$27,231,889	5.0%
First-year per student payments	$2,880	$2,726	$2,765	$142	5.4%
First-year tuition fund payments	351	351	351	16	4.8%
Total first-year payments	$3,231	$3,077	$3,116	$158	5.3%
Second-year per student payments	$3,073	$2,826	$2,879	$114	4.1%
Second-year tuition fund payments	351	351	351		0.0%
Total second-year payments	$3,424	$3,177	$3,230	$114	3.7%
2007-09[29]					
State school aid					
Per student formula payments	$703,565,879	$724,165,879	$726,165,879	N/A	
Transportation aid payments	33,500,000	33,500,000	33,500,000	N/A	
Total state school aid appropriation	$737,065,879	$757,665,879	$759,665,879	N/A	
Less					
Tuition fund distributions	71,600,000	76,200,000	76,200,000	N/A [29]	N/A [29]
General fund appropriation	$665,465,879	$681,465,879	$683,465,879	N/A [29]	N/A [29]
First-year per student payments	Not specified	$3,042	$3,250	N/A [29]	N/A [29]
Second-year per student payments	Not specified	$3,142	$3,325	N/A [29]	N/A [29]
2009-11					
State school aid					
Per student formula payments	$837,125,879	$837,125,879	$808,370,295	$82,204,416	
Supplemental operations grants			16,795,584	16,795,584	
Supplemental one-time grants			85,644,337	85,644,337	
Mill levy reduction grants		[30]	299,444,264 [30]	299,444,264	
Transportation aid payments	38,500,000	38,500,000	48,500,000 [31]	15,000,000	
Total state school aid appropriation	$875,625,879	$875,625,879	$1,258,754,480	$499,088,601	65.7%
Less					
Federal funds			85,644,337	85,644,337	N/A
Tuition fund distributions	85,500,000	85,500,000	86,300,000	10,100,000	13.3%
Property tax relief sustainability fund			4,233,000	4,233,000	N/A
General fund appropriation	$790,125,879	$790,125,879	$1,082,577,143	$399,111,264	58.4%
First-year per student payments	Not specified	$3,420	$3,200	($125)	(3.8%)
Second-year per student payments	Not specified	$3,779	$3,779	$579	18.1%

2011-13					
State school aid					
Per student formula payments	$919,459,478 [32]	$919,459,478 [32]	$918,459,478 [32]	$110,089,183	
Supplemental operations grants				(16,795,584)	
Supplemental one-time grants				(85,644,337)	
Federal education jobs fund program payments	21,242,838	21,242,838	21,242,838	21,242,838	
Rapid enrollment grants			5,000,000	5,000,000	
Mill levy reduction grants	341,790,000	341,790,000	341,790,000	42,345,736	
Transportation aid payments	48,500,000	48,500,000	48,500,000		
Total state school aid appropriation	$1,330,992,316	$1,330,992,316	$1,334,992,316	$76,237,836	6.1%
Less					
Federal funds	21,242,838	21,242,838	21,242,838	(64,401,499)	(75.2%)
Tuition fund distributions	101,638,000	101,638,000	101,638,000	15,338,000	17.8%
Property tax relief sustainability fund	341,790,000	341,790,000		(4,233,000)	(100.0%)
Oil and gas impact grant fund			5,000,000	5,000,000	N/A
General fund appropriation	$866,321,478	$866,321,478	$1,207,111,478	$124,534,335	11.5%
First-year per student payments	Not specified	$3,879	$3,910	$131	3.5%
Second-year per student payments	Not specified	$3,979	$3,980	$70	1.8%
2013-15					
State school aid					
Integrated formula payments	$1,787,400,000 [33]	$1,787,400,000 [33]	$1,752,100,000 [33]	$833,640,522 [33]	
Federal education jobs fund program payments				(21,242,838)	
Rapid enrollment grants	17,000,000	17,000,000	13,600,000	8,600,000	
Mill levy reduction grants				(341,790,000) [33]	
Transportation aid payments	53,500,000	53,500,000	53,500,000	5,000,000	
Total state school aid appropriation	$1,857,900,000	$1,857,900,000	$1,819,200,000	$484,207,684	36.3%
Less					
Federal funds				(21,242,838)	N/A
Tuition fund distributions	140,326,000	140,326,000	140,326,000	38,688,000	38.1%
Property tax relief fund	714,173,838	714,173,838			N/A
Oil and gas impact grant fund				(5,000,000)	N/A
General fund appropriation	$1,003,400,162	$1,003,400,162	$1,678,874,000	$471,762,522	39.1%
First-year **integrated** per student payment rate	Not specified	$8,810 [33]	$8,810 [33]	$4,830	121.4%
Second-year **integrated** per student payment rate	Not specified	$9,092 [33]	$9,092 [33]	$282	3.2%
2015-17					
State school aid					
Integrated formula payments	$1,900,000,000	$1,900,000,000	$1,916,640,000	$164,540,000	
Rapid enrollment grants	14,800,000	14,800,000	14,800,000	1,200,000	
Transportation aid payments	60,000,000	60,000,000	57,000,000	3,500,000	
Total state school aid appropriation	$1,974,800,000	$1,974,800,000	$1,988,440,000	$169,240,000	9.3%
Less					
Tuition fund distributions	219,134,000	219,134,000	219,134,000	78,808,000	56.2%
General fund appropriation	$1,755,666,000	$1,755,666,000	$1,769,306,000	$90,432,000	5.4%

First-year **integrated** per student payment rate	Not specified	$9,482	$9,365	$273	3.0%
Second-year **integrated** per student payment rate	Not specified	$9,766	$9,646	$281	3.0%

N/A - Not available or not applicable

1 Tuition fund distributions - 1979-81 - Distributions from the state tuition fund were appropriated for the first time by the 1979 Legislative Assembly but were distributed in previous bienniums. The state tuition fund consists of the net proceeds from all fines for violation of state laws, leasing of school lands, and the interest income from the state common schools permanent trust fund pursuant to North Dakota Century Code Section 15-44-01.

2 Adjusted 1979-81 appropriation - In addition to the amounts shown, the 1981 Legislative Assembly appropriated $12 million from the state general fund as a deficiency appropriation for the 1979-81 biennium.

3 Mill deduct - 1981-83 - The appropriation for the 1981-83 biennium was based on only the 20-mill district deduct not on the 21-mill county deduct.

4 Oil extraction tax - 1981-83 - Actual oil extraction tax collections in 1981-83 were less than originally estimated, and the 1983 Legislative Assembly subsequently appropriated $25 million from the lands and minerals trust fund and $6 million from the general fund for foundation aid to be distributed during the 1981-83 biennium.

5 Tuition fund distributions - 1983-85 - Actual tuition fund distributions for the 1983-85 biennium were $45,792,952, which resulted in payments of $176 per census unit in 1984 and $202 per census unit in 1985.

6 Oil extraction tax - 1983-85 - The 1983 Legislative Assembly provided that 90 percent of oil extraction tax collections would be deposited in the general fund rather than allocated 60 percent to the school aid program and 30 percent to the general fund. The remaining 10 percent was deposited in the resources trust fund.

7 State school aid - 1983-85 - The actual number of students was less than anticipated and, consequently, the statutory formula did not provide for the distribution of the entire appropriation. The actual amount distributed was $347,425, 231.

8 Per student payments - 1983-85 - The per student payments requested by the Department of Public Instruction and recommended by the Governor for the 1983-85 biennium included the use of money in the state tuition fund. The 1983 Legislative Assembly provided per student foundation aid payments that were in addition to state tuition fund payments.

9 Tuition fund distributions - 1985-87 - Actual 1985-87 biennium tuition fund distributions were $51,575,818, which resulted in payments of $209 per census unit in 1986 and $216 per census unit in 1987.

10 Adjusted 1985-87 appropriation - Due to executive budget allotments and Legislative Assembly general fund appropriation reductions, the total 1985-87 biennium general fund foundation aid distribution was reduced to $348,731,488. The actual per student payments were $1,425 and $1,367 for 1986 and 1987, respectively.

11 Tuition fund distributions - 1987-89 - Actual 1987-89 biennium tuition fund distributions were $50,603,504, which resulted in payments of $215 per census unit in 1988 and $206 per census unit in 1989.

12 Adjusted 1987-89 appropriation - Due to reductions resulting from a cable television sales tax referral and executive budget allotments, the 1987-89 biennium general fund state school aid distribution was reduced to $347,212,599. The actual per student payments were $1,400 and $1,385 for 1988 and 1989, respectively.

13 Adjusted 1989-91 appropriation - Due to the net effect of tax referrals, budget unallotments, and a $7 million general fund deficiency appropriation provided by the 1991 Legislative Assembly, the actual 1989-91 biennium general fund foundation aid distribution was reduced to $358,302,784. The actual per student payments were $1,411 and $1,537 in 1990 and 1991, respectively.

14 Adjusted 1991-93 appropriation - Due to executive budget allotments, the 1991-93 biennium general fund state school aid distribution was reduced to $380,310,085. The actual per student payments were $1,552 and $1,542 in 1992 and 1993, respectively.

15 Executive recommendation - 1993-95 - The amounts shown were included in Governor George A. Sinner's budget recommendation. Governor Edward T. Schafer's budget recommendation included a general fund appropriation of $381,014,334 for foundation aid.

16 State school aid - 1993-95 - The amount distributed for state school aid was increased to $397,794,664 to reflect approximately $600,000 available from the transportation aid appropriation and approximately $1.3 million available from the amount appropriated for school district restructuring, resulting in an additional payment of $46 per student the second year of the biennium.

[17] Transportation aid - 1995-97 - The 1995 Legislative Assembly appropriated $880,000 of special funds for transportation aid. The special funds were from the abandoned motor vehicle fund ($250,000) and the public transportation fund ($630,000).

[18] State school aid - 1995-97 - The actual number of students was less than anticipated, and, consequently, the statutory formula did not provide for the distribution of the entire appropriation. The actual amount distributed was $429,307,277.

[19] Tuition fund payments - 1995-97 - The Department of Public Instruction request for the 1995-97 biennium included the distribution of state tuition fund money on the basis of average daily membership rather than census units. The executive recommendation and the legislative appropriation continued the distribution on the basis of census units.

[20] Equity payments - 1997-99 - The executive recommendation for the 1997-99 biennium included $20 million for equity payments to school districts.

[21] State school aid - 1997-99 - The actual number of students was less than anticipated, and consequently, the statutory formula will not provide for the distribution of the entire appropriation.

[22] Tuition fund payments - 1997-99 - The Department of Public Instruction request for the 1997-99 biennium included the distribution of state tuition fund money on the basis of average daily membership rather than census units. The executive recommendation and the legislative appropriation continued the distribution on the basis of census units.

[23] Tuition fund payments - 1999-2001 - The Department of Public Instruction request for the 1999-2001 biennium included the distribution of state tuition fund money on the basis of average daily membership rather than census units. The executive recommendation and the legislative appropriation continued the distribution on the basis of census units.

[24] Teacher compensation payments - 2001-03 - Governor Schafer's executive recommendation did not include an appropriation for teacher compensation payments; however, Governor John Hoeven's budget recommendation included $50,009,575 for teacher compensation payments of $2,000 the first year of the biennium and an additional $1,500 the second year for school district instructional and administrative personnel. The legislative appropriation excludes administrative personnel and provides for payments of $1,000 the first year of the biennium and an additional $2,000 the second year.

[25] Mill deduct - 2003-05 - The mill deduct used in the calculation of the 2003-05 state school aid for the Department of Public Instruction request and the executive recommendation was 32 mills. The Legislative Assembly increased the mill deduct from 32 mills to 34 mills for the first year of the 2003-05 biennium and to 36 mills for the second year of the 2003-05 biennium.

[26] Teacher compensation payments - 2003-05 - The Legislative Assembly provided a general fund appropriation of $51,854,000 to continue the current level of teacher compensation payments of $1,000 for first-year teachers and $3,000 per second-year returning teachers. The Legislative Assembly did not adopt the executive recommendation to provide an additional $500 per third-year returning teacher in the first year of the 2003-05 biennium and an additional $1,000 per fourth-year returning teacher in the second year of the biennium.

[27] Mill deduct - 2005-07 - The mill deduct used in the calculation of the 2005-07 state school aid for the Department of Public Instruction request and the executive recommendation was 38 mills for the first year and 40 mills for the second year of the biennium. The Legislative Assembly did not change the mill deduct of 38 mills for the first year of the biennium, but the Legislative Assembly increased the mill deduct from 40 mills to 41 mills for the second year of the 2005-07 biennium.

[28] Teacher compensation payments - 2005-07 - The Legislative Assembly provided a general fund appropriation of $50,912,120 to continue the current level of teacher compensation payments of $1,000 for first-year teachers and $3,000 for other teachers.

[29] The 2007 Legislative Assembly did not change the executive budget recommendation to consolidate funding for the state school aid program, including per student payments, teacher compensation payments, special education average daily membership payments, revenue supplemental payments, and tuition apportionment payments, into a new state school aid funding formula with a new distribution methodology. Therefore, the legislative appropriations and per student payment amounts are not comparable between the 2005-07 and 2007-09 bienniums.

[30] The executive recommendation included a continuing appropriation from the permanent oil tax trust fund for property tax relief by providing mill levy reduction grants totaling an estimated $300 million for the 2009-11 biennium. The 2009 Legislative Assembly provided $295 million from the general fund for mill levy reduction grants. The 2011 Legislative Assembly provided deficiency appropriations totaling $4,444,264, of which $211,264 is from the general fund and $4,233,000 is from the property tax relief sustainability fund, for the 2009-11 biennium for mill levy reduction grants.

[31] In addition to the $43.5 million provided for transportation grants, the 2009 Legislative Assembly provided a $5 million contingent appropriation from the general fund for supplemental transportation aid payments. If prior to April 30, 2011, the Office of Management and Budget determines the June 30, 2011, general fund balance will exceed $30 million, the Department of Public Instruction is to provide the supplemental transportation aid payments according to the percentage of the total transportation formula amount each school district is entitled to receive. The February 2011 executive revenue forecast estimates the conditions will be met and the contingent supplemental funding will be made available.

[32] In addition to the funding provided in the Department of Public Instruction appropriation, the 2011-13 executive budget recommended and the Legislative Assembly approved amendments to the 2009 Session Laws to provide the Department of Public Instruction continue $9 million of estimated excess funding for state school aid ($8 million from state school aid and $1 million from transportation aid) from the 2009-11 biennium to the 2011-13 biennium for state school aid per student payments. Any additional excess funds remaining at the end of the 2009-11 biennium are to be distributed according to 2009 House Bill No. 1400.

[33] The 2013 Legislative Assembly approved a change in the K-12 state school aid funding formula. The formula change discontinues the mill levy reduction grant program and provides the state will determine an adequate base level of support necessary to educate students by applying an integrated payment rate to the weighted student units. This base level of support will be funded through a combination of local tax sources, local revenue and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment.

MAJOR STATE APPROPRIATIONS AND REVENUE ALLOCATIONS FOR DIRECT ASSISTANCE TO POLITICAL SUBDIVISIONS FROM THE 2005-07 THROUGH 2015-17 BIENNIUMS

	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17
Assistance to political subdivisions (excluding school-related funding)						
General fund appropriations						
Grants to public libraries	$1,000,000	$1,200,000	$1,300,000	$1,500,000	$1,766,500	$2,133,000
Library Vision 2014 grants			237,500	237,500	237,500	237,500
Public library repairs and maintenance matching grants						250,000
Homestead tax credit	4,500,000	8,104,000	7,313,000	8,792,788	20,000,000	20,000,000
Disabled veteran property tax credits			3,461,000	5,225,775	7,678,000	7,678,000
Aid to health districts	1,100,000	1,900,000	2,400,000	3,000,000	4,000,000	4,250,000
Children's special health services grants for multidisciplinary clinics						31,156
Suicide prevention grants						176,000
Weather-related transportation cost-sharing		52,400,000 [9]				
Local matching funds for federal disaster relief			250,000 [14]			
Emergency medical training grants to rural law enforcement			128,400			
Emergency medical services training		940,000	940,000	940,000	940,000	940,000
Emergency medical services operations				3,000,000	5,150,000	6,250,000
Regional public health network pilot project			275,000		700,000	
Public water system operator certification and training program				180,000	180,000	180,000
Funds to local public health units for immunization services			1,200,000 [15]	1,500,000 [15]	2,500,000 [15]	3,076,853 [15]
Funds to provide autopsies in the eastern part of the state at the University of North Dakota School of Medicine and Health Sciences					480,000	640,000
Grants to counties for portable personal computers for county veterans' service officers			20,000	20,000	20,000	
Accreditation and emerging issues training for county veterans' service officers			20,000	30,000	30,000	30,000
Matching funds to counties and cities for senior citizen services and programs	720,000 [1]	1,000,000	1,091,200	1,174,668	1,264,502	1,367,686
Indian welfare assistance to counties	1,147,174	955,124	1,959,541	4,990,361	5,597,322	5,942,875
State administration of child support enforcement		7,490,245	2,315,025	[17]	[17]	[17]
Child welfare, service payments to the elderly and disabled, and technology costs - State paying county share						19,300,000
County emergency human services mill levy grants						3,900,000
Boys' and girls' clubwork	53,000	53,000	53,000	53,000	53,000	53,000
Soil conservation district grants	630,000	730,000	837,800	987,800	1,137,800	1,212,800
Noxious weed control	67,817	67,817	65,817			
Payments in lieu of taxes on carbon dioxide pipeline property	1,545,000	1,365,000	1,151,000			
Clerk of court	11,810,929	13,587,187	15,253,306	16,795,673	20,432,528	24,603,806
Grants to airports	550,187	550,000	550,000	550,000	6,550,000	1,000,000
Transportation funding distributions to counties, cities, and townships in non-oil-producing counties			35,000,000	48,000,000	220,000,000 [26]	112,000,000 [26]
County and township roadway projects in areas affected by oil and gas development				142,000,000 [18]	160,000,000 [18]	
Transportation funding distributions to townships in certain oil-producing counties					8,760,000	
Transportation funding distributions to townships in non-oil-producing counties						8,000,000 [26]
Transfer to state disaster relief fund for disaster-related expenses, additional rebuilders loan funding and flood-impacted housing rehabilitation, and road grade raising grants				48,700,000 [25]		
Coal-producing county reimbursements for coal severance payments to non-coal-producing counties				252,800	277,800	245,000
Adjutant General firefighter training grants						1,200,000
Childcare facility grants					2,600,000	2,250,000

Community service supervision grants					375,000	500,000
Guardianship grants					828,600	1,328,600
State-paid property tax relief credits					200,000,000	250,000,000
Total general fund (excluding school-related funding)	$23,124,107	$90,342,373	$75,821,589	$287,930,365	$671,558,552	$478,776,276
Percentage of total general fund appropriations	1.2%	3.5%	2.3%	6.7%	9.8%	7.9%
Special funds appropriations and revenue allocations						
Grants for local water projects and a feasibility study			$2,634,000 [12]	$750,000 [12]		
Noxious weed control	$1,646,408	$1,646,408	1,646,408	1,375,274	$1,375,274	$1,375,274
State aid distribution funds to cities and counties[3]	84,212,635	105,043,938	120,322,918	210,348,132	255,778,565	303,246,987
Public transportation services (public transportation fund)[4]	4,650,000	5,700,000	5,800,000	6,300,000	10,000,000	9,500,000
Insurance tax to fire departments (insurance tax distribution fund)	6,200,000	6,200,000	6,200,000	6,200,000	14,536,386	15,681,207
Flood-impacted housing assistance grant program (state disaster relief fund)					1,500,000	
Emergency medical services operations (insurance tax distribution fund)		1,250,000	2,750,000	1,250,000	1,250,000	1,250,000
Emergency medical services grants (community health trust fund)		300,000	300,000			
Community health grant program (community health trust fund)	4,700,000	4,700,000				
Community health trust fund cessation grants (community health trust fund)	395,000	260,000	225,000	225,000	320,000	234,000
Tobacco education and cessation program grants (tobacco prevention and control trust fund)			7,653,965	8,822,511	10,898,269	10,398,101
Abandoned vehicle cleanup (abandoned vehicle fund)					250,000	215,000
Gaming enforcement grants	617,000	617,000	510,000	510,000	510,000	510,000
Law enforcement grants					7,890,000	9,000,000
Matching funds to counties and cities for senior citizen services and programs	2,067,918 [10]	2,407,214 [10]	2,710,599 [10]	3,476,461 [10]	4,394,000 [10]	6,667,719 [10]
Energy development impact grants (oil and gas impact grant fund)	4,888,100	5,888,100	7,888,100	94,428,269	239,299,174 [21]	139,300,000 [21]
Grants to airports (Aeronautics Commission special funds collections)	2,447,126	2,950,000	5,280,000	5,080,000	7,450,000	6,500,000
Indian welfare assistance to counties (Department of Human Services "retained" funds)	1,964,607	1,964,607	1,964,607	1,964,607		
Motor vehicle fuel tax and registration fee allocations[5]	129,600,000	129,900,000	161,500,000	153,800,000	220,500,000	230,900,000
Telecommunications tax allocations	16,800,000	16,800,000	16,800,000	16,800,000	16,800,000	16,800,000
Coal severance tax allocations[6]	15,838,815	15,740,801	15,127,988	14,614,035	14,913,438	14,900,000
Coal conversion tax allocations[6]	7,497,297	7,565,608	10,208,486	11,937,024	11,729,346	12,000,000
Distributions to cities from the strategic investment and improvements fund						282,000,000
Oil and gas gross production tax allocations[7]	52,886,035	89,031,247	157,419,253	265,629,305	652,640,000	630,790,000
Political subdivision allocation fund						43,930,000
Transportation funding distributions to counties, cities, and townships in non-oil-producing counties (strategic investment and improvements fund)						128,000,000 [26]
Financial institution tax allocations		20,000,000	23,750,000	21,220,280	[28]	[28]
Disaster relief funding (state disaster relief fund)			43,000,000 [11]	25,500,000 [20]		
Transportation funding distributions to counties, cities, and townships in oil-producing counties (strategic investment and improvements fund)						240,000,000 [18]
Emergency snow removal grants (state disaster relief fund)			9,000,000 [19]			
Rice Lake flood mitigation (state disaster relief fund)						2,000,000
Fargo interior flood control (state disaster relief fund)						30,000,000
Bismarck area flood levees (state disaster relief fund)						4,000,000
Cigarette tax allocations[8]	2,831,416	2,851,194	2,724,707	3,048,138	3,300,000	3,300,000
Energy conservation grants to political subdivisions					1,200,000	1,200,000
Total special funds (excluding school-related funding)	$339,242,357	$420,816,117	$605,416,031	$853,279,036	$1,476,534,452	$2,143,698,288
Total major direct assistance to political subdivisions (excluding school-related funding)	$362,366,464	$511,158,490	$681,237,620	$1,141,209,401	$2,148,093,004	$2,622,474,564

School-related assistance to political subdivisions

General fund appropriations - School-related funding						
State school aid per student formula payments	$484,053,759	$649,965,879	$636,425,958 [16]	$816,821,478 [22]	$0 [27]	$0
State school aid - Integrated formula payments					1,611,774,000 [27]	1,697,506,000
Supplemental operations grants			16,795,584			
Supplemental one-time grants			85,644,337			
Mill levy reduction grants			295,211,264 [24]	341,790,000 [24]	[27]	
Rapid enrollment grants					13,600,000 [27]	14,800,000 [29]
School district safety grants					3,000,000 [27]	[30]
Reimbursement for CPR training					450,000 [27]	450,000 [31]
Teacher compensation payments to school districts	50,912,120					
Special education - Gifted and talented per student payments	37,000,000					
School district reorganization bonuses	759,000					
Revenue supplement payments to school districts	5,000,000					
Transportation aid payments to school districts	33,500,000	33,500,000	43,500,000 [13]	48,500,000	53,500,000	57,000,000 [32]
Contingent supplemental transportation aid payments to school districts			5,000,000 [13]			
Special education contracts	15,500,000	17,500,000	15,500,000	16,000,000	16,500,000	17,300,000
Joint powers agreement incentives	1,000,000					
School food services	1,080,000	1,080,000	1,380,000	1,380,000	1,380,000	1,380,000
Adult education	1,055,000	1,055,000	1,850,000	3,110,411	3,110,411	4,110,411
Adult education contingent appropriation				500,000 [23]		
Alternative education program grants				300,000		
Prekindergarten space grants				125,000	125,000	125,000
Flood-damaged school infrastructure grant				500,000 [25]		
English language learner grants						1,000,000 [33]
Medicaid matching grants						323,611
Educational Technology Council grants	578,590	800,000	604,750	425,000	1,393,000	1,595,000
Vocational education	13,846,810	14,165,749	17,000,000	19,729,137	22,234,137	27,036,425
EduTech services, including school district antivirus licenses and PowerSchool funding	2,652,348	2,722,348	5,104,699	3,044,096	3,186,901	3,766,707
School district information technology network costs (statewide information technology network costs)	3,395,550 [2]	3,413,972 [2]	5,568,970 [2]	4,798,992 [2]	4,828,177	5,008,609
Total general fund - School-related funding	$650,333,177	$724,202,948	$1,129,585,562	$1,257,024,114	$1,735,081,626	$1,831,401,763
Percentage of total general fund appropriations	32.5%	28.1%	34.3%	29.3%	25.2%	30.4%
Special funds appropriations and revenue allocations - School-related funding						
State school aid - Integrated formula payments (state tuition fund)	$71,600,000	$76,200,000	$86,300,000	$101,638,000	$140,326,000 [27]	$219,134,000
Grants for adult education programs (displaced homemaker fund)	240,000	240,000	250,000	250,000	225,000	225,000
Rapid enrollment grants (oil and gas impact grant fund)				5,000,000	[27]	
Mill levy reduction grants to school districts (property tax relief fund)			4,233,000			
Educational Technology Council grants						600,000
Vocational education				112,724	112,724	124,488
Total special funds - School-related funding	$71,840,000	$76,440,000	$90,783,000	$107,000,724	$140,663,724	$220,083,488
Total major school-related assistance to political subdivisions	$722,173,177	$800,642,948	$1,220,368,562	$1,364,024,838	$1,875,745,350	$2,051,485,251
Total general fund assistance to political subdivisions	$673,457,284	$814,545,321	$1,205,407,151	$1,544,954,479	$2,406,640,178	$2,310,178,039
Total special funds assistance	$411,082,357	$497,256,117	$696,199,031	$960,279,760	$1,617,198,176	$2,363,781,776
Total major direct assistance to political subdivisions	$1,084,539,641	$1,311,801,438	$1,901,606,182	$2,505,234,239	$4,023,838,354	$4,673,959,815

[1] The 2005-07 appropriation consists of $720,000 of state funding to providers for matching federal Title III funds in the Department of Human Services.

[2] The Legislative Assembly provides funding from the general fund for the statewide information technology network connections for K-12 and public libraries, net of an e-rate credit.

[3] The 1987 Legislative Assembly House Bill No. 1590 provided that .6 of an equivalent of 1 percent of the sales, use, and motor vehicle excise tax shall be deposited into the state aid distribution fund to be used beginning July 1, 1989.

The 1997 Legislative Assembly House Bill No. 1019 reduced the .6 to .4 of an equivalent of 1 percent of the sales, use, and motor vehicle excise tax to be deposited into the state aid distribution fund beginning January 1, 1999. The Legislative Assembly also added a continuing appropriation so all revenues deposited into the state aid distribution fund are appropriated for payments to political subdivisions. The change also eliminated the 50 percent for personal property tax replacement and 50 percent for revenue sharing and instead provided that 53.7 percent of the revenues in the fund be distributed to counties and 46.3 percent of the revenues be distributed to cities. The 2013 Legislative Assembly increased the .4 to .435 of an equivalent of 1 percent of the sales, use, and motor vehicle excise tax to be deposited into the state aid distribution fund beginning July 1, 2014.

[4] Prior to the 2009-11 biennium, $3 of each motor vehicle registration fee was deposited in the public transportation fund. Beginning with the 2009-11 biennium, the $3 fee is deposited in the highway tax distribution fund, and the public transportation fund receives 1.5 percent of distributions from the highway tax distribution fund. The 2011-13 amounts include a $100,000 transfer from the general fund to the public transportation fund. The 2013-15 amounts include a $1.1 million contingent general fund transfer to the public transportation fund. The 2015-17 amounts include a $200,000 contingent general fund transfer to the public transportation fund.

[5] Prior to the 2009-11 biennium, 37 percent of the funds in the highway tax distribution fund were allocated to counties and cities, and one cent per gallon of motor fuels taxes was deposited in the township highway aid fund. Beginning with the 2009-11 biennium, counties and cities receive 34.5 percent of distributions from the highway tax distribution fund, the one cent per gallon of motor fuels taxes originally deposited in the township highway aid fund is deposited in the highway tax distribution fund, and townships receive 2.7 percent of distributions from the highway tax distribution fund. The amounts shown do not include highway tax distribution fund deposits in the public transportation fund which are shown separately in this schedule.

[6] Beginning in the 2001-03 biennium, the coal severance tax allocation is based on the provision that 70 percent of the tax revenue is allocated among coal-producing counties. Previously, 35 percent had been allocated to coal-producing counties.

Beginning in the 2001-03 biennium, the coal conversion tax allocation is based on the provision that 15 percent of the tax revenue is allocated to the county in which the plant is located. Previously, 35 percent had been allocated to the county in which the plant is located.

[7] The oil and gas gross production tax allocation is based on a formula which allocates a percentage of gross production tax revenue to the producing county with the remainder going to the state. Prior to the 2009-11 biennium, the amount allocated to a county was capped based on the population of the county. The 2013-15 and 2015-17 allocations from the gross production tax revenue are distributed to counties, cities, school districts, townships, and hub cities based on a formula which provides one set of percentages for counties that received less than $5 million in allocations during the previous state fiscal year and another set of percentages for counties that received $5 million or more in allocations during the previous state fiscal year.

[8] The cigarette tax allocation is based on the provision that 3 cents per regular package and 3.75 cents per larger package are distributed to cities based on population.

[9] The 2009 Legislative Assembly provided in Senate Bill No. 2012 weather-related transportation cost-sharing funds to counties and cities ($41.4 million), townships ($10 million), and the public transportation fund ($1 million).

[10] The 2005 Legislative Assembly removed the senior citizen mill levy matching grant program from the Department of Human Services and provided in Senate Bill No. 2267 that the State Treasurer distribute senior citizen mill levy matching grants pursuant to a continuing appropriation from the senior citizen services and programs fund. The fund consists of sales, use, and motor vehicle excise tax collections equivalent to two-thirds of one mill levied statewide each year. The 2011 Legislative Assembly, in Senate Bill No. 2242, increased the amount of collections allocated to the fund to three-fourths of one mill levied statewide each year. The 2013 Legislative Assembly, in Senate Bill No. 2162, increased the amount of collections allocated to the fund to 85 percent of one mill levied statewide each year. The 2015 Legislative Assembly, in Senate Bill No. 2143, increased the amount of collections allocated to the fund to 87.5 percent of the amount appropriated up to one mill.

[11] The 2009 Legislative Assembly provided in Senate Bill No. 2012, $43 million from the state disaster relief fund for emergency snow removal grants ($20 million) and funding for the local match needed to receive federal disaster relief funding ($23 million).

[12] The 2009 Legislative Assembly provided in House Bill No. 1305, $2,792,000,000 from the permanent oil tax trust fund for grants to local water supply projects in Burke, Divide, Mountrail, and Williams Counties and in Senate Bill No. 2305, $342,000 from the resources trust fund to conduct a Beaver Bay embankment feasibility study during the 2009-11 biennium. The projects will not be completed during the 2009–11 biennium; therefore, the 2011 Legislative Assembly authorized $500,000 of the funding to continue during the 2011-13 biennium. In addition, the 2011 Legislative Assembly provided $250,000 for flood-related water projects in the Nelson County Water Resource District.

[13] In addition, the 2009 Legislative Assembly provided in Section 16 of House Bill No. 1013, a $5 million contingent general fund appropriation for transportation aid payments to school districts. The appropriation was contingent on the June 30, 2011, estimated ending general fund balance exceeding the amount predicted by the Office of Management and Budget at the conclusion of the 2009 legislative session by more than $30 million. The contingency was met and the contingent supplemental funding was distributed.

[14] The 2009 Legislative Assembly provided in Section 34 of House Bill No. 1015, $250,000 from the general fund to provide grants to cities that experienced tornado damage in the summer of 2007 for the purpose of matching federal emergency relief funds.

[15] The 2009 Legislative Assembly provided in Senate Bill No. 2333 a $1.2 million contingent general fund appropriation for providing funds to local public health units for immunization services. The appropriation was contingent on total funds available to the state for immunization services under the American Recovery and Reinvestment Act of 2009. The State Department of Health reported the American Recovery and Reinvestment Act of 2009 funding could not be used for this purpose and the department would use the funding from the general fund. The 2011 Legislative Assembly provided in Senate Bill No. 2276 a $1.5 million general fund appropriation for the purpose of funding a program through which the department purchases vaccines though the federal vaccine purchasing contract. The 2013 and 2015 Legislative Assemblies provided in the department's base budget, an additional $1 million and $576,853, respectively for the universal vaccine program.

[16] The 2009 Legislative Assembly reduced 2009-11 state school aid per student formula payments provided from the general fund by $13.5 million, from $649.9 million provided in the 2007-09 biennium to $636.4 million for the 2009-11 biennium. In addition, the 2009 Legislative Assembly provided $85.6 million of one-time federal funds made available to the state under the American Recovery and Reinvestment Act of 2009 and $86.3 million of state tuition fund distributions for state school aid per student formula payments.

[17] The Department of Human Services is unable to determine the amount of general fund support in the department's 2011-13 legislative appropriation for state administration of child support.

[18] The 2011 Legislative Assembly provided for a transfer of $142 million from the general fund to the highway fund for county and township roadway projects in areas affected by oil and gas development. House Bill No. 1358 (2013) appropriated $160 million from the general fund to the Department of Transportation for transportation funding distributions to oil-producing counties. Senate Bill No. 2103 (2015) appropriated $240 million from the strategic investment and improvements fund to the Department of Transportation transportation funding distributions to oil-producing political subdivisions.

[19] Senate Bill No. 2369 (2011) provided that the Adjutant General may use $9 million from the state disaster relief fund for emergency snow removal grants to be awarded by June 30, 2011. Any unawarded amount of the $9 million was allowed to be utilized in the 2011-13 biennium for disaster relief initiatives as outlined in Section 4 of 2011 Senate Bill No. 2369.

[20] Section 4 of 2011 Senate Bill No. 2369 provided an appropriation of $22 million from the permanent oil tax trust fund to the state disaster relief fund and provided authority for the Adjutant General to use the funding for disaster relief relating to 2011 spring flooding, flood disasters in incorporated cities, road grade raising projects, 50 percent of the local match for disasters occurring from January 2011 through June 2011, and state expenses associated with presidential-declared disasters in the state. Senate Bill No. 2016 (2011) provided authority to the Adjutant General to use up to $3.5 million from the state disaster relief fund for the purpose of providing the required state share of funding for defraying the expenses associated with presidential-declared state disasters pursuant to Section 37-17.1-27.

[21] House Bill No. 1358 (2013) provides $239,299,174 for energy infrastructure and impact grants from money deposited in the oil and gas impact grant fund. Of this amount, $103.5 million is designated for specific grant categories. House Bill No. 1176 (2015) provides $139.3 million for energy infrastructure impact grants from money deposited in the oil and gas impact grant fund, of which, $132.5 million is designated for specific grant categories.

[22] In addition, the 2011 Legislative Assembly provided $101,638,000,000 of state tuition fund distributions for state school aid per student formula payments and approved amendments to the 2009 Session Laws to provide that the Department of Public Instruction carry over $9 million of estimated excess funding for state school aid ($8 million from state school aid and $1 million from transportation aid) from the 2009-11 biennium to the 2011-13 biennium for state school aid per student payments. Any additional excess funds remaining at the end of the 2009-11 biennium are to be distributed according to 2009 House Bill No. 1400. The 2011 Legislative Assembly also provided $21.2 million of one-time federal education jobs funding made available to the state under federal House Resolution No. 1586 signed into law in August 2010 and $5 million from the oil and gas impact grant fund for rapid enrollment grants.

[23] The 2011 Legislative Assembly approved amendments to the 2009 Session Laws to provide that the Department of Public Instruction reserve $9 million of estimated excess funding for state school aid ($8 million from state school aid and $1 million from transportation aid) from the 2009-11 biennium and carry over the funding to the 2011-13 biennium for state school aid per student payments. The 2011 Legislative Assembly provided that after reserving the $9 million for state school aid per student payments in the 2011-13 biennium, the next $500,000 of 2009-11 excess state school aid funding be reserved for adult education learning center grants to be disbursed if federal funding for adult education received by the department is less than $900,000 in any year of the 2011-13 biennium.

[24] This is funding provided to school districts as mill levy reduction grants (property tax relief); however, school districts were required to lower property tax mill levies resulting in a reduction of property tax revenue equal to the amount of the mill levy reduction grants.

[25] The Legislative Assembly during its November 2011 special legislative session, in Senate Bill No. 2371, provided a one-time transfer of $48.7 million from the general fund to the state disaster relief fund for disaster-related expenses ($32.7 million), additional rebuilders loan funding and flood-impacted housing rehabilitation ($10 million), and road grade raising grants ($6 million). The bill also included a $500,000 general fund appropriation for a flood-damaged school infrastructure grant.

[26] Senate Bill No. 2176 (2013) appropriated $100 million from the general fund to the State Treasurer for transportation funding distributions to non-oil-producing political subdivisions. House Bill No. 1358 (2013) appropriated $120 million from the general fund to the Department of Transportation for transportation funding distributions to non-oil-producing counties. House Bill No. 1176 (2015) appropriated $112 million from the general fund to the Department of Transportation transportation funding distributions to non-oil-producing political subdivisions. House Bill No. 1012 (2015) appropriated from the general fund $8 million to the State Treasurer to provide allocations for the benefit of townships in non-oil-producing counties for township roads. House Bill No. 1176 (2015) appropriated from the general fund $112 million to the Department of Transportation for transportation funding distributions to non-oil-producing political subdivisions. Senate Bill No. 2103 (2015) appropriated from the strategic investment and improvements fund $16 million to the State Treasurer for transportation funding distributions to non-oil-producing county townships and appropriated from the strategic investment and improvements fund $112 million to the Department of Transportation for transportation funding distributions to non-oil-producing political subdivisions.

[27] The 2013 Legislative Assembly approved a change in the K-12 school funding formula. The formula change discontinues the mill levy reduction grant program and provides the state will determine a base level of support necessary to education students and this base level of support will be provided through a combination of local tax sources, local revenue and state integrated formula payments. The 2013 Legislative Assembly provided integrated formula payments totaling $1,752,000,000, of which $1,611,774,000 is from the general fund and $140,326,000 is from the state tuition fund. The new formula results in an increase of $491.9 million from the state school aid and mill levy grants, totaling $1.26 billion provided during the 2011-13 biennium. The increase of $491.9 million includes increases in funding of $453.2 million from the general fund and $38.7 million from the state tuition fund. Integrated formula payments include $656.5 million for an increase in the mill levy buydown from 75 mills to 125 mills for the 2013-15 biennium, an increase of $314.7 million from the $341.8 million provided for mill levy reduction grants from the general fund during the 2011-13 biennium. The 2013 Legislative Assembly also provided from the general fund $13.6 million for rapid enrollment grants (HB 1261), $3 million for safety grants (SB 2267), and $450,000 for the reimbursement of CPR training (SB 2238).

[28] The 2013 Legislative Assembly, in Senate Bill No. 2325, repealed the business privilege/financial institution tax and increased the allocation of sales and use tax and motor vehicle tax allocations to the state aid distribution fund to replace the loss of funds to counties and cities from the repeal of the business privilege/financial institution tax.

[29] The Legislative Assembly provided $14.8 million made available from the general fund for rapid enrollment grants is one-time funding.

[30] The Legislative Assembly, in Section 12 of 2015 Senate Bill No. 2013, provided the amount appropriated for school district safety grants in Section 1 of Chapter 59 of the 2013 Session Laws is not subject to Section 54-44.1-11 and any unexpended funds are available for school district safety grants during the 2015-17 biennium. The department anticipates distributing $2.5 million for school district safety grants during the 2013-15 biennium and estimates $500,000 will be available for school district safety grants during the 2015-17 biennium.

[31] The Legislative Assembly provided $450,000 made available from the general fund for CPR training grants is one-time funding.

[32] In addition to $57 million provided from the general fund for transportation aid during the 2015-17 biennium in 2015 Senate Bill No. 2013, the Legislative Assembly provided, in Section 13 of Senate Bill No. 2015, that if any funding appropriated to the Superintendent of Public Instruction for integrated formula payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the 2015-17 biennium, the Superintendent must provide up to $3 million of the funds remaining for additional transportation grants. The Superintendent must prorate the available funding according to the percentage of the total transportation formula amount to which each school district is entitled.

[33] Legislative Assembly provided, 2015 in Senate Bill No. 2013, $1 million for grants to the four school districts that serve the largest number of first and second level English language learners in K-12. The Superintendent of Public Instruction must distribute a pro rata share of the available grant dollars to each eligible district based upon the total number of first and second level English language learners enrolled in the four districts.