EXECUTIVE SUMMARY

GENERAL FUND BUDGET SUMMARY

Estimated unobligated general fund balance - July 1, 2009	$321,091,738[1]
Add estimated 2009-11 general fund revenues and transfers	2,957,803,122
Total resources available	$3,278,894,860
Less 2009-11 general fund appropriations	3,249,365,481
Estimated general fund balance - June 30, 2011	$29,529,379[2]

[1]This amount reflects a transfer of $124,936,548 from the June 30, 2009, general fund balance to the budget stabilization fund, $112,339,319 of 2007-09 deficiency appropriations, $31,930,000 of estimated 2007-09 unspent general fund appropriation authority, and $30,300,000 of additional estimated 2007-09 unspent general fund appropriation authority resulting from an enhanced federal medical assistance percentage (FMAP) included in the federal American Recovery and Reinvestment Act of 2009.

[2]In addition, the budget stabilization fund is projected to have a June 30, 2011, balance of $324,936,548 and the permanent oil tax trust fund is projected to have a June 30, 2011, balance of $51,758,047.

TOTAL APPROPRIATIONS SUMMARY

	2007-09 Legislative Appropriations	Increase (Decrease)	2009-11 Legislative Appropriations
General fund	$2,574,313,275	$675,052,206	$3,249,365,481
Estimated income	4,049,667,487	1,549,241,897	5,598,909,384
Total all funds	$6,623,980,762	$2,224,294,103	$8,848,274,865

2009-11 GENERAL FUND REVENUES

1. Provided for **general fund revenues** of $3.28 billion, $320.8 million or 10.8 percent more than the 2007-09 biennium revenues as included in the February 2009 legislative revenue forecast.
2. Anticipated state agency **general fund turnback** of $62.2 million at the end of the 2007-09 biennium, including $30.3 million resulting from an enhanced FMAP included in the American Recovery and Reinvestment Act of 2009.
3. Major areas of **revenue growth** (as compared to the revised revenue forecast for the 2007-09 biennium) include:
   a. Sales and use taxes increasing by $42.9 million or 4 percent.
   b. Individual income tax collections increasing by $41 million, or 6.7 percent.
   c. Mineral leasing fees increasing by $1.2 million, or 5.5 percent.
4. Major areas of **revenue decline** (as compared to the revised revenue forecast for the 2007-09 biennium) include:
   a. Interest income decreasing by $12.2 million, or 31.2 percent.
   b. Gaming tax collections decreasing by $3.5 million, or 17.2 percent.
   c. Motor vehicle excise taxes decreasing by $39.9 million, or 31.4 percent, due primarily to providing for 25 percent of motor vehicle tax collections being deposited in the highway fund rather than the general fund.
5. Removed the $60 million transfer from the **Bank of North Dakota** as provided for in the executive recommendation and authorized up to $1 million to be transferred from the Bank of North Dakota to the general fund relating to the Ag PACE disaster program.
6. Provided for **Mill and Elevator** transfers based on the level of Mill and Elevator profits each year. The anticipated transfer for the 2009-11 biennium is $4.7 million, an increase of $2.2 million compared to the executive recommendation of $2.5 million.
7. Provided $435 million from the **permanent oil tax trust fund**, which is an increase of $320 million as compared to the transfer of $115 million during the 2007-09 biennium. Of the $435 million, $295 million relates to property tax relief.
8. Included $35 million from the **lands and minerals trust fund**, $20 million more than the $15 million transferred during the 2007-09 biennium.
10. Anticipated **oil prices** to average from $40 to $45 per barrel in the first year of the 2009-11 biennium and $50 to $55 per barrel in the second year. The average oil price in April 2009 for North Dakota crude oil was $42.68 per barrel.
11. **Oil production** is anticipated to average 213,000 barrels per day for the 2009-11 biennium. Average production in April 2009 was 196,300 barrels per day.
12. **Oil tax revenues** are $71 million, the same as the 2007-09 biennium. North Dakota Century Code (NDCC) Section 57-51.1-07.2 provides that oil and gas production and oil extraction tax collections in excess of $71 million be transferred from the general fund to the permanent oil tax trust fund. For the 2007-09 biennium, an estimated $477.5 million is to be transferred to the permanent oil tax trust fund and $71 million remains in the general fund. The estimated June 30, 2009, balance in the permanent oil tax trust fund is $474.8 million. For the 2009-11 biennium, oil tax collections are estimated to total $394.1 million, of which $323.1 million will be transferred to the permanent oil tax trust fund and $71 million will remain in the general fund. As discussed earlier, $435 million is transferred from the trust fund to the general fund. The estimated June 30, 2011, balance in the permanent oil tax trust fund is $51.8 million.

2009-11 GENERAL FUND APPROPRIATIONS

1. Provided general fund appropriations of $3.25 billion, $675.1 million or 26.2 percent more than the 2007-09 adjusted legislative appropriations.
2. Major general fund appropriations increases relate to:
   a. Property tax relief for education - $295 million.
   b. Higher education - $121.3 million.
   c. Department of Public Instruction - $98.9 million.
   d. Department of Human Services - $56.7 million.
   e. State Historical Society - $41.8 million.
   f. Department of Commerce - $29.9 million.
   g. Main Research Center - $16.1 million.
   h. Office of Management and Budget - $15.8 million.
   i. Judicial branch - $15.7 million.
   j. Veterans' Home - $12.6 million.
   k. Tax Commissioner - $11.3 million.

2009-11 SPECIAL FUNDS APPROPRIATIONS

1. Provided special funds (estimated income) appropriations of $5.60 billion, $1.6 billion more than the 2007-09 adjusted legislative appropriations.
2. Major special funds appropriations increases relate to:
   a. Department of Human Services - $346.2 million.
   b. Department of Transportation - $331.7 million.
   c. Department of Public Instruction - $187.8 million.
   d. State Water Commission - $149.9 million.
   e. Adjutant General - $114.9 million.
   f. Governor's office - $104.6 million.
   g. Information Technology Department - $95.9 million.
   h. Department of Commerce - $82.5 million.
   i. Department of Corrections and Rehabilitation - $47.4 million.
   j. Housing Finance Agency - $29.8 million.
   k. State Department of Health - $27 million.

2009-11 - ONGOING AND ONE-TIME RESOURCES AND APPROPRIATIONS

1. Projected "ongoing" general fund revenues are $2,480.8 million for the 2009-11 biennium, $493.7 million less than "ongoing" general fund appropriations of $2,974.5 million.
2. Identified $274.9 million of "one-time" general fund appropriations and $15.1 million of "one-time" permanent oil tax trust fund appropriations for the 2009-11 biennium.
3. Retained an estimated $406.2 million at the end of the 2009-11 biennium, $29.5 million in the general fund, $51.8 million in the permanent oil tax trust fund, and $324.9 million in the budget stabilization fund. A total of $1,319 million of estimated "one-time" resources were available for the 2009-11 biennium, $321.1 million of beginning general fund balance, $200 million in the budget stabilization fund, and $797.9 million in the permanent oil tax trust fund beginning balance and 2009-11 revenues.

FEDERAL FISCAL STIMULUS FUNDS

Appropriated $657.8 million of **federal fiscal stimulus funds** from the American Recovery and Reinvestment Act of 2009. This funding is not to be considered part of agencies' base budget for the 2011-13 biennium. Program expenditures made with these funds will not be replaced with state funds after the American Recovery and Reinvestment Act of 2009 funds are no longer available. The following is a summary of the federal stimulus funds appropriated, related general fund appropriation reductions resulting from the receipt of federal fiscal stimulus funds compared to the executive budget, and estimated funding from the general fund needed for the 2011-13 biennium to replace federal stimulus funds:

	Federal Stimulus Funds Appropriated	General Fund Reductions Compared to Executive Budget	2011-13 General Fund Needed to Replace Federal Stimulus Funds
Fiscal stabilization - Other government services	$19,055,342	($12,461,500)	
Fiscal stabilization - Education	85,644,337	(11,000,000)	$11,000,000
FMAP change	66,500,000	(66,500,000)	66,500,000
Child support incentive matching funds	3,200,000	(2,763,082)	2,763,082
Job Service North Dakota administrative costs	1,039,443	(200,000)	200,000
Highway infrastructure investment	170,126,497		
Energy and energy conservation	34,585,000	(1,000,000)	
Other programs	277,678,205		
Total	$657,828,824	($93,924,582)	$80,463,082

HIGHER EDUCATION

1. Increased **general fund** support by $121,259,906, or 25.7 percent, including approximately $59.2 million of one-time funding from the general fund. The increase in funding is due in part to increasing funding for campus operations by approximately $49.4 million, increasing funding for major capital projects by approximately

$27.8 million, and increasing funding for student financial assistance by approximately $13.4 million.

2. Increased support from **special funds** by $37,344,663, or 22.6 percent. Special funds support relates primarily to major capital projects funded from local sources or through the issuance of revenue bonds.
3. Adjusted the authorized number of **full-time equivalent (FTE) positions** from 2,136.59 to 2,131.42 to reflect the number of FTE positions supported by the general fund.
4. Provided funding of $49.4 million from the general fund for **campus parity** as requested by the State Board of Higher Education for costs to continue the fiscal year 2009 legislatively authorized salary increases, 5 percent per year salary increases for the 2009-11 biennium, estimated health insurance increases, and operating inflation of 2 percent for fiscal year 2010 and 2.2 percent for fiscal year 2011.
5. Provided funding of $10 million from the general fund for **campus equity** payments.
6. Provided funding of $19,374,022, of which $19,025,594 is from the general fund and $348,428 is from federal funds, for the **student financial assistance grant program**. The total program funding amount represents an increase of $13,386,525 from the 2007-09 legislative appropriation of $5,987,497.
7. Provided funding of $7,050,000 from the general fund for **competitive research** matching funding. This represents an increase of $1,400,000 from the 2007-09 legislative appropriation of $5,650,000.
8. Provided a **systems information technology services** pool of $30,230,038, of which $29,209,438 is from the general fund and $1,020,600 is from the student loan trust fund, for support of the Higher Education Computer Network, the Interactive Video Network (IVN), the On-line Dakota Information Network (ODIN), and other related technology initiatives. The funding includes an increase of $2,306,255 for parity, $1,220,000 for increased bandwidth costs, and $1,020,600 for ConnectND support positions.

ELEMENTARY AND SECONDARY EDUCATION

1. Provided funding of $1,264,810,216, of which $1,092,865,879 is from the general fund, $85,644,337 is from federal funds, and $86,300,000 is from the state tuition fund, for state school aid, including per student payments, transportation aid, special education, and grants for operations, one-time expenditures, and mill levy reductions. This level of funding represents an increase of $484 million, of which $388.3 million is from the general fund, $85.6 million is from federal funds and $10.1 million is from the state tuition fund, from the 2007-09 legislative appropriation of $780,765,879.
2. Provided funding from the general fund for the following grants:
   a. **National board certification** - $102,500 (increase of $62,500 from the 2007-09 biennium).
   b. **Governor's School program** - $410,000 (increase of $90,000 from the 2007-09 biennium)
   c. **National writing projects** - $153,000 (increase of $45,000 from the 2007-09 biennium).
   d. **North Dakota Museum of Art** - $345,000 (increase of $50,000 from the 2007-09 biennium).
   e. **North Dakota LEAD Center** - $260,000 (increase of $15,000 from the 2007-09 biennium).
   f. **Teacher center network** - $360,000 (increase of $84,000 from the 2007-09 biennium).
   g. **School food services** - $1,380,000 (increase of $300,000 from the 2007-09 biennium).
   h. **Adult education grants** - $1,850,000 (increase of $795,000 from the 2007-09 biennium).
   i. **North Dakota Geographic Alliance** - $226,000 one-time grant to secure matching funds.
   j. **North Central Council for School Television** - $445,000 (increase of $50,000 from the amount received through the contingent distribution of 2005-07 per student and transportation aid remaining at the close of the 2005-07 biennium).
   k. **Atlantik-Brucke teacher exchange program** - $75,000 (increase of $25,000 from the amount received through the contingent distribution of 2005-07 per student and transportation aid remaining at the close of the 2005-07 biennium).
   l. **North Dakota young entrepreneur education program** - $100,000.
   m. **"We the People" program** - $18,000.
   n. **Teacher support system grant program** - $2.3 million.
   o. **National board certification fund** - $500,000.
   p. **Continuing education grants** - $100,000.

HUMAN SERVICES

1. Provided a total general fund appropriation for the Department of Human Services of $650.6 million, $56.7 million or 9.6 percent more than the $593.9 million appropriated for the 2007-09 biennium.
2. Provided for the following funding changes due to changes in the state's **FMAP**. The FMAP determines the federal and state share of Medicaid expenditures:
   a. Added $10.2 million of additional funding from the general fund as a result of projected FMAP reductions for the 2009-11 biennium, same amount as provided for in the executive budget.
   b. Provided a funding source change of $66.5 million from the general fund to other funds due to the enhanced FMAP included in the American Recovery and Reinvestment Act of 2009.

c. Provided a funding source change of $9.5 million to the general fund from other funds due to an estimated decrease in the state's FMAP for the last seven months of the biennium.
d. The schedule below presents recent and projected FMAPs for North Dakota:

Federal Fiscal Year	FMAP	Enhanced FMAP
2008	63.75%	N/A
2009	63.15%	69.95%
2010	63.01%	69.95%
2011	60.69% (estimate)	69.95% (first quarter)

3. Provided $77.3 million, of which $30.4 million is from the general fund, to provide a 6 percent **inflationary increase** in the second year of the biennium for rebased services (hospitals, physicians, chiropractors, and ambulances) and dentists and a 6 percent annual increase for providers of other services. The 2007 Legislative Assembly approved a 4 percent increase for the first year of the 2007-09 biennium and a 5 percent increase for the second year of the biennium.
4. Provided $64.1 million, of which $23.7 million is from the general fund, for **rebasing payment rates** for hospitals, physicians, chiropractors, and ambulances.
5. Added $18 million, of which $5.5 million is from the general fund, for a salary and benefit supplemental payment for **individuals employed by basic care and nursing care facilities**, except for administrators and contract nursing.
6. Added $21.6 million, of which $7.1 million is from the general fund, for a salary and benefit supplemental payment for **individuals employed by developmental disabilities providers**, except for administrators.
7. Provided funding of $21.6 million, of which $5.6 million is from the general fund, for the state **children's health insurance program**. The Legislative Assembly increased eligibility for the program from 150 percent to 160 percent of the federal poverty level instead of an increase to 200 percent of the federal poverty level as provided for in the executive budget.
8. Provided funding of $3.4 million from the general fund for **extraordinary repairs** at the State Hospital and Developmental Center.

CAPITAL CONSTRUCTION

1. Includes a total of $1,170.8 million for the following capital projects:
   a. $450 million for major capital projects.
   b. $51.2 million for extraordinary repairs.
   c. $669.6 million for bond payments and other projects.

   The funding sources for capital projects are:

	General Fund	Special Funds
Major capital projects	$145,004,310	$305,042,474
Extraordinary repairs	40,246,007	10,904,526
Bond payments	18,301,696	1,098,633
Other projects	311,043	649,894,620
Total	$203,863,056	$966,940,253

2. 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** equal to 5 percent of salaries with a minimum increase of $100 per month effective July 1, 2009, and 5 percent with a $100 minimum effective July 1, 2010. Salary increases must be based on merit and equity and are not to be given across the board. Employees whose documented performance levels do not meet standards are not eligible for any salary increase. The Legislative Assembly did not change the executive recommendation for salary increases. Funding provided for these increases totals $68.5 million, of which $36.8 million is from the general fund. The 2009-11 legislative appropriation for the North Dakota 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.
2. Continued funding for the cost of **health insurance premiums** for state employees at $826 per month per employee, an increase of $168 or 25.5 percent compared to the 2007-09 biennium premium of $658. Funding provided for this increase totals $36.1 million, of which $15.9 million is from the general fund.
3. Provides $16 million to the Office of Management and Budget for **market equity compensation adjustments** for executive branch classified and nonclassified state employees. Of the $16 million, $9 million is from the general fund and $7 million is from special funds.
4. Authorized a total of 11,101.18 **FTE positions**, 136.42 FTE positions more than the 2007-09 authorized level and 27 FTE positions less than the executive recommendation. The net increase, excluding higher education, is 141.59 FTE positions.

CORRECTIONS

1. Provided a total general fund appropriation for the Department of Corrections and Rehabilitation of $164.1 million, $9 million or 5.2 percent less than the $173.1 million appropriated for the 2007-09 biennium.

2. Provided ongoing general fund appropriation for the Department of Corrections and Rehabilitation of $142.7 million, $14.2 million or 11 percent more than $128.5 million appropriated for the 2007-09 biennium.
3. Provided $64 million, of which $19,465,804 is from the general fund and $44,534,196 is from the State Penitentiary land fund, for completing the **renovation and expansion project** at the State Penitentiary.
4. Added 24 **new FTE positions**, including 19 positions relating to converting temporary positions to permanent positions.
5. Provided $27.9 million, of which $25 million is from the general fund, for **male inmate contract housing**.
6. Provided $8.6 million from the general fund for **female inmate contract housing**.
7. Provided $1.6 million, of which $1.4 million is from the general fund, for **deferred maintenance**.

INFORMATION TECHNOLOGY

1. Provided $103.4 million, of which $56.1 million is from the general fund, for state **agency information technology projects** for the 2009-11 biennium.
2. Provided $3.6 million, of which $2.1 million is from the general fund, to the Information Technology Department for continued operation and development relating to the **Criminal Justice Information Sharing Initiative**.
3. Provided $2.5 million, of which $.2 million is from the general fund and $2.3 million is from federal fiscal stimulus funds, to the Information Technology Department for continued development relating to the **Statewide Longitudinal Data System Initiative**. In addition, the Legislative Assembly provided a $2.3 million contingent general fund appropriation to the Information Technology Department for costs associated with the Statewide Longitudinal Data System Initiative. The Information Technology Department may spend the general fund money only to the extent that federal funds are not available to provide the $2.3 million from federal fiscal stimulus funds and subject to Budget Section approval.
4. Provided $7.8 million, of which $5.1 million is from the general fund, to the Information Technology Department for EduTech. The funding of $7.8 million includes $4.7 million, of which $2 million is from the general fund, for the statewide deployment of the PowerSchool application in kindergarten through grade 12 schools. In addition, the Legislative Assembly provided for the transfer of 22 FTE positions from North Dakota State University to the Information Technology Department and 5 new FTE positions for EduTech.

ECONOMIC DEVELOPMENT

1. Appropriated $15 million from the general fund for a transfer to the centers of excellence fund for providing funding to **centers of excellence** for the 2009-11 biennium. In addition, the Legislative Assembly provided a contingent general fund appropriation of $5 million for transfer to the centers of excellence fund for providing additional centers of excellence funding for the 2009-11 biennium. The Office of Management and Budget may transfer this funding only if actual general fund revenues for the period July 1, 2009, through December 1, 2009, exceed estimated general fund revenues for that period by at least $5 million as determined by the Office of Management and Budget based on the legislative estimates made at the close of the 2009 legislative session.
2. Provided $11.1 million from the general fund to the Bank of North Dakota for the **PACE** fund ($8 million), **Ag PACE** fund ($2.4 million), and **biofuels PACE** fund ($700,000), $2.5 million less than the $13.6 million appropriated for these funds for the 2007-09 biennium.
3. Provided $3 million from the general fund to the Industrial Commission for renewable energy development programs.
4. Provided $2,064,000 from the general fund to the Department of Commerce for the **North Dakota Trade Office**, $564,000 more than the 2007-09 biennium general fund appropriation of $1.5 million.
5. Provided $900,000 from the general fund to the Department of Commerce for the **Operation Intern** program, $300,000 more than the 2007-09 biennium general fund appropriation of $600,000.
6. Provided $1 million from the general fund to the Department of Commerce for **workforce enhancement grants**, $1 million less than the 2007-09 biennium general fund appropriation of $2 million.
7. Provided a $1.25 million general fund appropriation for the North Dakota Development Fund for providing financing to **early childhood facilities** and provided a $500,000 general fund appropriation to the Department of Commerce for early childhood facility grants for technical assistance, a business plan, or infrastructure.
8. Provided $2 million, of which $1 million is from the general fund and $1 million is from federal fiscal stimulus funds, for a cost-share program for installation of **biofuel blender pumps**.

TRANSPORTATION

1. Anticipated **federal highway construction funds** of $500.9 million for the 2009-11 biennium compared to $453.7 million for the 2007-09 biennium.
2. Provided that 25 percent of **motor vehicle excise tax collections**, after the allocation to the state aid distribution fund, be deposited in the highway fund rather than the general fund and the remaining amount continue to be deposited in the general fund. This change is

estimated to result in $30.5 million of additional highway fund revenue during the 2009-11 biennium.

3. Changed the **highway tax distribution fund formula** for allocating motor vehicle fuel tax and registration fee collections to the state, cities, counties, townships, and public transportation programs.
4. Provided $59.9 million of funding from the general fund for **2007-09 weather-related cost-sharing** distributions to the state highway fund, counties, cities, townships, and the public transportation fund.
5. Provided $2.5 million of special funds for **highway-rail grade crossing safety**.
6. Provided $52.6 million for **Devils Lake area road projects**, including $4.6 million from the highway fund transferred from the general fund and $48 million of federal funds.

MILITARY-RELATED PROGRAMS

1. Provided $500,000 from the general fund to the Adjutant General for expansion of the existing **veterans' bonus program** to include multiple deployments and provided that unexpended funds from the 2005-07 biennium for the veterans' bonus program be carried over and utilized for similar bonuses during the 2009-11 biennium.
2. Provided $2,470,500 from the general fund to the Adjutant General for the **tuition and enlistment compensation program**, the same amount provided for the 2007-09 biennium.
3. Provided $1,377,409 from the general fund to the Adjutant General for a **reintegration program** for providing support for all service members and their families.

PROPERTY TAX RELIEF

Provided property tax relief by appropriating $295 million from the general fund for the 2009-11 biennium to the Department of Public Instruction for allocation to school districts to reduce school district property taxes. The funding provides for a reduction of up to 75 mills in school district property tax levies and replacement of the revenue to school districts through mill levy reduction grants. The Legislative Assembly also provided for a transfer of $295 million in 2010 from the permanent oil tax trust fund to the property tax relief sustainability fund to be used for property tax relief allocation after the 2009-11 biennium.

DISASTER-RELATED FUNDING

1. Provided funding totaling $7,059,166 from the general fund for the following expenses relating to disasters occurring prior to 2009:

	2007-09 General Fund Deficiency Appropriation	2009-11 General Fund Appropriation	Total
Adjutant General - Funding to repay the Bank of North Dakota for the state's share of disaster costs (HB 1023)	$3,422,553		$3,422,553
University of North Dakota - Funding to repay the Bank of North Dakota for the state's share of disaster costs (HB 1023)	2,858,771		2,858,771
North Dakota State University - Funding to repay the Bank of North Dakota for the state's share of disaster costs (HB 1023)	527,842		527,842
Adjutant General - Funding for grants to political subdivisions for disaster, emergency response, and disaster recovery costs relating to 2007 tornado damage (HB 1015)		$250,000	250,000
Total	$6,809,166	$250,000	$7,059,166

2. Provided funding totaling $231,050,000, of which $117,800,000 is from the general fund, for the following expenses relating to disasters occurring in 2009:

	2007-09 General Fund Deficiency Appropriation	2007-09 Special Funds Deficiency Appropriation	2009-11 General Fund Appropriation	2009-11 Special Funds Appropriation	Total
Weather-related assistance for matching federal United States Department of Agriculture funds to assist North Dakota ranchers affected by severe winter weather and flooding (HB 1015)		$250,000			$250,000
Weather-related cost-sharing program (SB 2012)	$59,900,000				59,900,000
Emergency snow removal grants (HB 1023) (SB 2393)	2,400,000				2,400,000
Transfer from the general fund to the state disaster relief fund (SB 2012)	43,000,000				43,000,000
Funding from the state disaster relief fund for emergency snow removal grants to counties, cities, and townships ($20 million) and for costs relating to the 2009 flood-related disasters, snow removal damage to roads, and other disasters ($23 million) (SB 2012)				[1]	[1]
Funding for costs relating to the 2009 flood-related disasters (SB 2444)			$12,500,000	$20,000,000	32,500,000
Additional funding for costs relating to the 2009 flood-related disasters (HB 1016)				50,000,000	50,000,000
Total	$105,300,000	$250,000	$12,500,000	$70,000,000	$188,050,000[1]

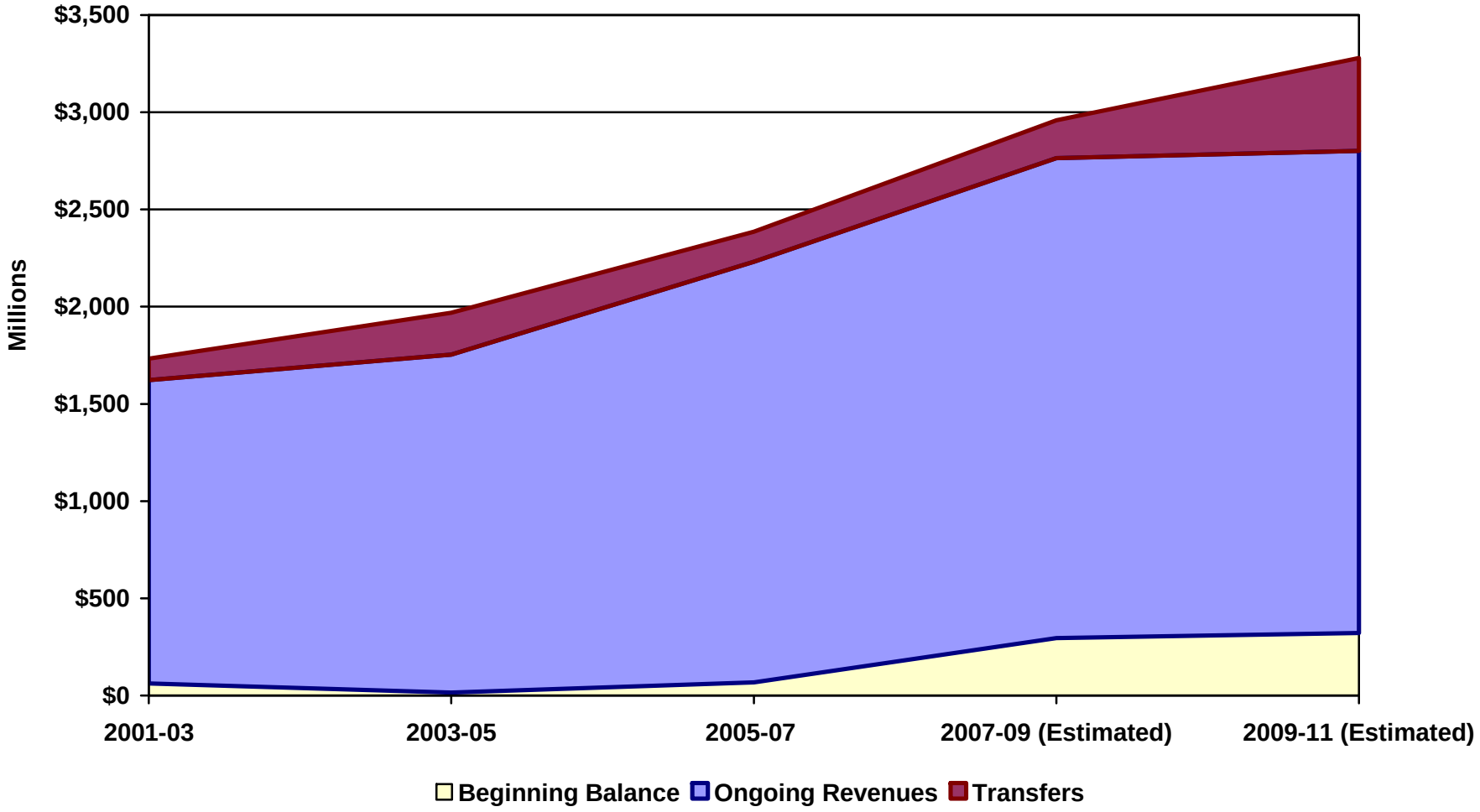
[1]Funding of $43 million was appropriated from the state disaster relief fund but is not included in the amounts shown on this schedule. Because the $43 million transfer from the general fund to the state disaster fund is shown, the $43 million special funds appropriation is not shown to avoid overstating the total funds being spent on state disasters.

GENERAL FUND REVENUE SUMMARY

TOTAL REVENUES

Based on the 2009-11 biennium legislative revenue forecast, total 2009-11 biennium general fund revenues, including the estimated beginning balance, ongoing revenues, and transfers are estimated to be $3,278.9 million, which is $320.8 million, or 10.8 percent, more than total 2007-09 biennium revenues of $2,958.1 million and an **increase of $103.2 million** compared to the executive budget recommendation of $3,175.7 million.

The following is a summary of revenues for the 2001-03 through 2009-11 bienniums:



	2001-03	2003-05	2005-07	2007-09 (Estimated)	2009-11 (Estimated)
Beginning balance	$62,240,652	$14,790,311	$68,015,056	$295,541,176	$321,091,738
Ongoing revenues	1,559,444,550	1,739,132,961	2,162,706,208	2,468,201,627	2,480,779,286
Transfers	110,433,690	214,265,069[1]	154,710,132	194,374,056	477,023,836
Total	$1,732,118,892	$1,968,188,341	$2,385,431,396	$2,958,116,859	$3,278,894,860

[1]This amount includes $56,456,581 of federal fiscal relief funding received by the state, $50,000,000 in direct payments, and $6,456,581 received as enhanced federal medical assistance percentage (FMAP) reimbursements relating to 2001-03 biennium expenditures but were not received until the 2003-05 biennium.

BEGINNING BALANCE

The executive budget (December 2008) estimated general fund beginning balances were $295.5 million and $391.8 million, respectively, for the 2007-09 and 2009-11 bienniums. The Legislative Assembly adopted a revised revenue forecast in February 2009 for the 2007-09 and 2009-11 bienniums. Based on this forecast, it was anticipated that the 2009-11 beginning balance would increase by $18.9 million compared to the executive budget revenue forecast. Based on the 2009-11 legislative general fund revenue forecast, the July 1, 2009, beginning balance is estimated to be $321 million, a **decrease of $70.8 million** compared to the executive budget forecast.

Other major legislative action affecting the July 1, 2009, beginning general fund balance includes:

- **House Bill No. 1023** decreases 2007-09 general fund deficiency appropriations included in the executive budget by $2 million.
- **House Bill No. 1083** changes the filing date for monthly sales tax filers for May in odd-numbered years. This bill is estimated to have a one-time effect on general fund revenues. As a result, 2007-09 biennium general fund revenues are estimated to decrease by $15.56 million, resulting in a lower 2009-11 biennium beginning balance.
- **Senate Bill No. 2012** provides $59.9 million in cost-sharing funds for weather-related costs and provides a transfer of $43 million to the state disaster relief fund.
- **Senate Bill No. 2393** provides $1 million for emergency snow removal grants for the 2007-09 biennium.
- The 2009-11 legislative revenue forecast estimates unspent general fund authority for the 2007-09 biennium to be $32.2 million, an increase of $22.2 million from the executive budget forecast. In addition, **House Bill No. 1012** includes provisions affecting the Department of Human Services' unspent 2007-09 appropriation authority resulting in increasing the estimated beginning balance by $30.03 million. Therefore, 2007-09 biennium unspent general fund appropriation authority is anticipated to total $62,230,000.

ONGOING REVENUES

The executive budget (December 2008) general fund revenue forecast, excluding transfers, was estimated to be $2,487.5 million and $2,676.6 million, respectively, for the 2007-09 and 2009-11 bienniums. The Legislative Assembly adopted a revised revenue forecast in February 2009 for the 2007-09 and 2009-11 bienniums. Total general fund revenues were estimated to **decrease by $3.3 million** for the 2007-09 biennium and **decrease by $93 million** for the 2009-11 biennium as compared to the executive budget revenue forecast.

Based on the 2009-11 biennium legislative revenue forecast, general fund revenues, excluding transfers, for the 2009-11 biennium are anticipated to be $2,480.8 million, which is .5 percent, or $12.6 million, more than the 2007-09 biennium revised revenue forecast of $2,468.2 million. The 2009 Legislative Assembly reduced ongoing revenues by $195.8 million, including $100 million relating to the impact of Senate Bill No. 2199 providing income tax relief, as compared to the executive budget revenue forecast.

Major areas of 2009-11 biennium **revenue growth** as compared to the revised 2007-09 biennium revenue forecast include:

- Taxable sales and purchases are estimated to increase by $42.9 million, or 4.0 percent (see **Sales and Use Taxes** section below).
- Individual income tax collections are estimated to increase by $40.97 million, or 6.7 percent (see **Income Taxes** section below).
- Mineral leasing fees are estimated to increase by $1.2 million, or 5.5 percent.

Major areas of 2009-11 biennium **revenue reduction** as compared to the revised 2007-09 biennium revenue forecast include:

- Interest income is estimated to decline by $12.2 million, or 31.2 percent.
- Gaming tax collections are estimated to decline by $3.5 million, or 17.2 percent (see **Gaming Taxes** section below).
- Motor vehicle excise tax collections are estimated to decline by $39.9 million, or 31.4 percent (see **Motor Vehicle Excise Taxes** section below).

The 2009 Legislative Assembly approved the following bills, which have a major impact on revenues:

Income Taxes

- **Senate Bill No. 2199** amends the corporate, individual, estate, and trust tax rates. The reduced income tax rate provisions of Senate Bill No. 2199 are estimated to reduce individual income tax collections by $90 million and corporate income tax collections by $10 million during the 2009-11 biennium.
- **House Bill No. 1256** provides an income tax deduction of 30 percent for certain qualified dividends on the state's primary individual income tax form--ND-1. This reduction is anticipated to reduce individual income tax collections by $4.6 million during the 2009-11 biennium.
- **House Bill No. 1428** raises the maximum aggregate amount of income tax credits available for renaissance zone investments from $5 million to $7.5 million. This bill is anticipated to reduce income tax collections by a maximum of $2.5 million.
- **House Bill No. 1209** creates an individual income tax credit for premiums paid for long-term care partnership plan insurance coverage. This bill is anticipated to reduce individual income tax collections by $1.5 million.

Sales and Use Taxes

- **Senate Bill No. 2040** provides a sales and use tax exemption for expanding or constructing telecommunications infrastructure. This bill is anticipated to reduce sales and use tax collections by $4.7 million during the 2009-11 biennium.

Motor Vehicle Excise Taxes

- **Senate Bill No. 2012** provides for 25 percent of motor vehicle excise tax collections to be deposited in the highway fund rather than the general fund. This bill is anticipated to reduce general fund motor vehicle excise tax collections by $30.5 million.
- **Senate Bill No. 2184** excludes motor vehicle manufacturers' incentives and discounts from the motor vehicle excise tax. This bill is anticipated to reduce general fund motor vehicle tax collections by $4.6 million.

Gaming Taxes

- **House Bill No. 1317** reduces the pull tab excise tax from 4.5 percent to 3 percent. This bill is anticipated to reduce gaming tax collections by $3.7 million.

Oil Taxes

North Dakota Century Code (NDCC) Section 57-51.1-07.2 provides that all revenues deposited in the general fund during a biennium that are derived from the oil and gas gross production and oil extraction tax collections which exceed $71 million are to be transferred into the permanent oil tax trust fund. Based on the February 2009 revised revenue forecast for the 2009-11 biennium, total oil and gas tax collections are estimated to be $425.1 million, of which $71 million is to be deposited in the general fund and $354.1 million in the permanent oil tax trust fund. The following bills approved by the 2009 Legislative Assembly are anticipated to reduce oil and gas gross production and oil extraction tax collections to the permanent oil tax trust fund by $31 million, from $354.1 million to $323.1 million.

- **House Bill No. 1304** increases the allocation to the oil and gas impact grant fund from $6 million to $8 million and changes the distribution formula for oil and gas gross production tax, increasing the county share, removing the population-based caps, and allocating $500,000 annually to cities in oil-producing counties that have a population greater than 7,500. This bill is anticipated to decrease the amount of oil and gas gross production taxes deposited into the permanent oil tax trust fund by $30 million for the 2009-11 biennium.
- **Senate Bill No. 2051** increases the transfer of the state's share of oil and gas gross production tax and oil extraction tax revenues to the oil and gas research fund by $1 million, from $3 million to $4 million.

Oil extraction tax incentive rates under NDCC Chapter 57-51.1 did not become effective on May 1, 2009, as anticipated in the February 2009 legislative forecast. As a result, oil extraction tax rate incentives approved by the 2009 Legislative Assembly in House Bill No. 1235 became effective. The net effect of these two changes,

if they do not change again prior to June 30, 2011, is estimated to increase permanent oil tax trust fund revenues by $16.5 million for the period beginning May 1, 2009, and ending June 30, 2011. The amount discussed above does not reflect this estimated increase. Depending on oil prices, the incentive rates under Chapter 57-51.1 could become effective in October 2009.

The forecasted oil tax revenue collections are based on a number of factors, including tax rate incentives and exemptions, oil prices, oil production, etc. The February 2009 legislative forecast estimated oil prices to range from $40 to $45 per barrel in the first year of the 2009-11 biennium and $50 to $55 per barrel in the second year. The estimated average daily production rate is approximately 213,000 barrels for the 2009-11 biennium. Actual prices, production, and other factors throughout the 2009-11 biennium could increase or decrease actual oil tax revenue collections by amounts that increase or decrease the $16.5 million discussed above.

TRANSFERS

The February 2009 revised revenue forecast did not change the executive budget (December 2008) estimated total transfers of $194.4 million and $107.3 million, respectively, for the 2007-09 and 2009-11 bienniums. The 2009 Legislative Assembly provided for 2009-11 biennium transfers to the general fund of $477.0 million, an increase of $369.7 million compared to the executive budget forecast.

Major legislative action affecting the 2009-11 biennium transfers to the general fund includes:

- **House Bill No. 1015** provides for a transfer of $140 million from the permanent oil tax trust fund and **Senate Bill No. 2199** provides for a transfer of $295 million from the permanent oil tax trust fund for property tax relief.
- **Senate Bill No. 2013** reduces the transfer from the lands and minerals trust fund from $43.5 million to $35 million.
- **Senate Bill No. 2014** removes the $60 million transfer from the Bank of North Dakota, authorizes up to $1 million to be transferred from the Bank of North Dakota to the general fund relating to the Ag PACE disaster program, and bases Mill and Elevator transfers on the level of Mill and Elevator profits each year. The anticipated transfer for the 2009-11 biennium is $4.7 million, an increase of $2.2 million compared to the executive recommendation of $2.5 million.

OTHER MAJOR TAX AND FEE CHANGE BILLS

The following is a summary of other bills approved by the 2009 Legislative Assembly that provide for major tax or fee changes:

Bill No.	Description	Estimated General Fund Impact Due to Increase	Estimated Other Funds Impact Due to Increase
1141	Provides for an increase in the licensing and renewal fees charged to surplus lines insurance producers and consultants. The fees are to be deposited in the insurance regulatory trust fund.		$98,580
1306	Provides for a restricted license for subsequent offenders participating in the 24/7 sobriety program		$110,000
1368	Provides for an initial fee of $250 for certification of reduced ignition cigarettes. The fees are to be deposited in the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund.		$225,000
1402	Provides for reinstatement of wheat checkoff promotion fees at the current rate, which would have decreased as of July 1, 2009		$1,512,000
1484	Increases the maximum facility fee for hazardous chemicals. Fifty percent of the fees would be provided as grants to counties and 50 percent would be deposited in the hazardous chemical fund.		$70,000
2046	Provides for a fee for Life Safety Code surveys of all health facilities licensed by the State Department of Health. The fees are to be deposited in the department's operating fund for associated costs.		$106,230
2160	Requires the licensing and registration of mortgage loan originators. The fees are to be deposited in the Department of Financial Institutions' regulatory fund.		$209,400
2203	Increases the barley checkoff from the current rate of 10 mills to 20 mills		$1,240,000

Bill No.	Description	Estimated General Fund Impact Due to Increase	Estimated Other Funds Impact Due to Increase
2208	Increases the assessment on flax from the current rate of 2 cents per bushel to 3 cents per bushel. The assessment on canola and sunflower is increased from the current rate of 3 cents per bushel to 4 cents per bushel.		$2,770,181
2350	Creates an assessment of three one-hundredths of 1 cent per gallon of ethanol produced in North Dakota. The funding is provided on a continuing appropriation basis to the North Dakota Ethanol Council, which was created by this bill.		$190,800
2378	Increases the off-highway vehicle tax from $5 to $15. The fees are to be deposited in the off-highway vehicle fund for use by the Parks and Recreation Department, upon appropriation from the Legislative Assembly, to establish off-highway vehicle facilities and use areas, to provide safety and education programs, and for enforcement of registration requirements.		$260,000
2415	Adds a new concealed weapons permit category, increases the concealed weapons permit fees from $25 to $45, and eliminates the general fund share of the permit fee	($82,764)	$340,956

GENERAL FUND REVENUE ESTIMATES FOR THE 2007-09 AND 2009-11 BIENNIUMS AND ACTUAL COLLECTIONS FOR PRIOR BIENNIUMS

	Actual		Estimated		2009-11 Increase (Decrease) Compared to 2007-09	2009-11 Percentage Increase (Decrease) Compared to 2007-09
	2003-05 Biennium	2005-07 Biennium	2007-09 Biennium[1]	2009-11 Biennium[2]		
Beginning balance	$14,790,311	$68,015,056	$295,541,176	$321,091,738	$25,550,562	8.6%
Revenue source						
Sales and use tax	$717,758,293	$841,930,866	$1,067,072,783	$1,109,974,800	$42,902,017	4.0%
Motor vehicle excise tax	128,010,103	125,722,268	126,839,256 [3]	86,978,250	(39,861,006)	(31.4%)
Individual income tax	452,547,326	587,659,377	614,538,328 [4]	655,508,000 [4]	40,969,672	6.7%
Corporate income tax	102,926,972	232,294,310	252,903,698 [5]	239,110,000	(13,793,698)	(5.5%)
Insurance premium tax	56,284,535	52,873,010	66,590,545	66,000,000	(590,545)	(0.9%)
Business privilege tax	4,958,673	9,702,362	10,261,402	9,500,000	(761,402)	(7.4%)
Cigarette and tobacco tax	39,476,712	44,683,370	45,879,687	45,428,000	(451,687)	(1.0%)
Oil and gas gross production tax	45,534,044 [6]	45,970,447 [6]	39,309,315 [6]	39,309,315 [6]	0	0.0%
Oil extraction tax	25,465,956 [6]	25,029,553 [6]	31,690,685 [6]	31,690,685 [6]	0	0.0%
Coal conversion tax	47,196,831	49,217,864	47,465,410	45,005,000	(2,460,410)	(5.2%)
Gaming tax	20,850,911	17,986,019	20,283,806	16,799,316	(3,484,490)	(17.2%)
Lottery	7,269,005	12,600,000	11,155,000	11,155,000	0	0.0%
Wholesale liquor tax	11,889,465	12,787,869	13,658,874	13,644,000	(14,874)	(0.1%)
Mineral leasing fees	11,024,583	13,960,279	21,537,674	22,715,000	1,177,326	5.5%
Interest income	6,935,015	36,507,217	39,245,931	27,000,000	(12,245,931)	(31.2%)
Departmental collections	61,004,537	53,781,397	59,769,233	60,961,920	1,192,687	2.0%
Total revenues	$1,739,132,961	$2,162,706,208	$2,468,201,627	$2,480,779,286	$12,577,659	0.5%
Transfers and other sources						
Transfer - Bank of North Dakota	$60,000,000	$60,000,000	$60,000,000	$1,000,000 [7]	($59,000,000)	(98.3%)
Transfer - Student loan trust	26,258,969	9,000,000	3,100,000	0	(3,100,000)	(100.0%)
Transfer - Mill and Elevator	5,000,000	5,000,000	0 [8]	4,735,836	4,735,836	N/A
Transfer - Gas tax administration	1,396,200	1,400,000	1,274,056	1,288,000	13,944	1.1%
Transfer - Lands and minerals trust fund	2,000,000	6,800,000	15,000,000	35,000,000	20,000,000	133.3%
Transfer - Permanent oil tax trust fund	11,910,000	55,300,000	115,000,000	435,000,000	320,000,000	278.3%
Transfer - State bonding fund	2,800,000	0	0	0	0	N/A
Transfer - Water development trust fund	10,070,373	0	0	0	0	N/A
Transfer - Health care trust fund	35,911,035	16,900,000	0	0	0	N/A
Transfer - Information technology savings	0	0	0	0	0	N/A
Transfers - Other	2,461,911	310,132	0	0	0	N/A
Total transfers and other sources	$157,808,488	$154,710,132	$194,374,056	$477,023,836	$282,649,780	145.4%
Total beginning balance, revenues, and transfers	$1,911,731,760	$2,385,431,396	$2,958,116,859	$3,278,894,860	$320,778,001	10.8%
Federal fiscal relief payments	$56,456,581 [9]	$0	$0	$0	$0	N/A
Total revenues, including federal fiscal relief payments	$1,968,188,341	$2,385,431,396	$2,958,116,859	$3,278,894,860	$320,778,001	10.8%

[1] Revised 2007-09 revenue forecast.

[2] Legislative amounts for the 2009-11 biennium.

[3] Sections 13 and 15 of House Bill No. 1012 (2007) provides for 10 percent of motor vehicle excise taxes to be deposited in the highway fund rather than the general fund during the 2007-09 biennium. Originally, this bill was anticipated to reduce general fund motor vehicle excise tax collections by $12.6 million for the 2007-09 biennium. Based on the 2007-09 revised forecast, it is now anticipated that $14.1 million will be deposited in the highway fund rather than the general fund during the 2007-09 biennium. 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 is anticipated to reduce general fund motor vehicle excise tax collections by $30.5 million for the 2009-11 biennium.

[4] The amounts shown for the 2007-09 biennium reflect a revenue reduction of $101 million relating to property tax income tax credits during the 2007-09 biennium. The amounts shown for the 2009-11 biennium reflect a revenue reduction of $90 million relating to income tax relief.

[5] The amounts shown for the 2007-09 biennium reflect a revenue reduction of $11 million relating to property tax income tax credits during the 2007-09 biennium. The amount shown for the 2009-11 biennium reflects a revenue reduction of $10 million relating to income tax relief.

[6] From 1999 through 2003, North Dakota Century Code (NDCC) 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. Interest on money in the fund is transferred to the general fund.

Section 26 of 2003 Senate Bill No. 2015 amended NDCC Section 57-51.1-07.2 so that all revenues deposited in the general fund during a biennium that are derived from the oil and gas gross production tax which exceed $71 million are to be transferred into the permanent oil tax trust fund, instead of the prior $62 million limit. In August 2003, $11.91 million was transferred from the permanent oil tax trust fund to the general fund, pursuant to Section 6 of 2003 Senate Bill No. 2015.

Total oil and gas tax collections were $120.5 million during the 2003-05 biennium, resulting in $49.5 million being transferred to the permanent oil tax trust fund at the end of that biennium. The July 1, 2005, balance in the permanent oil tax trust fund was $50.4 million.

Total oil and gas tax collections were $240.8 million during the 2005-07 biennium, resulting in $169.8 million being transferred to the permanent oil tax trust fund at the end of that biennium. The July 1, 2007, balance in the permanent oil tax trust fund was $143.3 million.

Total oil and gas tax collections are estimated to be $548.5 million for the 2007-09 biennium, resulting in $477.5 million being transferred to the permanent oil tax trust fund. The 2007 Legislative Assembly authorized transfers from the permanent oil tax trust fund for funding centers of excellence ($15,000,000), higher education capital projects and programs ($7,783,315), a new Veteran's Home facility ($6,483,226), an agriculture research and extension operating pool ($750,000), grants to tribal colleges ($700,000), and for a transfer to the general fund ($115,000,000). The estimated June 30, 2009, balance in the permanent oil tax trust fund is $475 million.

Based on the February 2009 legislative revenue forecast, total oil and gas tax collections are estimated to exceed $71 million by $354.1 million; however, the 2009 Legislative Assembly approved bills that increase the county share of taxes and allocation to the oil and gas impact grant fund (House Bill No. 1304) and increase the transfer to the oil and gas research fund (Senate Bill No. 2051) which are anticipated to reduce oil and gas tax collections by $31 million. The 2009 Legislative Assembly authorized transfers from the permanent oil tax trust fund for higher education capital projects and programs ($11,675,000), water project grants ($2,792,000), grants to tribal colleges ($700,000), funding for Prairie Public Broadcasting ($1,008,100), a transfer to the property tax relief sustainability fund ($295,000,000), and a transfer to the general fund of $435,000,000, of which $295,000,000 is for property tax relief. The estimated June 30, 2011, balance in the permanent oil tax trust fund is $51.8 million.

[7] The Legislative Assembly removed the $60 million transfer from the Bank of North Dakota for the general fund included in the executive budget. The Legislative Assembly provided in Section 16 of 2009 Senate Bill No. 2014 for a transfer of up to $1 million from the Bank of North Dakota to the general fund to replace any funds deposited in the Ag PACE fund and obligated for a disaster program to assist farmers and livestock producers that suffered extraordinary losses as a result of weather-related events in the winter and spring of 2009.

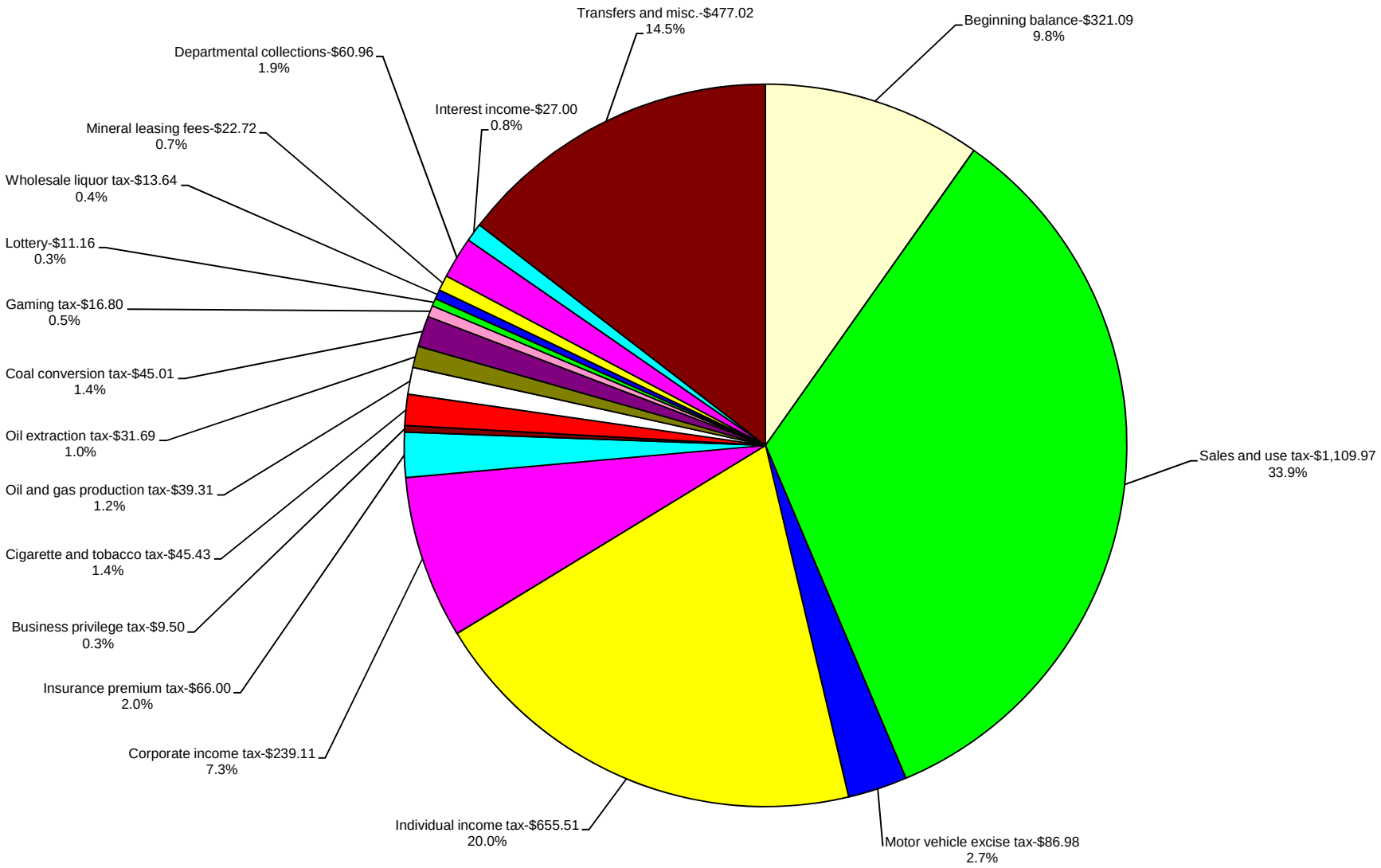
[8] The 2009-11 Legislative Assembly repealed the $5 million transfer from the Mill and Elevator for the 2007-09 biennium and provided for future transfers from the Mill and Elevator based on a percentage of mill profits. The amount shown for the 2009-11 biennium is the estimated transfer based on projected Mill and Elevator profits for the 2009-11 biennium.

[9] This amount relates to $56,456,581 of federal fiscal relief funding received by the state, $50,000,000 in direct payments, and $6,456,581 received as enhanced federal medical assistance percentage (FMAP) reimbursements relating to 2001-03 biennium expenditures but were not received until the 2003-05 biennium.

2009-11 ESTIMATED GENERAL FUND REVENUES

Total 2009-11 Estimated General Fund Revenues - $3,278.89

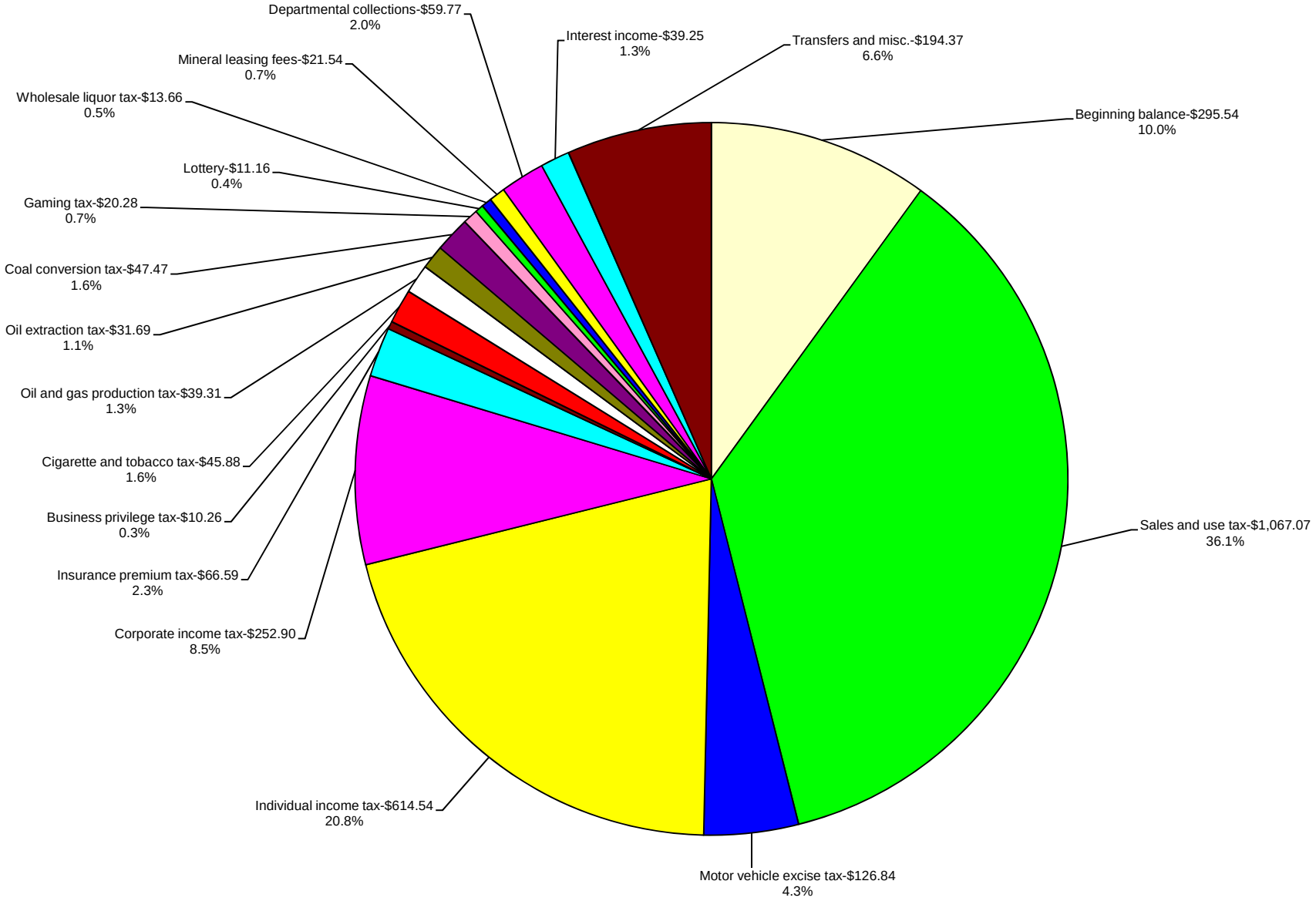
(Amounts Shown in Millions)



2007-09 ESTIMATED GENERAL FUND REVENUES

Total 2007-09 Estimated General Fund Revenues - $2,958.12

(Amounts Shown in Millions)



DEFICIENCY APPROPRIATIONS FOR THE 2007-09 BIENNIUM

	Executive Budget Recommendation			Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Office of Management and Budget - Estimated amount needed to repay the $5 million loan from the Bank of North Dakota for authorized centers of excellence projects (HB 1023)	$5,000,000		$5,000,000			
Office of Management and Budget - Funding from the permanent oil tax trust fund to match federal funding received in the 2007-09 biennium designated for livestock producers affected by severe winter weather and flooding (HB 1015)					$250,000	$250,000
State Treasurer - Funding to be distributed to the state and political subdivisions for weather-related transportation cost-sharing (SB 2012)				$59,900,000		59,900,000
Attorney General - Estimated amount needed for litigation fees, prosecution witness fees, and arrest and return of fugitives (HB 1023)	99,000		99,000	94,000		94,000
Attorney General - Funding available from federal funds for capital assets for the State Crime Laboratory (HB 1023)					340,000	340,000
Department of Public Instruction - Funding for grants from special funds derived from federal funds (HB 1013)					20,000,000	20,000,000
University of North Dakota - Estimated amount needed to repay the Bank of North Dakota for the state's share of expenses resulting from the 1997 flood (HB 1023)	1,310,955		1,310,955	2,858,771		2,858,771
North Dakota State University - Estimated amount needed to repay the Bank of North Dakota for the state's share of expenses resulting from the 2000 flood (HB 1023)	527,842		527,842	527,842		527,842
Tobacco Prevention and Control Executive Committee - Estimated amount of funding to be used by the Tobacco Prevention and Control Executive Committee from the tobacco prevention and control trust fund for 2007-09 operating expenses (HB 1015)					62,403	62,403
Adjutant General - Department of Emergency Services - Estimated amount needed to repay the Bank of North Dakota for the state's share of disaster costs (HB 1023)	3,422,553		3,422,553	3,422,553		3,422,553
Adjutant General - Department of Emergency Services - Funding for emergency snow removal grants (HB 1023)				1,400,000		1,400,000
Adjutant General - Department of Emergency Services - Funding to provide emergency snow removal grants to counties and cities (SB 2393)				1,000,000		1,000,000
Adjutant General - Department of Emergency Services - Transfer to the state disaster relief fund (SB 2012)				43,000,000		43,000,000
Main Research Center - Estimated amount needed for bond payments on capital projects authorized by the 2005 Legislative Assembly. Payments were inadvertently omitted from the 2007-09 appropriation (HB 1023).	100,499		100,499	100,499		100,499

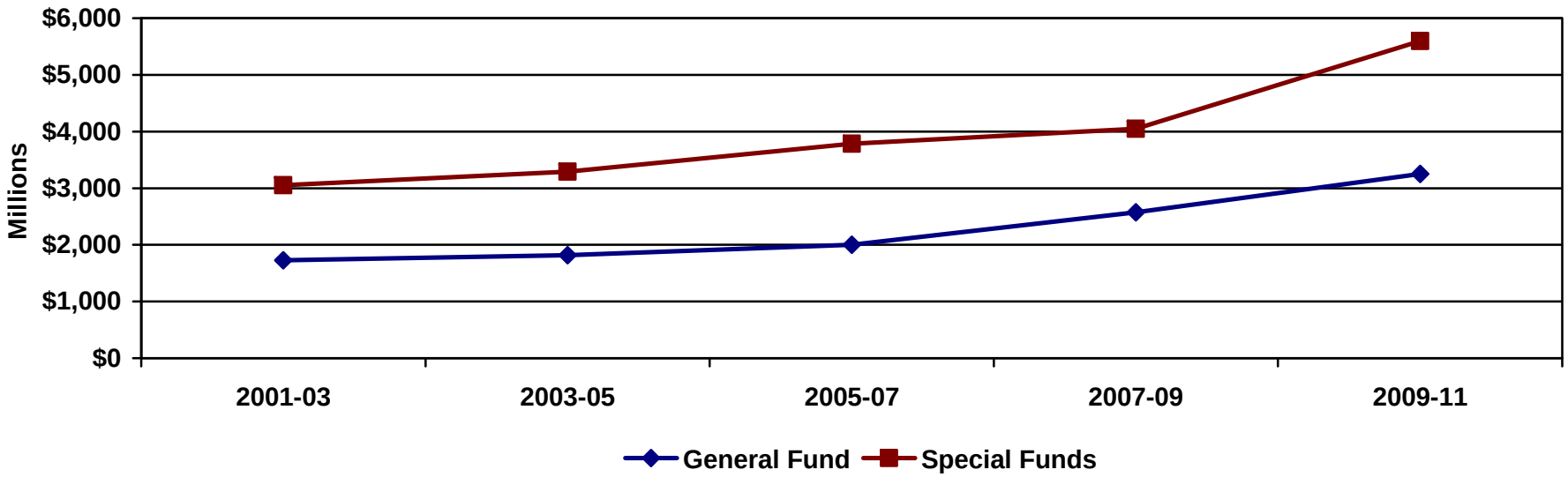
	Executive Budget Recommendation			Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Central Grasslands Research Center - Estimated amount needed for bond payments on capital projects authorized by the 2005 Legislative Assembly. Payments were inadvertently omitted from the 2007-09 appropriation (HB 1023).	13,560		13,560	13,560		13,560
North Central Research Center - Estimated amount needed for bond payments on capital projects authorized by the 2005 Legislative Assembly. Payments were inadvertently omitted from the 2007-09 appropriation (HB 1023).	22,094		22,094	22,094		22,094
Department of Transportation - State highway fund and public transportation fund portion of 2007-09 weather-related distributions (SB 2012)					8,500,000	8,500,000
Total deficiency appropriations for the 2007-09 biennium	$10,496,503	$0	$10,496,503	$112,339,319	$29,152,403	$141,491,722

APPROPRIATIONS SUMMARY

The 2009 Legislative Assembly provided general fund appropriations of $3,249,365,481, $675,100,000, or 26.2 percent, more than the 2007-09 legislative appropriations and $138,400,000, or 4.5 percent, more than the 2009-11 executive budget recommendation. Of the $3,249,365,481, $2,974,493,264 is considered ongoing general fund appropriations and $274,872,217 is considered one-time general fund appropriations. Ongoing spending increased by 22.2 percent. Additional information regarding one-time general fund appropriations is provided in the one-time funding schedule included in this section.

The 2009 Legislative Assembly provided special fund appropriations of $5,598,909,384, $1,549,000,000, or 38.5 percent, more than the 2007-09 legislative appropriations and $1,000,000,000, or 21.8 percent, more than the executive budget recommendation.

The following is a summary of legislative appropriations for the bienniums 2001-03 through 2009-11:



Biennium	General Fund Appropriations	Special Fund Appropriations	Total Appropriations
2001-03	$1,728,640,384	$3,049,996,983	$4,778,637,367
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	$3,249,365,481	$5,598,909,384	$8,848,274,865

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 2007-09 AND 2009-11 LEGISLATIVE APPROPRIATIONS

Budget No.	Budget	Legislative Appropriation 2007-09 General Fund	Legislative Appropriation 2007-09 Total Funds	Legislative Appropriation 2009-11 General Fund	Legislative Appropriation 2009-11 Total Funds	Increase (Decrease) From 2007-09 to 2009-11 General Fund	Increase (Decrease) From 2007-09 to 2009-11 Total Funds
	General Government						
101	Governor's office	$3,102,822	$3,202,822	$3,447,358	$108,147,037	$344,536	$104,944,215
108	Secretary of State	5,364,692	14,238,557	6,111,588	18,427,264	746,896	4,188,707
110	Office of Management and Budget	30,198,944	70,428,059	41,107,196	57,619,610	10,908,252	(12,808,449)
112	Information Technology Department	11,659,411	124,666,181	19,105,785	228,276,839	7,446,374	103,610,658
117	State Auditor	5,656,016	8,241,790	6,662,229	8,975,031	1,006,213	733,241
120	State Treasurer	3,093,470	3,093,470	2,228,985	2,228,985	(864,485)	(864,485)
125	Attorney General	24,432,081	45,334,002	28,060,432	53,121,841	3,628,351	7,787,839
127	Tax Commissioner	32,538,153	35,338,153	44,046,586	44,242,586	11,508,433	8,904,433
140	Office of Administrative Hearings		1,642,863		1,498,712		(144,151)
150	Legislative Assembly	14,177,129	14,177,129	16,014,554	16,014,554	1,837,425	1,837,425
160	Legislative Council	8,748,442	8,818,442	10,439,503	10,509,503	1,691,061	1,691,061
180	Judicial branch	66,935,878	69,135,518	82,590,015	84,634,822	15,654,137	15,499,304
188	Commission on Legal Counsel for Indigents	9,509,991	11,210,696	9,470,148	11,420,365	(39,843)	209,669
190	Retirement and Investment Office		3,352,908		3,705,650		352,742
192	Public Employees Retirement System		15,243,302	13,000	6,146,488	13,000	(9,096,814)
	Total General Government	$215,417,029	$428,123,892	$269,297,379	$654,969,287	$53,880,350	$226,845,395
	Education						
	Elementary, Secondary, and Other Education						
201	Department of Public Instruction	$715,423,275 [1]	$1,041,091,513 [1]	$814,405,590	$1,328,026,744	$98,982,315	$286,935,231
226	Land Department		9,124,124		13,792,561		4,668,437
250	State Library	3,977,513	5,858,766	4,601,028	6,528,864	623,515	670,098
252	School for the Deaf	5,390,438	6,429,456	7,099,896	9,266,346	1,709,458	2,836,890
253	North Dakota Vision Services - School for the Blind	2,917,936	3,761,793	3,492,068	4,307,970	574,132	546,177
270	Department of Career and Technical Education	21,804,036	32,839,668	25,941,008	36,703,890	4,136,972	3,864,222
	Total Elementary, Secondary, and Other Education	$749,513,198	$1,099,105,320	$855,539,590	$1,398,626,375	$106,026,392	$299,521,055
	Property Tax Relief - Education						
201	Department of Public Instruction	$0	$0	$295,000,000	$295,000,000	$295,000,000	$295,000,000
	Total Property Tax Relief - Education	$0	$0	$295,000,000	$295,000,000	$295,000,000	$295,000,000
	Higher Education						
215	North Dakota University System office	$68,601,118	$74,718,648	$88,758,682	$93,507,640	$20,157,564	$18,788,992
227	Bismarck State College	20,695,572	26,429,622	27,788,123	28,197,623	7,092,551	1,768,001
228	Lake Region State College	6,636,952	9,644,552	10,703,599	13,313,519	4,066,647	3,668,967
229	Williston State College	6,579,702	8,879,702	9,775,476	25,150,476	3,195,774	16,270,774
230	University of North Dakota	115,120,705	193,040,705	134,516,002	196,135,002	19,395,297	3,094,297
232	UND School of Medicine and Health Sciences	34,488,501	34,488,501	41,115,401	41,115,401	6,626,900	6,626,900
235	North Dakota State University	98,302,791	144,802,791	128,415,664	186,515,664	30,112,873	41,712,873
238	State College of Science	29,126,813	39,211,233	39,094,630	46,230,630	9,967,817	7,019,397
239	Dickinson State University	18,024,873	26,024,873	24,919,599	25,269,599	6,894,726	(755,274)
240	Mayville State University	11,205,028	12,105,028	18,707,055	22,375,555	7,502,027	10,270,527
241	Minot State University	38,267,401	39,674,016	39,565,688	66,815,688	1,298,287	27,141,672
242	Valley City State University	14,146,372	16,346,372	18,931,338	37,431,338	4,784,966	21,084,966
243	Minot State University - Bottineau	4,918,250	5,170,250	7,149,118	9,149,118	2,230,868	3,978,868
244	North Dakota Forest Service	2,535,546	3,533,032	3,855,768	4,853,254	1,320,222	1,320,222
	Total Higher Education	$468,649,624	$634,069,325	$593,296,143	$796,060,507	$124,646,519	$161,991,182

Budget No.	Budget	Legislative Appropriation 2007-09 General Fund	Legislative Appropriation 2007-09 Total Funds	Legislative Appropriation 2009-11 General Fund	Legislative Appropriation 2009-11 Total Funds	Increase (Decrease) From 2007-09 to 2009-11 General Fund	Increase (Decrease) From 2007-09 to 2009-11 Total Funds
	Total Education	$1,218,162,822	$1,733,174,645	$1,743,835,733	$2,489,686,882	$525,672,911	$756,512,237
	Health and Welfare						
301	State Department of Health	$21,517,033	$172,112,310	$27,081,665	$204,938,196	$5,564,632	$32,825,886
305	Tobacco Prevention and Control Executive Committee				12,882,000		
313	Veterans' Home	4,125,266	34,039,818	16,751,722	33,587,020	12,626,456	(452,798)
316	Indian Affairs Commission	566,258	571,258	682,585	700,585	116,327	129,327
321	Department of Veterans' Affairs	866,772	866,772	1,031,487	1,031,487	164,715	164,715
325	Department of Human Services	591,962,788	1,882,047,418	650,645,814	2,287,745,951	58,683,026	405,698,533
360	Protection and Advocacy Project	913,287	4,053,516	1,555,815	4,543,318	642,528	489,802
380	Job Service North Dakota	1,746,960	63,411,131	1,565,442	71,370,286	(181,518)	7,959,155
	Total Health and Welfare	$621,698,364	$2,157,102,223	$699,314,530	$2,616,798,843	$77,616,166	$459,696,620
	Regulatory						
401	Insurance Commissioner		$14,455,124		$16,058,934		$1,603,810
405	Industrial Commission	$11,756,004	81,148,350	$13,800,254	63,108,738	$2,044,250	(18,039,612)
406	Labor Commissioner	1,149,250	1,550,591	1,401,583	1,814,334	252,333	263,743
408	Public Service Commission	4,873,459	12,876,768	5,603,165	16,230,407	729,706	3,353,639
412	Aeronautics Commission	550,000	7,072,036	550,000	12,918,666	0	5,846,630
413	Department of Financial Institutions		5,177,422		6,086,488		909,066
414	Securities Department	1,623,355	1,840,554	1,788,362	2,105,561	165,007	265,007
471	Bank of North Dakota	13,600,000	51,721,867	11,100,000	55,267,274	(2,500,000)	3,545,407
473	Housing Finance Agency		41,529,290		71,344,343		29,815,053
475	Mill and Elevator		36,765,609		40,057,242		3,291,633
485	Workforce Safety and Insurance		53,241,155		56,877,605		3,636,450
	Total Regulatory	$33,552,068	$307,378,766	$34,243,364	$341,869,592	$691,296	$34,490,826
	Public Safety						
504	Highway Patrol	$27,895,323	$39,107,528	$31,007,985	$41,901,715	$3,112,662	$2,794,187
530	Department of Corrections and Rehabilitation	171,606,873 [2]	195,657,825 [2]	164,090,829	235,602,574	(7,516,044)	39,944,749
540	Adjutant General	13,770,868	88,554,982	28,010,807	213,081,809	14,239,939	124,526,827
	Department of Emergency Services	8,031,945	54,923,504	12,714,407	64,315,276	4,682,462	9,391,772
	Total Public Safety	$221,305,009	$378,243,839	$235,824,028	$554,901,374	$14,519,019	$176,657,535
	Agriculture and Economic Development						
601	Department of Commerce	$28,581,965 [3]	$84,340,481 [3]	$58,476,303 [5]	$196,737,408 [5]	$29,894,338	$112,396,927
602	Department of Agriculture	5,939,660 [4]	17,327,986 [4]	7,467,383	21,561,849	1,527,723	4,233,863
616	State Seed Department		6,166,218		6,805,495		639,277
627	Upper Great Plains Transportation Institute	1,209,840	27,571,521	1,589,793	26,326,992	379,953	(1,244,529)
628	Branch research centers	11,301,508	25,017,019	12,367,190	27,559,006	1,065,682	2,541,987
630	NDSU Extension Service	18,402,113	42,265,835	22,000,412	47,929,289	3,598,299	5,663,454
638	Northern Crops Institute	1,143,312	2,622,969	1,439,221	3,037,486	295,909	414,517
640	Main Research Center	44,235,584	87,336,348	60,217,151	105,930,418	15,981,567	18,594,070
649	Agronomy Seed Farm		1,230,162		1,275,238		45,076
665	State Fair Association	1,167,150	1,167,150	15,697,150	18,697,150	14,530,000	17,530,000
670	Racing Commission	120,592	407,290	295,000	325,000	174,408	(82,290)
	Total Agriculture and Economic Development	$112,101,724	$295,452,979	$179,549,603	$456,185,331	$67,447,879	$160,732,352
	Natural Resources						
701	State Historical Society	$10,232,603	$15,551,369	$52,174,252	$68,518,089	$41,941,649	$52,966,720

Budget No.	Budget	Legislative Appropriation 2007-09 General Fund	Legislative Appropriation 2007-09 Total Funds	Legislative Appropriation 2009-11 General Fund	Legislative Appropriation 2009-11 Total Funds	Increase (Decrease) From 2007-09 to 2009-11 General Fund	Increase (Decrease) From 2007-09 to 2009-11 Total Funds
709	Council on the Arts	1,165,799	2,454,117	1,368,734	3,104,220	202,935	650,103
720	Game and Fish Department		57,841,039		59,463,938		1,622,899
750	Parks and Recreation Department	14,461,291	28,009,408	15,333,959	28,282,013	872,668	272,605
770	State Water Commission	13,877,247	175,999,263	13,823,899	325,879,708	(53,348)	149,880,445
	Total Natural Resources	$39,736,940	$279,855,196	$82,700,844	$485,247,968	$42,963,904	$205,392,772
	Transportation						
801	Department of Transportation		$903,157,500	$4,600,000	$1,248,615,588	$4,600,000	$345,458,088
	Total Transportation		$903,157,500	$4,600,000	$1,248,615,588	$4,600,000	$345,458,088
	TOTAL APPROPRIATIONS	$2,461,973,956	$6,482,489,040	$3,249,365,481	$8,848,274,865	$787,391,525	$2,365,785,825
	APPROPRIATION SUMMARY						
	General Government	$215,417,029	$428,123,892	$269,297,379	$654,969,287	$53,880,350	$226,845,395
	Education	1,218,162,822	1,733,174,645	1,743,835,733	2,489,686,882	525,672,911	756,512,237
	Health and Welfare	621,698,364	2,157,102,223	699,314,530	2,616,798,843	77,616,166	459,696,620
	Regulatory	33,552,068	307,378,766	34,243,364	341,869,592	691,296	34,490,826
	Public Safety	221,305,009	378,243,839	235,824,028	554,901,374	14,519,019	176,657,535
	Agriculture and Economic Development	112,101,724	295,452,979	179,549,603	456,185,331	67,447,879	160,732,352
	Natural Resources	39,736,940	279,855,196	82,700,844	485,247,968	42,963,904	205,392,772
	Transportation		903,157,500	4,600,000	1,248,615,588	4,600,000	345,458,088
	TOTAL APPROPRIATIONS	$2,461,973,956 *	$6,482,489,040 *	$3,249,365,481	$8,848,274,865	$787,391,525	$2,365,785,825
	* 2007-09 appropriations made by the 60th Legislative Assembly	$2,461,973,956	$6,482,489,040				
	2007-09 deficiency appropriations made by the 61st Legislative Assembly	112,339,319	141,491,722				
	Total 2007-09 appropriations	$2,574,313,275	$6,623,980,762				

[1] The 2007-09 amounts shown for the Department of Public Instruction include a $5 million contingent general fund appropriation for school district deferred maintenance and physical plant improvement grants, which became effective in February 2008.

[2] The 2007-09 amounts shown for the Department of Corrections and Rehabilitation include $41 million transferred by the Office of Management and Budget from the general fund to the State Penitentiary land fund on July 1, 2007, as provided for in Section 8 of 2007 House Bill No. 1015. The funds are to be used for correctional facilities.

[3] The 2007-09 amounts shown for the Department of Commerce include $2 million to be transferred by the Office of Management and Budget from the general fund to the workforce enhancement fund as provided for in Section 11 of 2007 House Bill No. 1019. The funds in the workforce enhancement fund are appropriated to the Department of Commerce on a continuing basis for providing grants to higher education institutions assigned primary responsibility for workforce training in the state.

[4] The 2007-09 amounts shown for the Department of Agriculture include $150,000 to be transferred by the Office of Management and Budget from the general fund to the environment and rangeland protection fund as provided for in Section 8 of 2007 Senate Bill No. 2009.

[5] The 2009-11 amounts shown for the Department of Commerce include $4,450,000 to be transferred by the Office of Management and Budget from the general fund to the centers of excellence fund as provided for in Section 4 of 2009 House Bill No. 1009.

COMPARISON OF EXECUTIVE BUDGET AND LEGISLATIVE APPROPRIATIONS FOR THE 2009-11 BIENNIUM

Major Category	Executive Budget 2009-11		Legislative Appropriation 2009-11		Increase (Decrease) From Executive Budget to Legislative Appropriation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
General Government	$276,696,871	$458,568,927	$269,297,379	$654,969,287	($7,399,492)	$196,400,360
Elementary and Secondary Education	820,302,441	1,180,107,587	814,405,590	1,328,026,744	(5,896,851)	147,919,157
Property Tax Relief - Education	0	0 [1]	295,000,000	295,000,000	295,000,000	295,000,000
Higher Education	614,224,947	778,620,991	593,296,143	796,060,507	(20,928,804)	17,439,516
Other Education	40,281,578	78,945,346	41,134,000	70,599,631	852,422	(8,345,715)
Human Services	721,512,545	2,262,086,961	650,645,814	2,287,745,951	(70,866,731)	25,658,990
Other Health and Welfare	32,161,012	288,577,777	48,668,716	329,052,892	16,507,704	40,475,115
Regulatory	36,340,300	310,666,362	34,243,364	341,869,592	(2,096,936)	31,203,230
Public Safety	234,410,695	435,864,762	235,824,028	554,901,374	1,413,333	119,036,612
Agriculture and Economic Development	156,129,230	339,992,185	179,549,603 [2]	456,185,331 [2]	23,420,373	116,193,146
Natural Resources	58,862,046	445,942,999	82,700,844	485,247,968	23,838,798	39,304,969
Transportation	120,000,000	1,130,182,250	4,600,000	1,248,615,588	(115,400,000)	118,433,338
Total	$3,110,921,665	$7,709,556,147	$3,249,365,481	$8,848,274,865	$138,443,816	#############

[1] The executive budget recommendation included a continuing appropriation to the Department of Public Instruction for mill levy reduction grants to school districts.

[2] The amounts shown for agriculture and economic development include $4,450,000 to be transferred by the Office of Management and Budget from the general fund to the centers of excellence fund as provided for in Section 4 of House Bill No. 1015.

FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009 - ANTICIPATED FUNDS AND 2009-11 APPROPRIATIONS

The schedule below details potential federal stimulus funds to be received by the state, federal stimulus funds appropriated, and related changes.

Bill No. - Agency Federal Program	Anticipated ARRA Funds Available	Amounts Included in 2009 Legislation ARRA Funds Appropriated	General Fund Reductions Compared to Executive Budget	Contingent General Fund Appropriations
HB 1001 - Governor				
Fiscal stabilization - Education - See HB 1013 - Department of Public Instruction				
Fiscal stabilization - Other government services - To be transferred for the following:	$19,055,342			
Office of Management and Budget (from Governor)				
Administrative costs (HB 1015)		$289,494		
Database of state expenditures (SB 2018)		400,000		
Department of Public Instruction (from Governor)				
Administrative costs relating to federal fiscal stimulus payment to schools (HB 1013)		326,348		
Early Childhood Learning Council operating expenses (HB 1013)		20,000		
English language learner grant to a regional education association (SB 2212)		40,000		
University of North Dakota (from Governor)				
Education Building (SB 2003)		11,200,000	($11,200,000)	
Simulation Laboratory Initiative (SB 2266)		500,000		
Minot State University (from Governor)				
Swain Hall (SB 2003)		5,000,000		
Indian Affairs Commission (from Governor)				
American Indian Language Preservation Committee (HB 1399)		18,000		
Adjutant General (from Governor)				
Boiler replacement, construction of an east operations center, and information technology enhancements (HB 1016)		1,261,500	(1,261,500)	
Total - Fiscal stabilization - Other government services	$19,055,342	$19,055,342	($12,461,500)	
HB 1003 - Attorney General				
Edward J. Byrne Memorial Justice Assistance Grant	$3,162,336	$1,652,426		
Internet Crimes Against Children Task Force	413,449	216,174		
Community oriented policing services	1,244,402			
Rural Law Enforcement Assistance Act	641,106	390,588		
Total - Attorney General	$5,461,293	$2,259,188		
HB 1012 - Department of Human Services				
Federal medical assistance percentage increase	$96,800,000	$66,500,000	($66,500,000)	
Elderly nutrition services	485,000	485,000		
Child support incentive matching funds	3,200,000	3,200,000	(2,763,082)	
Rehabilitation services and disability assistance and independent living	2,043,000	2,043,000		
Individuals With Disabilities Education Act - Part C	2,140,000	2,140,000		
Supplemental nutrition assistance program	9,874,747	9,874,747		
Temporary assistance for needy families	Unknown			
Child care development block grant (HB 1418)	3,644,000	3,644,000		
Senior employment program	143,288	143,288		
Older blind	3,170	3,170		

Bill No. - Agency Federal Program	Anticipated ARRA Funds Available	Amounts Included in 2009 Legislation ARRA Funds Appropriated	General Fund Reductions Compared to Executive Budget	Contingent General Fund Appropriations
Total - Department of Human Services	$118,333,205	$88,033,205	($69,263,082)	
HB 1013 - Department of Public Instruction				
Fiscal stabilization funds - Education	$85,644,337	$85,644,337	($11,000,000)	
Title I - Part A	27,415,262	27,415,262		
Title I - School improvement	7,145,000	7,145,000		
Title II - Part D - Technology	3,209,375	3,209,375		
Individuals With Disabilities Education Act	27,413,988	27,413,988		
McKinney-Vento Homeless Assistance Act	150,000	150,000		
National school lunch program	230,000	230,000		
The emergency food assistance program	85,426	85,426		
Clean diesel (from State Department of Health)		1,730,000		
Total - Department of Public Instruction	$151,293,388	$153,023,388	($11,000,000)	
HB 1016 - Adjutant General				
Military energy-related maintenance and repairs	$2,522,270	$2,522,270		
HB 1020 - State Water Commission				
Bureau of Reclamation water resource projects (appropriated for Southwest Pipeline Project)	$20,000,000	$12,000,000		
SB 2004 - State Department of Health				
Water quality grants	$194,300	$194,300		
Superfund arsenic trioxide project grants	7,000,000	7,000,000		
Clean diesel grants (provided to the Department of Public Instruction)	1,730,000	1,730,000		
Clean water state revolving loan fund	19,239,100	769,564		
Drinking water state revolving loan fund	19,500,000	780,000		
Stop Violence Against Women grant	812,159			
Domestic violence sexual assault organizations (SB 2004)		511,661		
Domestic violence sexual assault organizations (SB 2230)		1,000,000		
Women, infants, and children	160,265	61,800		
Prevention and wellness fund grants	Unknown			
Immunization services (SB 2333)		1,200,000		$1,200,000
Total - State Department of Health	$48,635,824	$13,247,325		$1,200,000
SB 2010 - Council on the Arts				
National Endowment for the Arts	$290,000	$290,000		
SB 2012 - Department of Transportation				
Highway infrastructure investment	$170,126,497	$170,126,497		
Transit programs	5,956,174	5,956,174		
Amount of highway infrastructure investment funds available for transportation enhancement projects - $5,103,795				
Parks and Recreation Department (HB 1019)				
Turtle River State Park pedestrian bridge		300,000		
Turtle Mountain Scenic Byway acquisition/trails		200,000		
Fort Abraham Lincoln State Park Civilian Conservation Corps building rehabilitation		300,000		

Bill No. - Agency Federal Program	Anticipated ARRA Funds Available	Amounts Included in 2009 Legislation ARRA Funds Appropriated	General Fund Reductions Compared to Executive Budget	Contingent General Fund Appropriations
State Historical Society (HB 1018)				
Protective structure for locomotive at Camp Hancock State Historic Site		150,000		
Fort Totten State Historic Site Commissary exhibit and signage		385,000		
Geographic information system scanning and integration		150,000		
Total - Department of Transportation	$176,082,671	$177,567,671		
SB 2014 - Industrial Commission (Housing Finance Agency)				
HOME tax credit assistance program	$4,860,574	$4,860,574		
Federal low-income housing tax credit exchange program	25,500,000	25,500,000		
Total - Industrial Commission	$30,360,574	$30,360,574		
SB 2015 - Department of Corrections and Rehabilitation				
Crime victims' compensation	$78,313	$78,313		
Crime victims' assistance	542,000	542,000		
Total - Department of Corrections and Rehabilitation	$620,313	$620,313		
SB 2016 - Job Service North Dakota				
Workforce Investment Act	$5,068,883	$5,068,883		
State unemployment insurance and employment services grant	2,984,613	2,984,613		
Unemployment compensation benefit increase	Unknown			
Unemployment compensation benefit increase - Administration	1,039,443	1,039,443	($200,000)	
Total - Job Service North Dakota	$9,092,939	$9,092,939	($200,000)	
SB 2018 - Department of Commerce				
Community development block grant program	$1,300,000	$1,300,000		
Community services block grant	4,853,305	4,853,305		
State energy program	24,585,000	24,585,000		
Energy efficiency and conservation block grant program	10,000,000	10,000,000	($1,000,000)	
Department of Corrections and Rehabilitation (from Department of Commerce)				
Summer replacement boiler (SB 2015)		225,041		$225,041
Energy management system conversion (SB 2015)		18,928		18,928
Heating and cooling equipment replacement (SB 2015)		15,574		15,774
Lake Region State College (from Department of Commerce)				
Wind tower project (SB 2003)		2,609,920		2,609,920
Veterans' Home (from Department of Commerce)				
Thermal imager (SB 2007)		5,500		5,500
Geothermal heating system (SB 2075)		3,039,414		3,039,414
Main Research Center (from Department of Commerce)				
Geothermal heating system (SB 2020)		700,000		
Weatherization assistance program	25,266,330	25,266,330		
Emergency shelter grants	2,590,000	2,590,000		
Department of Corrections and Rehabilitation (from Department of Commerce)				
Temporary housing for sexual offenders		160,000		160,000
Total - Department of Commerce	$68,594,635	$75,369,012	($1,000,000)	$6,074,577

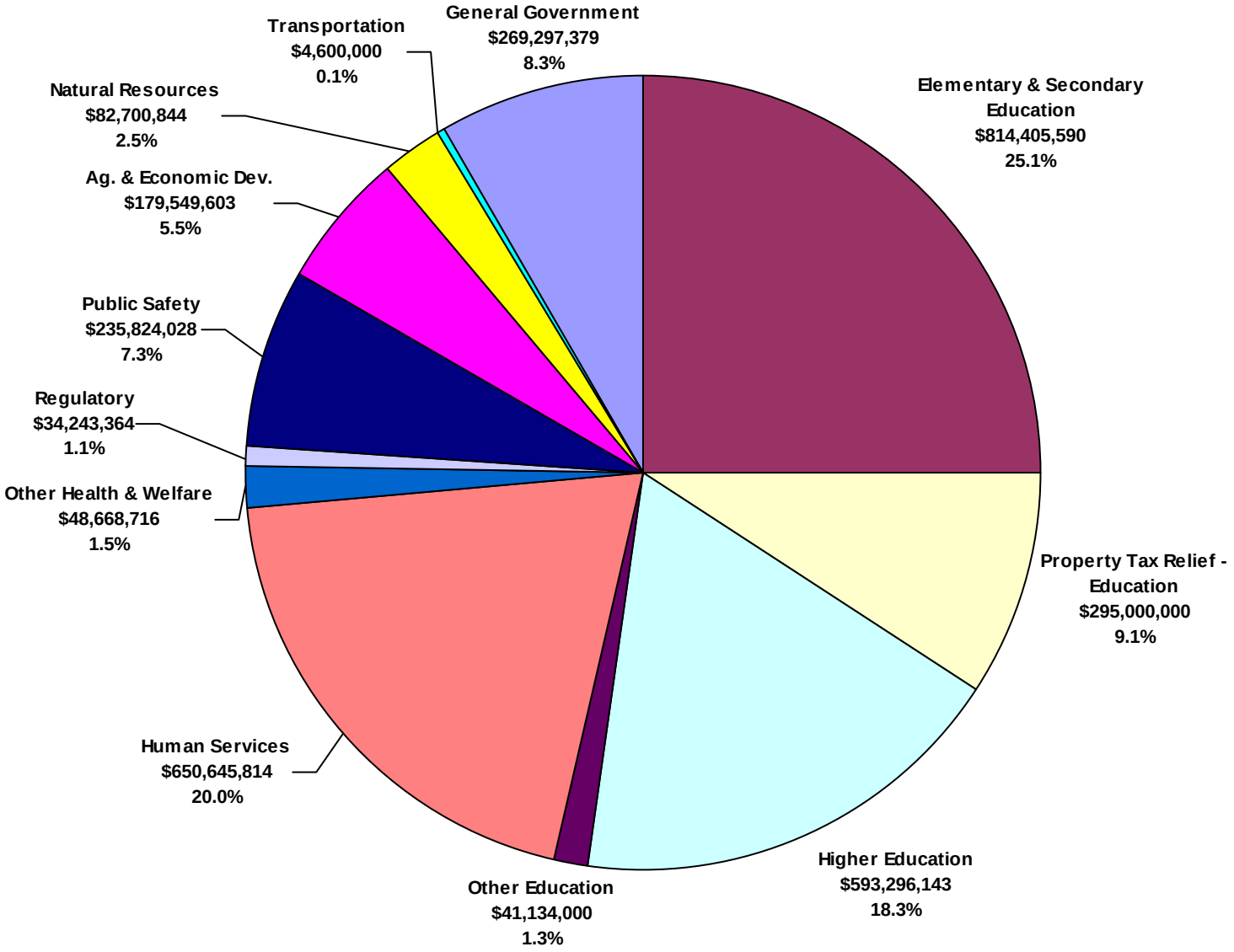
Bill No. - Agency Federal Program	Anticipated ARRA Funds Available	Amounts Included in 2009 Legislation ARRA Funds Appropriated	General Fund Reductions Compared to Executive Budget	Contingent General Fund Appropriations
Other Appropriations				
SB 2007 - Veterans' Home - Utility vehicle	Competitive	$14,691		
SB 2007 - Veterans' Home - Electronic health records system	Competitive	98,400		$98,400
SB 2021 - Information Technology Department - Statewide longitudinal data system	Competitive	2,263,883		2,263,883
SB 2332 - Information Technology Department - Health information technology	Competitive	80,000,000		
Total - Other appropriations		$82,376,974	$0	$2,362,283
Total - All agencies	$650,342,454	$665,818,201	($93,924,582)	$9,636,860
Less - Passthrough appropriations		(9,989,377)		
Less - Fiscal stimulus funds reflected as additional turnback or continuing appropriations	(67,489,536)			
Net ARRA funds appropriated	$582,852,918	$655,828,824	($93,924,582)	$9,636,860

CONTINGENT 2009-11 GENERAL FUND APPROPRIATIONS

Bill No. - Agency	Description	Amount
Contingent on Unavailability of Federal Fiscal Stimulus		
SB 2003 - Lake Region State College	Wind energy project	$2,609,920
SB 2007 - Veterans' Home	Thermal imager ($5,500) and electronic health care records system ($98,400)	103,900
SB 2075 - Veterans' Home	Geothermal heating system	3,039,414
SB 2015 - Department of Corrections and Rehabilitation (DOCR)	Summer replacement boiler ($225,041), conversion of the energy management system from analog to digital ($18,928), heating and cooling equipment replacement ($15,774), and temporary housing of sexual offenders ($160,000)	419,743
SB 2021 - Information Technology Department	Costs associated with a statewide longitudinal data system	2,263,883
SB 2333 - State Department of Health	Immunization services	1,200,000
Subtotal - Contingent on unavailability of federal fiscal stimulus funds		$9,636,860
Contingent on Additional General Fund Revenues		
HB 1013 - Department of Public Instruction	Supplemental transportation aid payments (contingent on the Office of Management and Budget projecting during the 2009-11 biennium that the general fund balance will be $30 million more than estimated by the 2009 Legislative Assembly)	$5,000,000
SB 2003 - Dickinson State University	Stoxen Library renovation and addition (contingent upon actual general fund revenues from July 1, 2009, through December 31, 2009, exceeding estimated general fund revenues for that period by at least $25 million, as determined by the Office of Management and Budget based on the legislative estimates made at the close of the 2009 legislative session)	8,800,000
SB 2018 - Department of Commerce	Transfer to the centers of excellence fund (contingent on actual general fund revenues exceeding legislative estimates made at the end of the 2009 legislative session by at least $5 million for the period from July 1, 2009, through December 1, 2009)	5,000,000
Subtotal - Contingent on additional general fund revenues		$18,800,000
Other		
SB 2004 - State Department of Health	Transfer to the community health trust fund (contingent on whether funds available in the community health trust fund are sufficient to provide for legislative appropriations from the fund for the biennium beginning July 1, 2009, and ending June 30, 2011)	$2,405,371
SB 2015 - DOCR	Repairs for the dining and kitchen area at the Missouri River Correctional Center (The funds may only be spent if the Missouri River Correctional Center is not relocated to the State Penitentiary as part of the prison expansion project.)	93,592
Subtotal - Other		$2,498,963
Total		$30,935,823

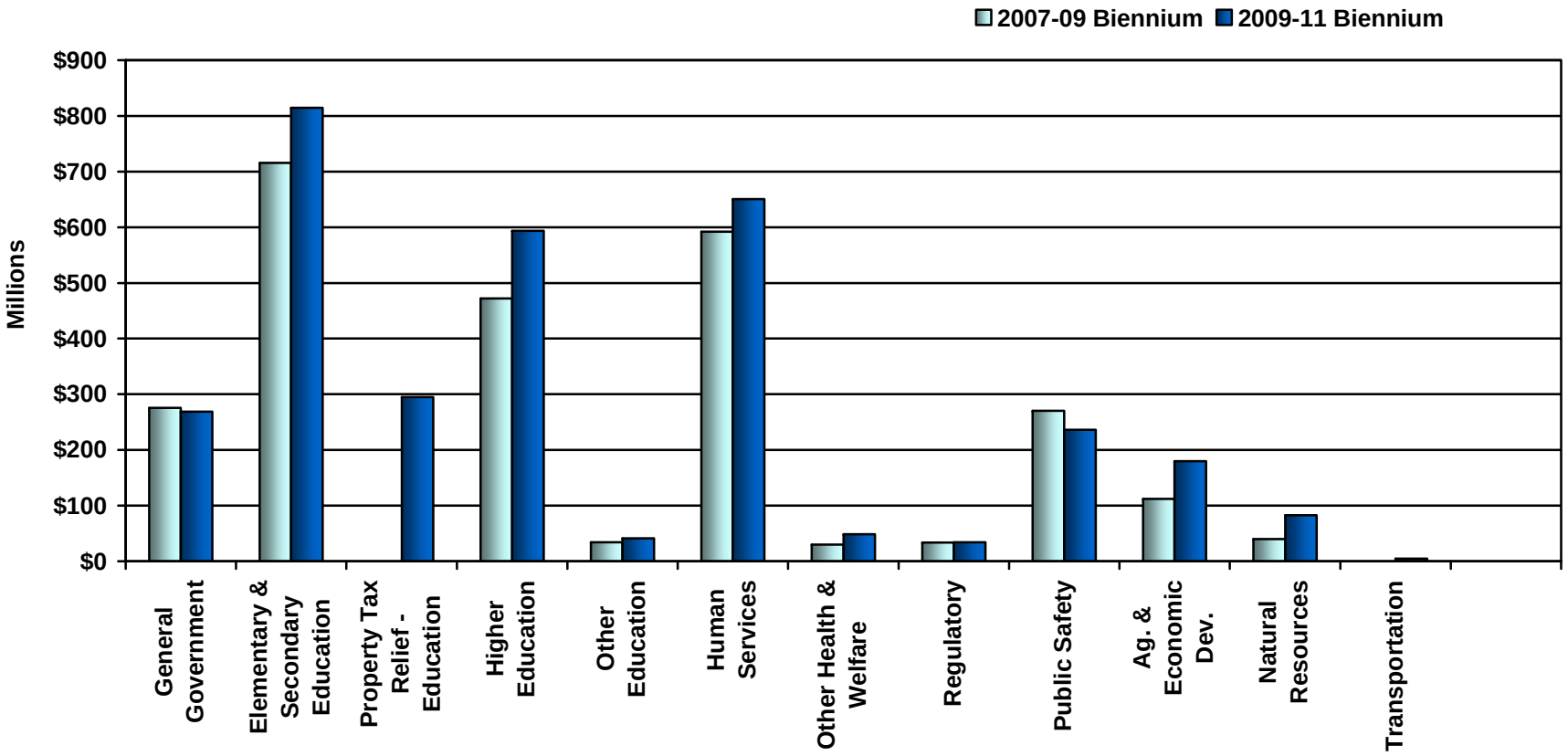
2009-11 BIENNIUM GENERAL FUND APPROPRIATIONS

Total 2009-11 General Fund Appropriations - $3,249,365,481



COMPARISON OF 2007-09 AND 2009-11 GENERAL FUND APPROPRIATIONS

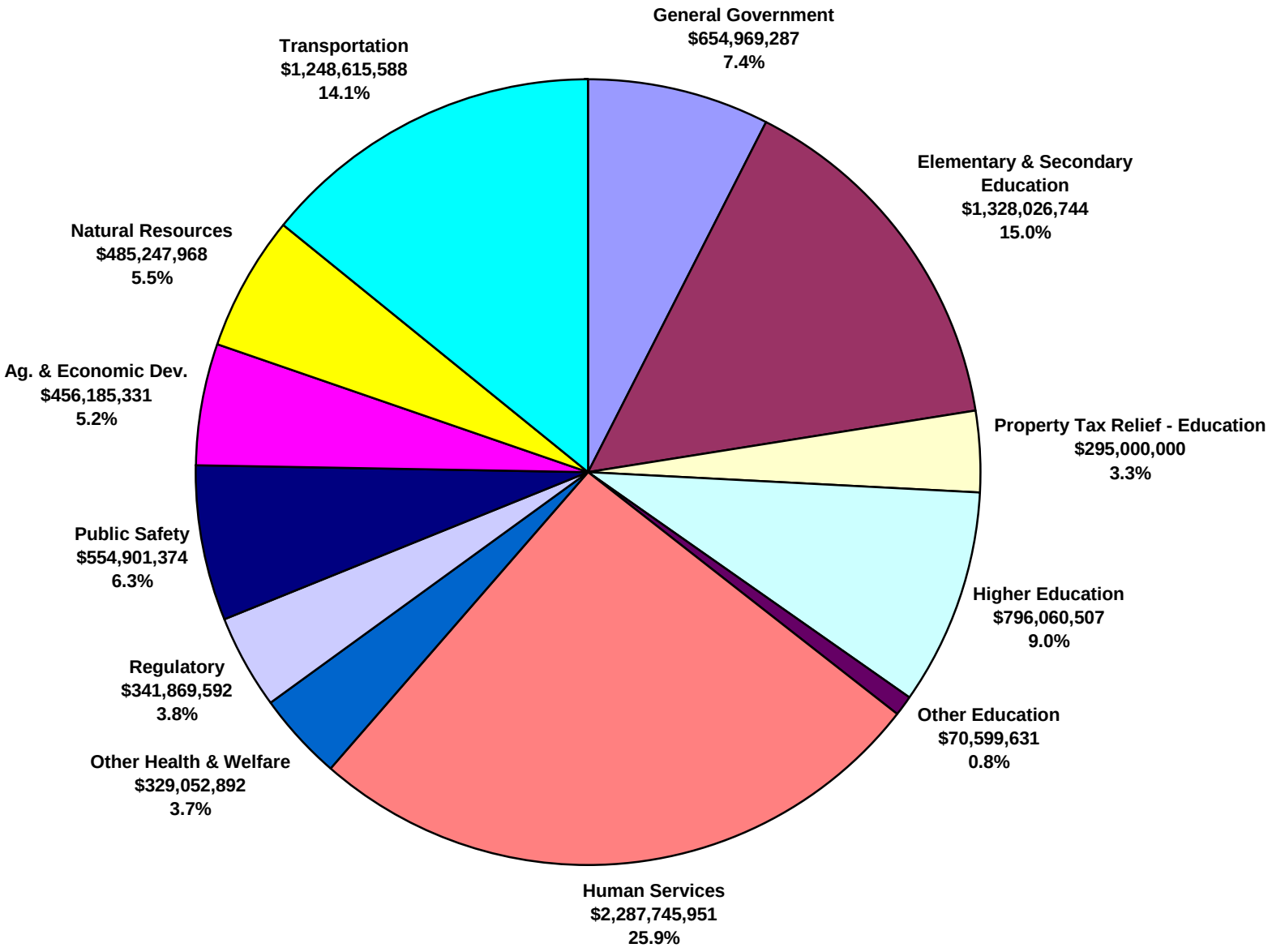
Amounts Shown in Millions



	2007-09 Biennium	2009-11 Biennium	Increase (Decrease)	Percentage Increase (Decrease)
General Government	$275,411,029	$269,297,379	($6,113,650)	(2.22%)
Elementary & Secondary Education	715,423,275	814,405,590	98,982,315	13.84%
Property Tax Relief - Education	0	295,000,000	295,000,000	N/A
Higher Education	472,036,237	593,296,143	121,259,906	25.69%
Other Education	34,089,923	41,134,000	7,044,077	20.66%
Human Services	591,962,788	650,645,814	58,683,026	9.91%
Other Health & Welfare	29,735,576	48,668,716	18,933,140	63.67%
Regulatory	33,552,068	34,243,364	691,296	2.06%
Public Safety	270,127,562	235,824,028	(34,303,534)	(12.70%)
Ag. & Economic Dev.	112,237,877	179,549,603	67,311,726	59.97%
Natural Resources	39,736,940	82,700,844	42,963,904	108.12%
Transportation	0	4,600,000	4,600,000	N/A
Total	$2,574,313,275	$3,249,365,481	$675,052,206	26.22%

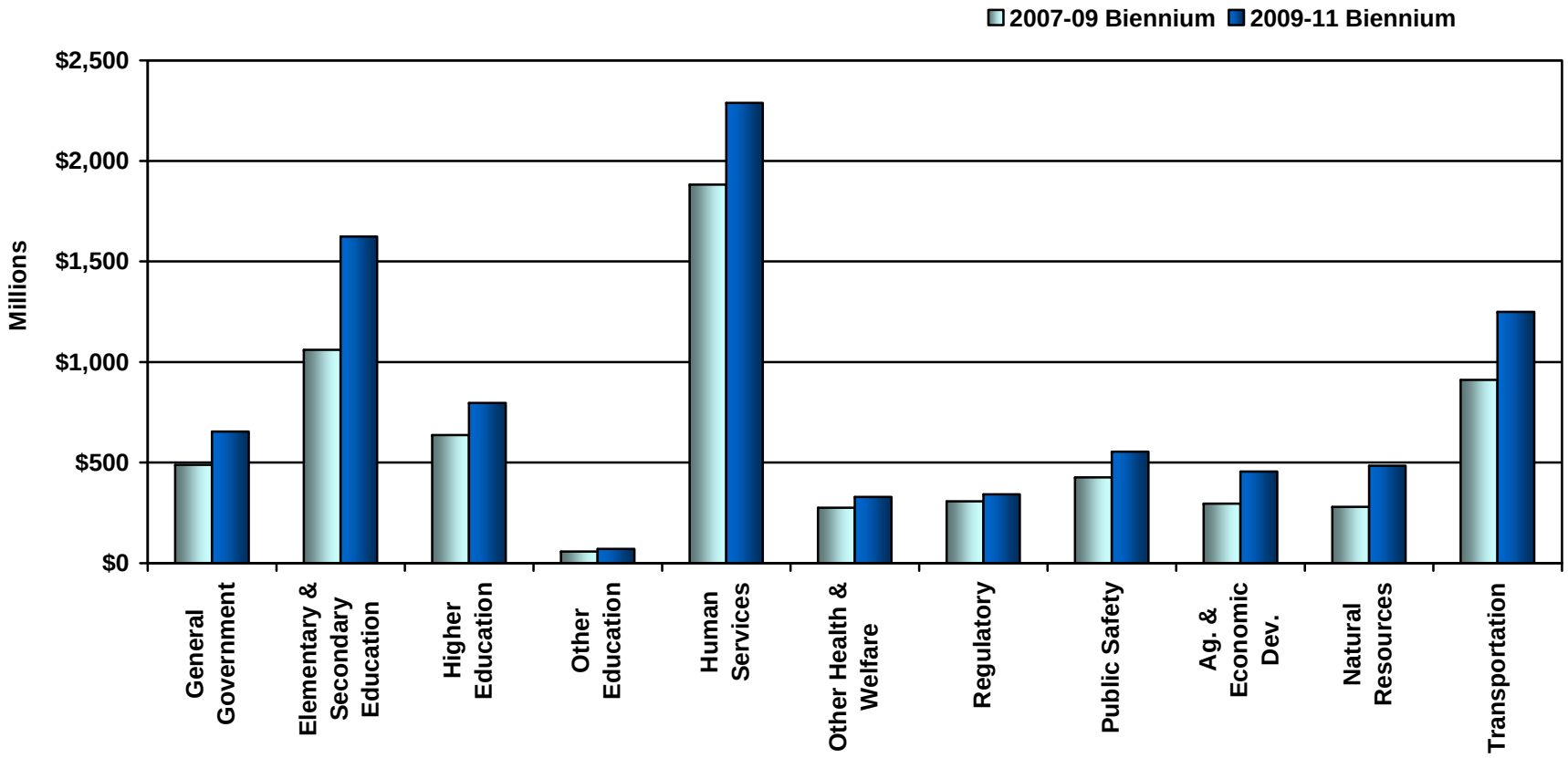
2009-11 BIENNIUM ALL FUNDS APPROPRIATIONS

Total 2009-11 Biennium All Funds Appropriations - $8,848,274,865



COMPARISON OF 2007-09 AND 2009-11 ALL FUNDS APPROPRIATIONS

Amounts Shown in Millions



	2007-09 Biennium	2009-11 Biennium	Increase (Decrease)	Percentage Increase (Decrease)
General Government	$488,707,892	$654,969,287	$166,261,395	34.02%
Elementary & Secondary Education	1,061,091,513	1,328,026,744	266,935,231	25.16%
Property Tax Relief - Education	0	295,000,000	295,000,000	N/A
Higher Education	637,455,938	796,060,507	158,604,569	24.88%
Other Education	58,013,807	70,599,631	12,585,824	21.69%
Human Services	1,882,047,418	2,287,745,951	405,698,533	21.56%
Other Health & Welfare	275,117,208	329,052,892	53,935,684	19.60%
Regulatory	307,378,766	341,869,592	34,490,826	11.22%
Public Safety	427,066,392	554,901,374	127,834,982	29.93%
Ag. & Economic Dev.	295,589,132	456,185,331	160,596,199	54.33%
Natural Resources	279,855,196	485,247,968	205,392,772	73.39%
Transportation	911,657,500	1,248,615,588	336,958,088	36.96%
Total	$6,623,980,762	$8,848,274,865	$2,224,294,103	33.58%

Agriculture Commissioner
Budget No. 602
House Bill No. 1009, Senate Bill No. 2342

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	70.50	$6,934,306	$13,867,630	$20,801,936
2009-11 legislative appropriations	**74.50**	**7,467,383**	**14,094,466**	**21,561,849**
Legislative increase (decrease) to executive budget	4.00	$533,077	$226,836	$759,913
Legislative increase (decrease) to 2007-09 appropriations	7.00	$1,497,446	$2,680,140	$4,177,586

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$5,729,101	$240,836[1]	$5,969,937
2009-11 legislative appropriations	**7,467,383**	**0**	**7,467,383**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,738,282	($240,836)	$1,497,446
Percentage increase (decrease) to 2007-09 appropriations	30.3%	(100.0%)	25.1%
2009-11 legislative increase (decrease) to executive budget	$533,077	$0	$533,077
Percentage increase (decrease) to executive budget	7.7%	N/A	7.7%

[1]This amount includes a transfer of $150,000 from the general fund to the environment and rangeland protection fund.

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Agriculture Commissioner is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($86,833)	($94,068)	($180,901)
Added grant funding for the Dairy Coalition		100,000		100,000
Added funding for Pride of Dakota activities			55,000	55,000
Added a new FTE meat inspector position to begin July 1, 2010	1.00	39,410	36,982	76,392

Added a new FTE field inspector position	1.00	155,000		155,000
Added a new FTE pesticide registration specialist position	1.00		140,000	140,000
Added funding for Project Safe Send to collect damaged chemicals and pesticides resulting from 2009 flooding			40,000	40,000
Added funding for wine industry promotion		50,000		50,000
Added funding for the weed seed free certification program			48,922	48,922
Added funding for testing and control of Johne's disease (This funding consists of $30,000 provided in House Bill No. 1009 and $245,500 provided in Senate Bill No. 2342.)		275,500		275,500
Authorized an additional FTE position to be used for the state meat inspection program if demand for the program requires an additional position. The agency must receive Emergency Commission approval prior to filling the position.	1.00			
Total	4.00	$533,077	$226,836	$759,913

FTE Changes

The Legislative Assembly authorized 74.5 FTE positions for the 2009-11 biennium, an increase of 7 FTE positions from the 2007-09 biennium authorized level of 63.5 FTE positions and an increase of 4 FTE positions from the executive recommendation of 70.5 FTE positions. The Legislative Assembly did not change the executive budget recommendation to add a new FTE pesticide outreach position, a new FTE meat inspection position, and a new plant inspector position. The Legislative Assembly added an additional FTE meat inspection position to begin in July 2010, a new field inspector position, and a new pesticide registration specialist position. The Legislative Assembly also added an FTE meat inspector position without funding that may be funded and filled upon the agency receiving Emergency Commission approval.

Wildlife Services

The 2009-11 biennium appropriation includes $1,067,400 for Wildlife Services, an increase of $17,400 from the 2007-09 biennium appropriation of $1,050,000. The 2009-11 appropriation includes $298,600 from the general fund and $768,800 from the game and fish fund.

Section 6 of House Bill No. 1009 provides for a Legislative Council study of the cooperative agreement between the Agriculture Commissioner and the United States Department of Agriculture Wildlife Services program.

Pesticide Registration Fees

Section 12 of House Bill No. 1009 amends North Dakota Century Code (NDCC) Section 19-18-04 to provide that all pesticide registration fees be deposited in the environment and rangeland protection fund rather than a portion in the general fund. During the 2007-09 biennium, $50 of each pesticide registration fee was deposited in the general fund and the remaining $300 of the fee was deposited in the environment and rangeland protection fund. The estimated effect of depositing the remaining $50 of each pesticide registration fee in the environment and rangeland protection fund rather than the general fund is $55,000 for the 2009-11 biennium.

Other Sections in House Bill No. 1009

Environment and rangeland protection fund - Section 2 authorizes $3,888,578 from the environment and rangeland protection fund to be used for defraying the expenses of various Department of Agriculture programs.

Anhydrous ammonia storage inspection fund - Section 3 authorizes $40,000 from the anhydrous ammonia storage inspection fund for the purpose of defraying the expenses of regulating anhydrous ammonia storage facilities.

Game and fish fund - Section 4 authorizes $968,800 from the game and fish fund to the Department of Agriculture for Wildlife Services ($768,800) and the State Board of Animal Health ($200,000).

Livestock health permit inspection program - Section 7 requires the State Board of Animal Health to increase the number of health permit inspections on livestock entering the state and provide public information on the results of the inspections.

Additional office space - Section 8 requires the Department of Agriculture to obtain Budget Section approval prior to leasing additional office space for department purposes.

Project Safe Send - Section 9 provides that $40,000 from the environment and rangeland protection fund appropriated for Project Safe Send be used to collect damaged pesticides resulting from 2009 flooding. An emergency clause was also added for the funding.

Pride of Dakota fees - Section 10 amends NDCC Section 4-01-19 to provide that revenue generated by the Pride of Dakota program be deposited in the Department of Agriculture operating fund rather than the general fund. The estimated fiscal effect of this change is $55,000 for the 2009-11 biennium.

Agriculture Commissioner salary - Section 11 provides statutory changes to NDCC Section 4-01-21 relating to the salary of the Agriculture Commissioner. The salary is to be increased from the current level of $81,743 to $85,830 on July 1, 2009, and to $90,122 on July 1, 2010.

Related Legislation

House Bill No. 1270 - This bill provides for the implementation of a **weed seed free certification program** by the Department of Agriculture and provides a continuing appropriation.

Senate Bill No. 2342 - This bill appropriates $245,500 from the general fund to the Agriculture Commissioner to disburse to livestock producers participating in the North Dakota voluntary **Johne's disease** herd status program to defray expenses incurred in the testing and control of Johne's disease in livestock and to provide for the education of producers and veterinarians concerning the testing and control of Johne's disease.

Attorney General
Budget No. 125
House Bill Nos. 1003, 1306, 1368, 1575, Senate Bill Nos. 2162, 2216

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	198.50	$29,815,200	$21,908,977	$51,724,177
2009-11 legislative appropriations	**202.50**	**28,060,432**	**25,061,409**	**53,121,841**
Legislative increase (decrease) to executive budget	4.00	($1,754,768)	$3,152,432	$1,397,664
Legislative increase (decrease) to 2007-09 appropriations	14.00	$3,340,136[1]	$3,795,239[1]	$7,135,375[1]

[1]This amount reflects a 2007-09 deficiency appropriation of $94,000 from the general fund and $340,000 from other funds to the Attorney General for litigation fees, capital assets, and operating expenses.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$23,183,456	$1,536,840	$24,720,296
2009-11 legislative appropriations	**28,060,432**	**0**	**28,060,432**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$4,876,976	($1,536,840)	$3,340,136
Percentage increase (decrease) to 2007-09 appropriations	21.0%	(100.0%)	13.5%
2009-11 legislative increase (decrease) to executive budget	($1,754,768)	$0	($1,754,768)
Percentage increase (decrease) to executive budget	(5.9%)	N/A	(5.9%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($1,225,443)	($144,416)	($1,369,859)
Added 1 FTE evidence technician position ($81,053) and related operating expenses ($63,706)	1.00	144,759		144,759

Added a .5 FTE concealed weapons permit administrator position ($64,504) and related operating expenses ($117,461)	.50		181,965	181,965
Added funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below)	8.00		2,259,188	2,259,188
Reduced funding for travel			(200,000)	(200,000)
Reduced funding for local gaming enforcement grants as a result of provisions of House Bill No. 1317 to provide a total of $510,000			(107,000)	(107,000)
Added funding for the 24/7 Sobriety Program, including $100,000 in House Bill No. 1306 (see **24/7 Sobriety Program** section below)		329,826		329,826
Removed the following FTE positions: • Background check positions (5.50 FTE) ($906,481) • Civil commitment position (1.00 FTE) ($231,387) • Forensic scientist position (1.00 FTE) ($183,624)	(7.50)	(1,278,812)	(42,680)	(1,321,492)
Reduced general fund support and increased special funds support for operating expenses		(132,000)	472,307	340,307
Added funding for increasing the Attorney General's salary from $96,304 to $113,266 effective January 1, 2011 (see **Attorney General's salary** in the **Other Sections in House Bill No. 1003** section below)		10,100		10,100
Added funding in House Bill No. 1368 from the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund for processing, testing, enforcement, and oversight activities relating to reduced ignition propensity standards for cigarettes ($200,000) and from the fire prevention and public safety fund for supporting fire safety and prevention programs ($25,000)			225,000	225,000
Added funding in House Bill No. 1575 to allow participation by peace officers employed by the Bureau of Criminal Investigation in the defined benefit retirement plan		185,946	15,164	201,110
Added funding for conducting additional background checks as a result of the provisions of Senate Bill No. 2162	2.00	210,856	82,904	293,760
Added funding from the insurance regulatory trust fund in Senate Bill No. 2216 for reimbursing health care providers for the costs of performing forensic medical examinations on victims of criminal sexual conduct			410,000	410,000
Total	4.00	($1,754,768)	$3,152,432	$1,397,664

FTE Changes

The Legislative Assembly removed 1 FTE legal staff position, 1 FTE forensic scientist position, and 5.5 FTE background check positions included in the executive budget and added 1 FTE evidence technician position and a .5 FTE concealed weapons permit administrator position. The Legislative Assembly added 8 FTE positions to be funded from federal fiscal stimulus funding. In Section 28 of Senate Bill No. 2162, the Legislative Assembly added 2 FTE positions for conducting background checks and legislative intent that the Attorney General fill the background check positions only as necessary to meet workload demand.

Federal Fiscal Stimulus Funding

In Section 11 of House Bill No. 1003, the Legislative Assembly appropriated $2,259,188 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Attorney General for Edward J. Byrne Memorial Justice Assistance Grant funding ($1,652,426 and 4 FTE positions), Internet Crimes Against Children Grant funding ($216,174 and 1 FTE position), and Rural Law Enforcement Assistance Act funding ($390,588 and 3 FTE positions). The Attorney General may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. The Attorney General may accept federal fiscal stimulus funding for programs that continue into the 2011-13 biennium. This funding is not to be considered part of the agency's base budget for the 2013-15 biennium.

In Section 12 of House Bill No. 1003, the Legislative Assembly authorized the Attorney General to seek Emergency Commission and Budget Section approval under North Dakota Century Code (NDCC) Chapter 54-16 for authority to accept and spend federal funds received under the federal American Recovery and Reinvestment Act of 2009 for the Community Oriented Policing Services Grant program, and to seek authority to hire up to 2 additional FTE positions for the 2011-13 biennium.

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 Attorney General established a 24/7 sobriety pilot program in 12 counties in the South Central Judicial District. 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, 2009, the program included 206 participants, of which 134 graduated from the program, 35 failed the program, 2 reoffended, and 35 were still active in the program. During this same period, 14,198 breath tests were scheduled, of which 13,375 passed, 90 failed, 543 were excused absences, and 190 were unexcused absences. Twenty-two individuals were monitored by a SCRAM (secure continuous remote alcohol monitoring) device for a total of 1,873 monitored days, which included only one violation.

The 2009 Legislative Assembly, in House Bill No. 1306, created five new sections to NDCC Chapter 54-12 authorizing the Attorney General to establish a statewide 24/7 sobriety program, establishing guidelines and program fees, and creating and providing a continuing appropriation to the Attorney General from the 24/7 sobriety program fund. The 2009 Legislative Assembly also provided funding of $329,826 from the general fund in House Bill Nos. 1003 ($229,826) and 1306 ($100,000) to the Attorney General for costs incurred to operate the sobriety program.

Other Sections in House Bill No. 1003

Additional federal funds - Limit on general fund expenditures - Section 6 provides that if additional federal funds become available, the Attorney General may not spend general fund money appropriated for similar purposes.

Lottery Advisory Commission - Section 8 amends NDCC Section 53-12.1-04(1) to remove the two-term limit for members of the Lottery Advisory Commission.

Attorney General's salary - Section 9 provides the statutory changes increasing the Attorney General's salary. The Attorney General's annual salary is increased from the current level of $87,351 to $91,719 effective July 1, 2009, to $96,304 effective July 1, 2010, to $113,266 effective January 1, 2011, and to $130,228 effective July 1, 2011.

Legal service travel costs - Section 10 provides legislative intent that the Attorney General continue the practice of state agencies paying directly for requested legal services staff travel.

Refund fund - Section 13 allows the Attorney General to retain the June 30, 2009, balance in the Attorney General refund fund rather than transferring the balance to the general fund.

Related Legislation

House Bill No. 1040 - This bill provides for a procedure for missying person investigations.

House Bill No. 1041 - This bill relates to statutory changes necessary for the implementation of a statewide automated victim information and notification (SAVIN) system.

House Bill No. 1306 - This bill authorizes the Attorney General to establish a statewide 24/7 sobriety program and develop guidelines and program fees, creates the 24/7 sobriety program fund, and provides a continuing appropriation to the Attorney General from the fund for program expenses.

House Bill No. 1368 - This bill provides an appropriation of $200,000 from the Reduced Cigarette Ignition Propensity and Firefighter Protection Act enforcement fund to the Attorney General to be made available to the State Fire Marshal for processing, testing, enforcement, and oversight activities related to reduced ignition propensity standards for cigarettes. This bill also provides an appropriation of $25,000 from the fire prevention and public safety fund to the Attorney General to be made available to the State Fire Marshal for supporting fire safety and prevention programs.

House Bill No. 1575 - This bill provides an appropriation of $185,946 from the general fund and $15,164 from other funds to the Attorney General to allow participation of peace officers employed by the Bureau of Criminal Investigation in the defined benefit retirement plan.

Senate Bill No. 2161 - This bill requires the Bureau of Criminal Investigation to establish and maintain a statewide file system relating to lost, missing, or runaway children.

Senate Bill No. 2162 - This bill provides an appropriation of $210,856 from the general fund and $82,904 from other funds to the Attorney General and authorizes 2 FTE positions to conduct additional background checks.

Senate Bill No. 2216 - This bill provides an appropriation of $410,000 from the insurance regulatory trust fund to the Attorney General to reimburse health care providers for the cost of performing forensic medical examinations on victims of criminal sexual conduct.

State Auditor
Budget No. 117
House Bill No. 1004

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	51.80	$6,872,229	$2,312,802	$9,185,031
2009-11 legislative appropriations	**51.80**	**6,662,229**	**2,312,802**	**8,975,031**
Legislative increase (decrease) to executive budget	0.00	($210,000)	$0	($210,000)
Legislative increase (decrease) to 2007-09 appropriations	(3.00)	$947,552	($297,400)	$650,152

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$5,714,677	$0	$5,714,677
2009-11 legislative appropriations	**6,512,229**	**150,000**	**6,662,229**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$797,552	$150,000	$947,552
Percentage increase (decrease) to 2007-09 appropriations	14.0%	N/A	16.6%
2009-11 legislative increase (decrease) to executive budget	($210,000)	$0	($210,000)
Percentage increase (decrease) to executive budget	(3.1%)	0%	(3.1%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($210,000)		($210,000)
Total	0.00	($210,000)	$0	($210,000)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 51.80 FTE positions, a decrease of 3.00 FTE positions from the 2007-09 biennium. The agency in its budget request removed 3 FTE auditor II and auditor III positions related to the closing of the political subdivision audit office in Bismarck.

One-Time Funding

In Section 2 of House Bill No. 1004, the Legislative Assembly identified $150,000 from the general fund for the implementation of electronic working papers as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the State Auditor is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in Bill

Salary of State Auditor - Section 3 provides statutory changes to North Dakota Century Code Section 54-10-10 relating to the salary of the State Auditor. The Legislative Assembly authorized 2009-11 biennium annual salary increases of 5 percent for elected officials. The State Auditor's salary is to be increased from the current level of $79,571 to $83,550, effective July 1, 2009, and to $87,728, effective July 1, 2010.

Related Legislation

House Bill No. 1129 - This bill changes the threshold for cities required to be audited by the State Auditor every two years and increases the fee for annual report review from $50 to $80. Cities with a population of less than 500 (previously 300) may submit an annual report in lieu of conducting an audit. The bill also provides for a Legislative Council study of the structure and requirements of the State Auditor's office necessary to carry out its auditing of political subdivisions, as required by law, including how such audits should be adequately self-funded.

House Bill No. 1148 - This bill requires the State Auditor to audit political subdivisions upon the request of the state court administrator.

Senate Bill No. 2142 - This bill removes the requirement of the Information Technology Department to file with the State Auditor a description of the wide area network service the department provided to each private, charitable, and nonprofit entity receiving services from the department.

Senate Bill No. 2144 - This bill allows the State Auditor to investigate or cause to be investigated any public employee or public official who defaults or creates a liability against the bonding fund.

Senate Bill No. 2295 - This bill changes the minimum population requirement for an audit of a city from 300 to 500.

Governor
Budget No. 101
House Bill No. 1001

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	18.00	$3,489,358	$0	$3,489,358
2009-11 legislative appropriations	**18.00**	**3,447,358**	**104,699,679**	**108,147,037**
Legislative increase (decrease) to executive budget	0.00	($42,000)	$104,699,679	$104,657,679
Legislative increase (decrease) to 2007-09 appropriations	0.00	$344,536	$104,599,679	$104,944,215

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$3,102,822	$0	$3,102,822
2009-11 legislative appropriations	**3,447,358**	**0**	**3,447,358**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$344,536	$0	$344,536
Percentage increase (decrease) to 2007-09 appropriations	11.1%	N/A	11.1%
2009-11 legislative increase (decrease) to executive budget	($42,000)	$0	($42,000)
Percentage increase (decrease) to executive budget	(1.2%)	N/A	(1.2%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($42,000)		($42,000)
Appropriated federal fiscal stimulus funds made available to the Governor for transfer to other programs or funds as designated by the Legislative Assembly			$104,699,679	104,699,679
Total	0.00	($42,000)	$104,699,679	$104,657,679

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 18 FTE positions, the same as the 2007-09 biennium.

Federal Fiscal Stimulus Funding

In Section 2 of House Bill No. 1001 the Legislative Assembly appropriated federal fiscal stimulus funds available to the Governor from the federal American Recovery and Reinvestment Act of 2009 for transfer to other agencies or funds for programs and purposes designated by the Legislative Assembly relating to fiscal stabilization - education funding of $85,644,337 and fiscal stabilization - other government services funding of $19,055,342. The $85,644,337 of education funding is to be transferred to the Department of Public Instruction and the $19,055,342 of other government services funding is to be transferred as follows:

Office of Management and Budget	
Administrative costs (HB 1015)	$289,494
Database of state expenditures (SB 2018)	400,000
Department of Public Instruction	
Administrative costs relating to federal fiscal stimulus payment to schools (HB 1013)	326,348
North Dakota Early Childhood Learning Council operating expenses (HB 1013)	20,000
English language learner grant to a regional education association (SB 2212)	40,000
University of North Dakota	
Education Building (SB 2003)	11,200,000
Simulation laboratory initiative (SB 2266)	500,000
Minot State University	
Swain Hall (SB 2003)	5,000,000
Indian Affairs Commission	
American Indian Language Preservation Committee (HB 1399)	18,000
Adjutant General	
Boiler replacement, construction of an east operations center, and information technology enhancements (HB 1016)	1,261,500
Total - Fiscal stabilization - Other government services	$19,055,342

Other Sections in Bill

Additional funding - Section 3 provides a continuing appropriation for the Governor to receive and spend any additional federal or other funds available during the 2009-11 biennium, except that any federal funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 may be accepted but not spent until appropriated by the Legislative Assembly or approved by the Emergency Commission and Budget Section.

Governor and Lieutenant Governor salaries - Sections 4 and 5 provide the statutory changes increasing the Governor's and Lieutenant Governor's salaries. The Legislative Assembly authorized 2009-11 biennium annual salary increases of 5 percent for elected officials. The Governor's annual salary is increased from the current level of $100,031 to $105,034, effective July 1, 2009, and to $110,285, effective July 1, 2010. The Lieutenant Governor's annual salary is increased from the current level of $77,655 to $81,538, effective July 1, 2009, and to $85,615, effective July 1, 2010.

Insurance Commissioner, Including Insurance Tax Payments to Fire Departments
Budget No. 401
House Bill No. 1010

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	46.50	$0	$15,861,006	$15,861,006
2009-11 legislative appropriations	**45.50**	**0**	**16,058,934[1]**	**16,058,934**
Legislative increase (decrease) to executive budget	(1.00)	$0	$197,928	$197,928
Legislative increase (decrease) to 2007-09 appropriations	(1.00)	$0	$1,576,827	$1,576,827

[1]This amount includes a $500,000 transfer from the insurance regulatory trust fund to the state bonding fund. Excluding this amount, the agency's ongoing other funds appropriation is $15,558,934.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($139,510)	($139,510)
Removed a vacant fraud investigator FTE position	(1.00)		(123,562)	(123,562)
Reduced funding for operating expenses			(39,000)	(39,000)
Added a transfer from the insurance regulatory trust fund to the state bonding fund (see **State Bonding Fund** section below)			500,000	500,000
Total	(1.00)	$0	$197,928	$197,928

FTE Changes

The 2009-11 biennium appropriation includes funding for 45.5 FTE positions, a decrease of 1 FTE position from the executive recommendation and the 2007-09 biennium authorized level of 46.5 FTE positions. The Legislative Assembly removed 1 vacant FTE fraud investigator position.

Administrative Costs of Special Funds

The Legislative Assembly did not change the executive recommendation for administrative costs allocated to the state bonding fund, state fire and tornado fund, unsatisfied judgment fund, and the petroleum tank release compensation fund. The following schedule provides information regarding the administrative costs allocated to each special fund:

	2007-09 Biennium	2009-11 Biennium	Increase (Decrease)
State bonding fund	$44,131	$41,518	($2,613)
State fire and tornado fund	$1,003,804	$1,454,159	$450,355
Unsatisfied judgment fund	$16,546	$24,087	$7,541
Petroleum tank release compensation fund	$108,674	$96,238	($12,436)

Insurance Tax Payments to Fire Departments

The Legislative Assembly did not change the executive recommendation to provide $6.2 million from the insurance tax distribution fund to the Insurance Commissioner for insurance tax payments to fire departments. This is the same level of funding as provided in the 2007-09 biennium.

North Dakota Firefighters Association Grant Funding

The Legislative Assembly did not change the executive recommendation to provide total grant funding of $790,000 to the North Dakota Firefighters Association. Of this amount, $170,000 is from the state fire and tornado fund and $620,000 is from the insurance tax distribution fund. This represents an increase of $500,000 from the 2007-09 appropriation of $290,000, of which $170,000 was from the state fire and tornado fund and $120,000 was from the insurance tax distribution fund.

Cost-Benefit Analyses of Health Insurance Coverage Mandates

The Legislative Assembly did not change the executive recommendation to provide funding of $10,000 from special funds for cost-benefit analyses of legislative measures being considered by the 2011 Legislative Assembly mandating health insurance coverage as required by North Dakota Century Code (NDCC) Section 54-03-28. This represents a decrease of $45,000 from the 2007-09 biennium appropriation of $55,000.

State Bonding Fund

The Legislative Assembly provided a $500,000 transfer from the insurance regulatory trust fund to the state bonding fund in Section 2 of House Bill No. 1010. The Insurance Department estimated the state bonding fund reserve would fall below $2 million by the end of the 2007-09 biennium, and as a result, premiums would be charged to state agencies and political subdivisions in accordance with NDCC Section 26.1-21-09. The department estimated the $500,000 transfer would prevent the fund reserve from falling below $2 million.

Other Sections in Bill

Anhydrous ammonia tank inspections - Section 8 provides that $150,000 is available from the anhydrous ammonia storage facility inspection fund to pay for anhydrous ammonia tank inspections done by the Insurance Commissioner. This is the same level of funding provided from the anhydrous ammonia storage facility inspection fund for the 2007-09 biennium.

Insurance Commissioner's annual salary - Section 9 provides the statutory changes relating to the Insurance Commissioner's annual salary. The Insurance Commissioner's salary is to increase from $79,571 to $83,550 on July 1, 2009, and $87,728 on July 1, 2010.

Continuation of insurance - Section 10 creates a new subsection to NDCC Section 26.1-36-23 relating to the continuation of insurance after the termination of employment.

Related Legislation

Insurance Commissioner fees - House Bill No. 1136 amends NDCC Sections 26.1-01-07 and 26.1-01-08.1 relating to fees charged by the Insurance Commissioner. The provisions of the bill allow the Insurance Commissioner or the commissioner's designee to charge a processing fee for electronic filing. Because the Insurance Department utilizes third-party facilitators for electronic filing, there is no fiscal impact to the department.

Public Service Commission
Budget No. 408
House Bill No. 1008

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	44.00	$5,944,758	$10,684,767	$16,629,525
2009-11 legislative appropriations	**43.00**	**5,603,165**	**10,627,242**	**16,230,407**
Legislative increase (decrease) to executive budget	(1.00)	($341,593)	($57,525)	($399,118)
Legislative increase (decrease) to 2007-09 appropriations	2.00	$712,278	$2,614,425	$3,326,703

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$4,801,403	$89,484	$4,890,887
2009-11 legislative appropriations	**5,603,165**	**0**	**5,603,165**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$801,762	($89,484)	$712,278
Percentage increase (decrease) to 2007-09 appropriations	16.7%	(100.0%)	14.6%
2009-11 legislative increase (decrease) to executive budget	($341,593)	$0	($341,593)
Percentage increase (decrease) to executive budget	(5.8%)	N/A	(5.8%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($124,072)	($57,525)	($181,597)
Decreased funding for operating expenses		(45,000)		(45,000)
Removed 1 FTE environmental engineer III position ($156,691) and related operating expenses ($15,830) added in the executive budget	(1.00)	(172,521)		(172,521)
Total	(1.00)	($341,593)	($57,525)	($399,118)

FTE Changes

The 2009-11 biennium appropriation includes funding for 43 FTE positions, 2 more than the 2007-09 biennium authorized level and a reduction of 1 FTE position from the executive recommendation. The Legislative Assembly did not change the executive recommendation to add 1 FTE public utility analyst II position in the Public Utilities Division and 1 FTE environmental engineer III position in the Reclamation Division. The Legislative Assembly removed 1 FTE environmental engineer III position from the Public Utilities Division included in the executive recommendation.

Other Sections in Bill

Metrology program - Section 3 provides that the Public Service Commission discontinue metrology program services during the 2009-11 biennium and the Public Service Commission and the Department of Commerce collaborate to assist with the transition of metrology services from a public to a private service by contracting with the private sector for services on a short-term basis, assisting with equipment acquisition, and providing referrals. The Public Service Commission is to report to the Budget Section during the 2009-10 interim on the status of the metrology program. In addition, if the Public Service Commission transitions metrology services from a public to a private service, Section 4 provides the Public Service Commission may sell or transfer property related to the metrology program in a manner that is determined by the commission to be of the greatest advantage to the state. The sale or transfer of the metrology equipment is not subject to the provisions of North Dakota Century Code (NDCC) Section 54-44-04.6.

Salary of commissioners - Section 5 provides statutory changes to NDCC Section 49-01-05 relating to the salaries of the Public Service Commissioners. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010, for elected officials. The Public Service Commissioners' salaries are to be increased from the current level of $81,743 to $85,830 effective July 1, 2009, and to $90,122 effective July 1, 2010.

Related Legislation

Energy conversion and transmission facility siting definitions - House Bill No. 1032 relates to the energy conversion and transmission facility siting definitions.

Decommissioning of wind energy conversion facilities - House Bill No. 1449 relates to the decommissioning of wind energy conversion facilities.

Wind easement and wind energy leases - House Bill No. 1509 relates to requirements for wind easement and wind energy leases and provides for a Legislative Council study of wind easement and wind energy leases.

Public grain warehouse and facility-based grain buyer credit-sale contract transfers - Senate Bill No. 2124 relates to public grain warehouse and facility-based grain buyer credit-sale contract transfers and the definition of facility-based grain buyer.

Chairman of the commission - Senate Bill No. 2132 relates to the election of one Public Service Commissioner as chairman of the commission.

Powers of the Public Service Commission - Senate Bill No. 2137 relates to powers of the Public Service Commission, electric and gas public utility application fees, and provides a continuing appropriation to pay expenses incurred in the processing of cases.

Secretary of State
Budget No. 108
House Bill No. 1002

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	28.00	$6,140,630	$8,914,978	$15,055,608
2009-11 legislative appropriations	**28.00**	**6,111,588**	**12,315,676**	**18,427,264**
Legislative increase (decrease) to executive budget	0.00	($29,042)	$3,400,698	$3,371,656
Legislative increase (decrease) to 2007-09 appropriations	1.00	$733,175	$3,441,196	$4,174,371

NOTE: The amounts on the schedule above include funding for public printing. The 2009-11 executive budget recommended and the Legislative Assembly appropriated $337,000 from the general fund for public printing, $33,500 more than the 2007-09 biennium general fund appropriation of $303,500.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$4,554,260	$824,153	$5,378,413
2009-11 legislative appropriations	**5,306,588**	**805,000**	**6,111,588**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$752,328	($19,153)	$733,175
Percentage increase (decrease) to 2007-09 appropriations	16.5%	(2.3%)	13.6%
2009-11 legislative increase (decrease) to executive budget	($54,042)	$25,000	($29,042)
Percentage increase (decrease) to executive budget	(1.0%)	3.2%	(0.5%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($84,042)		($84,042)
Provided for a one-time transfer of $25,000 from the general fund to the election fund for the imputed interest earnings allocable to the amount of nonfederal funds contained in the fund		25,000		25,000

Provided funding for the state's 5 percent match for approximately $500,000 of federal funds to be deposited in the election reform fund		30,000		30,000
Appropriated funding from a Bank of North Dakota loan for implementing the North Dakota business development engine computer project contingent on Budget Section approval			$3,400,698	3,400,698
Total	0.00	($29,042)	$3,400,698	$3,371,656

FTE Changes

The 2009-11 biennium appropriation includes funding for 28 FTE positions, an increase of 1 FTE position from the 2007-09 biennium authorized level of 27 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE account budget specialist position.

One-Time Funding

In Section 4 of House Bill No. 1002, the Legislative Assembly identified $805,000 from the general fund, of which $780,000 relates to continuing the Secretary of State's mainframe migration computer project and $25,000 is for a transfer to the election fund, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2009-11 executive budget and the Secretary of State is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Contingent Computer Project

Section 3 of House Bill No. 1002 authorizes the Secretary of State, subject to Budget Section approval, to borrow up to $3,400,698 from the Bank of North Dakota for implementing the North Dakota business development engine computer project. The Secretary of State may request Budget Section approval only if the revenues projected to be generated as a result of provisions of Chapter 102 of the 2007 Session Laws over the term of the proposed loan based on the trend of actual corporate charters granted are anticipated to be sufficient to repay the proposed loan, including interest.

Other Sections in Bill

General services operating fund - Section 5 provides that any unobligated balance remaining in the Secretary of State's general services operating fund on June 30, 2009, is not subject to the provisions of North Dakota Century Code (NDCC) Section 54-09-08, and any unexpended funds are available and may be expended by the Secretary of State during the 2009-11 biennium for the database and processing platform migration project.

Election fund - Section 6 amends NDCC Section 16.1-01-15 to provide that any interest earnings on the election fund must be used only for activities of the Help America Vote Act of 2002.

Secretary of State's salary - Section 7 provides the statutory changes increasing the Secretary of State's salary. The Legislative Assembly authorized 2009-11 biennium annual salary increases of 5 percent for elected officials. The Secretary of State's annual salary is increased from the current level of $79,571 to $83,550, effective July 1, 2009, and to $87,728, effective July 1, 2010.

Related Legislation

Health care record registry - Senate Bill No. 2237 allows the Secretary of State to establish and maintain a health care record registry. The Secretary of State may accept gifts, grants, donations, and bequests to establish, support, promote, and maintain the registry. The Secretary of State is to charge and collect a reasonable fee for filing a health care record and a revocation of a health care record. Any funds contributed and any fees collected relating to the registry are to be deposited in the Secretary of State's general services operating fund.

Fee collections - Senate Bill No. 2392 relates to secured transaction filing fees, contractor license renewals, lobbyist registration fees, and other fees collected by the Secretary of State.

State Tax Commissioner
Budget No. 127
House Bill No. 1006, Senate Bill No. 2201

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	133.00	$37,017,791	$110,000	$37,127,791
2009-11 legislative appropriations	**133.00**	**44,046,586**	**196,000**	**44,242,586**
Legislative increase (decrease) to executive budget	0.00	$7,028,795	$86,000	$7,114,795
Legislative increase (decrease) to 2007-09 appropriations	0.00	$11,329,776	($2,604,000)	$8,725,776

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$27,360,108	$5,356,702	$32,716,810
2009-11 legislative appropriations	**31,182,339**	**12,864,247**	**44,046,586**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$3,822,231	$7,507,545	$11,329,776
Percentage increase (decrease) to 2007-09 appropriations	14.0%	140.2%	34.6%
2009-11 legislative increase (decrease) to executive budget	$2,155,250	$4,873,545	$7,028,795
Percentage increase (decrease) to executive budget	7.4%	61.0%	19.0%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($708,750)		($708,750)
Added funding for a total of $10,230,247 to pay the remaining balance of the loan for the GenTax integrated tax system		4,873,545		4,873,545
Changed the funding source for operating expenses		(86,000)	$86,000	0
Reduced funding for operating expenses		(50,000)		(50,000)

Provided funding in Senate Bill No. 2201 for state reimbursement to counties for the disabled veteran property tax credit		3,000,000		3,000,000
Total	0.00	$7,028,795	$86,000	$7,114,795

FTE Changes

The Legislative Assembly did not change the executive recommendation, which included funding for 133 FTE positions, the same as the 2007-09 biennium.

One-Time Funding

In Section 2 of House Bill No. 1006, the Legislative Assembly identified $12,964,247 of one-time funding for the 2009-11 biennium, including $12,864,247 from the general fund and $100,000 from special funds. Of the $12,964,247, $10,230,247 is for loan repayment for the GenTax system, $1,234,000 is for onsite support for the GenTax system and $1,500,000 is for integration of oil and gas taxes to the GenTax system. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Tax Commissioner is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in House Bill No. 1006

Motor vehicle fuel taxes - Section 3 provides for a transfer of $1,288,000 to the general fund out of motor vehicle fuel taxes collected which is the amount received by the Tax Commissioner for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and administration of these taxes.

Legislative intent - Individual income tax simplification - Section 4 provides legislative intent that the Legislative Assembly work toward restoring the simplicity originally intended for tax Form ND-1 by eliminating or reducing the number of tax deductions and credits in a way that minimizes any negative impact for individuals who use those deductions and credits.

Carryover authority - Section 5 authorizes the Tax Commissioner to continue unexpended 2007-09 biennium appropriation authority for the integrated tax system to the 2009-11 biennium.

Salary of Tax Commissioner - Section 6 provides statutory changes to North Dakota Century Code Section 57-01-04 relating to the salary of the Tax Commissioner. The Legislative Assembly authorized 2009-11 biennium annual salary increases of 5 percent for elected officials. The Tax Commissioner's salary is to be increased from the current level of $86,360 to $90,678 effective July 1, 2009, and to $95,212 effective July 1, 2010.

Related Legislation

House Bill No. 1084 - This bill authorizes the Tax Department to request background checks for final applicants for specified occupations within the department as designated by the Tax Commissioner.

House Bill No. 1209 - This bill creates an individual income tax credit for premiums paid for long-term care partnership plan insurance coverage.

House Bill No. 1249 - This bill provides for the licensing of domestic distilleries.

House Bill No. 1256 - This bill provides an income tax deduction for certain qualified dividends.

House Bill No. 1324 - This bill repeals the state's optional filing method--Form ND-2--and replaces it with a new simplified filing method available to taxpayers with no tax deductions or credits.

House Bill No. 1428 - This bill raises the maximum aggregate amount of income tax credits available for renaissance zone investments from $5 million to $7.5 million.

Senate Bill No. 2040 - This bill provides a sales and use tax exemption for expanding or constructing telecommunications infrastructure.
Senate Bill No. 2199 - This bill creates a property tax relief sustainability fund and provides for a transfer of $295 million from the permanent oil tax trust fund to the property tax relief sustainability fund; transfers $295 million from the permanent oil tax trust fund to the general fund; provides $295 million from the general fund for property tax reduction grants to school districts and includes provisions for property tax levies of school districts; amends individual, estate, and trust tax rates resulting in an estimated $90 million in tax relief; and amends corporate income tax rates resulting in an estimated $10 million in tax relief.

Senate Bill No. 2201 - This bill provides an appropriation of $3 million from the general fund as reflected in the amounts above to the Tax Department to pay the state reimbursement for property tax credits for disabled veterans.

Senate Bill No. 2325 - This bill provides for a 5 percent sales tax on mandatory computer software maintenance contracts for prewritten computer software and optional computer software maintenance contracts for prewritten computer software that provides only software upgrades or updates or an optional computer software maintenance contract for prewritten computer software that is a bundled transaction and provides software upgrades or updates and support services.

Senate Bill No. 2402 - This bill includes the following provisions to expand the homestead credit and renters' refund programs:

- A homeowner or renter may not have income exceeding $26,000 (was $17,500) per year to be eligible for the program;
- A graduated reduction in the taxable value and resulting taxes of a person's homestead, to a maximum of $4,500 (was $3,375) (4.5 percent of taxable value) based on the applicant's income level;
- The maximum benefits are limited to a $100,000 (was $75,000) reduction in the value of the house;
- The value of assets of a homeowner and any dependants living with the homeowner, excluding the unencumbered value of the residence claimed as a homestead, may not exceed $75,000 (was $50,000); and
- For eligible renters making $26,000 (was $17,500) or less per year, the program provides a direct payment of the amount by which 20 percent of the total rent (representing the property tax portion) exceeds 4 percent of the applicant's annual income, not to exceed $400 (was $240).

House Bill No. 1006 includes an appropriation of $5.964 million for expenditures relating to the homestead credit and renters' refund programs. Provisions of Senate Bill No. 2402 are anticipated to require an additional $3.823 million of funding for the program for a total of $9.787 million relating to the homestead credit and renters' refund programs for the 2009-11 biennium.

State Treasurer
Budget No. 120
House Bill No. 1005

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	7.00	$2,302,961	$0	$2,302,961
2009-11 legislative appropriations	**7.00**	**2,228,985**	**0**	**2,228,985**
Legislative increase (decrease) to executive budget	0.00	($73,976)	$0	($73,976)
Legislative increase (decrease) to 2007-09 appropriations	0.00	($60,765,101)[1]	$0	($60,765,101)[1]

[1]The amounts shown reflect a $59.9 million general fund appropriation approved by the 2009 Legislative Assembly for a weather-related cost-sharing program for the 2007-09 biennium.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$2,325,858	$60,668,228	$62,994,086
2009-11 legislative appropriations	**2,228,985**	**0**	**2,228,985**
2009-11 legislative increase (decrease) to 2007-09 appropriations	($96,873)	($60,668,228)	($60,765,101)
Percentage increase (decrease) to 2007-09 appropriation	(4.2%)	(100%)	(96.5%)
2009-11 legislative increase (decrease) to executive budget	($73,976)	0	($73,976)
Percentage increase (decrease) to executive recommendation	(3.2%)	N/A	(3.2%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($23,976)		($23,976)
Reduced payments for in lieu of tax payments for carbon dioxide pipelines from $1,211,000 to $1,151,000		(60,000)		(60,000)

Increased the salaries and wages line item to increase the deputy treasurer's salary		10,000		10,000
Total	0.00	($73,976)	$0	($73,976)

FTE Changes

The Legislative Assembly did not change the executive recommendation, which included funding for 7 FTE positions, the same as the 2007-09 biennium.

Other Sections in Bill

Salary of State Treasurer - Section 3 provides statutory changes to North Dakota Century Code (NDCC) Section 54-11-13 relating to the salary of the State Treasurer. The Legislative Assembly authorized 2009-11 biennium annual salary increases of 5 percent for elected officials. The State Treasurer's salary is to be increased from the current level of $75,143 to $78,900 effective July 1, 2009, and to $82,845 effective July 1, 2010.

Payments to counties in lieu of property taxes - The Legislative Assembly reduced by $60,000 the executive recommendation of $1,211,000 from the general fund for payments to counties in lieu of property taxes on carbon dioxide pipeline property pursuant to NDCC Section 57-06-17.2. The 2009-11 biennium appropriation is $1,151,000, or $214,000 less than the 2007-09 appropriation of $1,365,000.

Legislative Council study - Elected officials' salaries - Section 4 directs the Legislative Council, during the 2009-10 interim, to consider studying the salaries of state elected officials. The study must include a comparison of salaries, the number of FTE and temporary employees supervised by the elected official, and the complexity of each elected official's responsibilities. The study must also include a comparison to similar positions in other states.

ELEMENTARY AND SECONDARY EDUCATION - OVERVIEW

STATE SCHOOL AID

The Legislative Assembly appropriated $1,264,810,216, of which $1,092,865,879 is from the general fund, $85,644,337 is from federal funds, and $86,300,000 is from the state tuition fund, for state school aid, including per student payments, transportation aid, special education, and grants for operations; one-time expenditures; and mill levy reductions. This level of funding represents an increase of $484 million, of which $388.3 million is from the general fund, $85.6 million is from federal funds, and $10.1 million is from the state tuition fund, from the 2007-09 legislative appropriation of $780,765,879.

The legislative appropriation for the state school aid program follows the executive budget recommendations and the recommendations of the North Dakota Commission on Education Improvement, a commission created by the Governor in January 2006 pursuant to an Agreement to Stay Litigation executed by nine North Dakota school districts. The legislative appropriation for the state school aid program:

- Includes $3.78 million for **student performance strategists** and $2.7 million for **career advisors**, beginning with the 2010-11 school year.
- Provides $3.68 million for one **additional student contact day** on the school calendar during the second year of the biennium.
- Includes $1 million for **required assessments**.
- Includes $2.6 million for **regional education associations** to be provided through an additional weighting factor in the state school aid formula.
- Provides a **per student payment** of $3,200 for the 2009-10 school year and $3,779 for the 2010-11 school year; adjusts the weighting factor for special education services; and provides additional weighting factors for varying levels of proficiency for English language learners, for students enrolled in a school district participating in a regional education association, and for technology.
- Includes a **minimum payment provision** that entitles each school district to receive during the 2009-10 school year at least 108 percent of the baseline funding per weighted student unit. For the following school years, the minimum entitlement must be equal to at least 112.5 percent of the baseline funding per weighted student unit.
- Includes a **maximum payment provision** that, excluding equity payments, caps a school district's state aid payment for the 2009-10 school year at 120 percent of the baseline funding per weighted student unit. For the following school years, the payment per weighted student unit may not exceed 134 percent of the baseline funding per weighted student unit.
- Provides that United States flood control funds, American Recovery and Reinvestment Act of 2009 funds, and supplemental one-time grants may not be used in determining a district's **unobligated ending fund balance**. The provision expires on June 30, 2011.
- Authorizes the department to spend up to $100,000 of the grants - state school aid line item for **planning grants** to school districts participating in reorganizations, up to $400,000 for grants to **regional education associations**, and up to $300,000 for a grant equaling the reduction in a district's 2007-09 state aid payment resulting from the receipt of **federal impact aid**.
- Increases funding for **gifted and talented programs** by $400,000 to provide a total of $800,000.
- Provides for a $10 million increase in **transportation grants** and the related increases in the state transportation formula rates.
- Includes a contingent $5 million appropriation from the general fund for supplemental transportation aid payments if the Office of Management and Budget projects during the 2009-11 biennium that the June 30, 2009, general fund balance will exceed legislation projections by at least $30 million.
- Decreases funding for **special education contracts** by $2 million to provide a total of $15.5 million.
- Includes $16,795,584 for **supplemental operations grants** to be awarded, on or before September 1, 2009, on a prorated basis, according to the latest available average daily membership of each school district.
- Provides for the distribution of **supplemental one-time grants** totaling $85,644,337 from the general fund. The grants may only be used for improvements, additions, equipment, textbooks, Title I expenditures, or professional development. School districts must report to the Department of Public Instruction regarding the use of the funds. The Department of Public Instruction is required to compile the information and report to the Legislative Council.
- Provides $295 million for property tax relief **mill levy reduction grants** and eliminates the minimum levy offset (Senate Bill No. 2199).

The legislative appropriation for the state school aid program of $1,264,810,216 is summarized as follows:

Per student formula payments	$808,370,295
Transportation aid payments	43,500,000
Special education - Contracts	15,500,000
Supplemental operations grants	16,795,584
Supplemental one-time grants	85,644,337
Mill levy reduction grants	295,000,000
Total	$1,264,810,216

OTHER APPROPRIATIONS

The legislative appropriation also provides:

1. **National board certification** - $102,500 from the general fund for payments to teachers receiving national board certification, an increase in funding of $62,500 from the 2007-09 legislative appropriation.
2. **Governor's School program** - $410,000 from the general fund for support of the Governor's School program, an increase of $90,000 from the 2007-09 legislative appropriation.
3. **National writing projects** - $153,000 from the general fund for support of the Red River Valley Writing Project ($70,000) and the Northern Plains Writing Project ($83,000), an increase of $45,000 from the 2007-09 legislative appropriation.
4. **North Dakota Museum of Art** - $345,000 from the general fund for support of the North Dakota Museum of Art rural art outreach project, an increase of $50,000 from the 2007-09 legislative appropriation.
5. **North Dakota LEAD Center** - $260,000 from the general fund for support of the North Dakota LEAD Center, an increase of $15,000 from the 2007-09 legislative appropriation.
6. **Teacher center network** - $360,000 from the general fund for support of the teacher center network, an increase of $84,000 from the 2007-09 legislative appropriation.
7. **School food services** - $1,380,000 from the general fund to provide child nutrition and food distribution program state matching funds, an increase of $300,000 from the 2007-09 legislative appropriation.
8. **Adult education grants** - $1,850,000 from the general fund to provide adult education grants, an increase of $795,000 from the 2007-09 legislative appropriation.
9. **North Dakota Geographic Alliance** - $226,000 from the general fund for a one-time grant to the North Dakota Geographic Alliance to secure matching funds from the National Geographic Society.
10. **North Central Council for School Television** - $445,000 from the general fund for a grant to the North Central Council for School Television.
11. **Atlantik-Brucke teacher exchange program** - $75,000 from the general fund for a grant to the Atlantik-Brucke teacher exchange program.
12. **North Dakota young entrepreneur education program** - $100,000 from the general fund for a grant to the North Dakota young entrepreneur education program.
13. **"We the People" program** - $18,000 from the general fund for a grant to the "We the People" program.
14. **English language learner grant** - $40,000 from federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 for a grant to one regional education association to acquire instructional materials and provide professional development opportunities relating to English language learner services (Senate Bill No. 2212).
15. **Teacher support system grant program** - $2.3 million from the general fund for a teacher support system grant program to be administered by the Education Standards and Practices Board (House Bill No. 1400).
16. **National board certification fund** - $500,000 from the general fund to establish a national board certification fund to provide grants to applicants pursuing national board certification (House Bill No. 1400).
17. **Continuing education grants** - $100,000 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 (House Bill No. 1400).

18. **Contingent appropriation - Supplemental transportation aid payments** - House Bill No. 1013 provides a $5 million appropriation from the general fund for supplemental transportation aid payments contingent on the Office of Management and Budget projecting during the 2009-11 biennium that the June 30, 2011, ending balance of the state general fund will be $30 million more than estimated by the 2009 Legislative Assembly.
19. **Contingent distributions - State school aid - 2007-09 biennium** - House Bill No. 1400 amended Section 55 of Chapter 163 of the 2007 Session Laws to provide that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds remaining from the 2007-09 special education contracts appropriation and provided for the following contingent distributions if any amount appropriated for state school aid payments remains unspent at the end of the 2007-09 biennium:
    a. The first $1 million for any state obligations in excess of the amount appropriated for special education contract charges.
    b. The next $2 million for providing additional per student payments to school districts participating in regional education associations under North Dakota Century Code (NDCC) Chapter 15.1-09.1.
    c. The next $550,000 for providing additional payments to school districts serving English language learners and new immigrant English language learners in accordance with NDCC Chapter 15.1-38.
    d. The next $200,000 for providing additional payments to school districts offering an adult education program during the 2007-09 biennium.
    e. Any remaining amounts as additional per student payments on a prorated basis according to the latest average daily membership of each school district.
20. **Contingent distributions - State school aid - 2009-11 biennium** - House Bill No. 1400 provides that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds remaining from the 2009-11 special education contracts appropriation and if any amount appropriated for state school aid payments remains unspent at the end of the 2009-11 biennium, that the Department of Public Instruction use the funds to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

Department of Public Instruction
Budget No. 201
House Bill Nos. 1013, 1015, 1400, Senate Bill Nos. 2199, 2212

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	99.75	$820,302,441	$359,805,146	$1,180,107,587
2009-11 legislative appropriations	**99.75**	**1,109,405,590**	**513,621,154**	**1,623,026,744**
Legislative increase (decrease) to executive budget	0.00	$289,103,149	$153,816,008	$442,919,157
Legislative increase (decrease) to 2007-09 appropriations	5.00	$393,934,393	$187,842,681[1]	$581,777,074

[1]This amount reflects a 2007-09 appropriation of $20 million of additional federal funds to the Department of Public Instruction for providing grants to school districts authorized in Section 8 of House Bill No. 1013.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$710,471,197	$5,000,000	$715,471,197
2009-11 legislative appropriations	**1,108,654,590**	**751,000**	**1,109,405,590**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$398,183,393	($4,249,000)	$393,934,393
Percentage increase (decrease) to 2007-09 appropriations	56.0%	(85.0%)	55.1%
2009-11 legislative increase (decrease) to executive budget	$288,977,149	$126,000	$289,103,149
Percentage increase (decrease) to executive budget	35.3%	20.2%	35.2%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($104,123)	($242,956)	($347,079)
Removed funding from state school aid added in the executive budget for a prekindergarten program during the second year of the biennium		(3,500,000)		(3,500,000)
Increased funding for other grants as follows:		1,523,000		1,523,000

	General Fund Increase	Total General Fund
North Central Council for School Television	$395,000	$445,000
Governor's School	45,000	410,000
Atlantik-Brucke teacher exchange program	75,000	75,000
Teacher center network	50,000	360,000
Northern Plains Writing Project	25,000	83,000
Red River Valley Writing Project	20,000	70,000
North Dakota young entrepreneur education program	100,000	100,000
"We the People" program	18,000	18,000
Adult education grants	795,000	1,850,000
Total general fund	$1,523,000	$3,411,000

Increased **one-time funding** for other grants to the North Dakota Geographic Alliance	101,000		101,000
Adjusted the funding source for state school aid to reflect additional funding available in the state tuition fund	(800,000)	800,000	
Adjusted the funding source for other grants to correct a budgeting error in the executive recommendation	137,883	(137,883)	
Increased funding from the general fund and decreased funding from federal funds for the school health director position to provide that 20 percent of the funding is from the general fund	12,889	(12,889)	
Increased funding for operating expenses to provide funding for a North Dakota teacher of the year program	14,000		14,000
Increased state school aid funding for the gifted and talented program to provide a total of $800,000	400,000		400,000
Increased funding for national board certification to provide a total of $102,500	7,500		7,500
Increased funding for operating expenses for the North Dakota Indian Education Advisory Council	66,000		66,000
Adjusted the funding source for the Early Childhood Learning Council to provide funding from federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009	(20,000)	20,000	

Decreased state school aid due to reducing and delaying the "at-risk" factor change in the state school aid formula until the 2011-13 biennium	(11,000,000)		(11,000,000)
Increased state school aid to provide for state school aid formula changes contained in House Bill No. 1400	1,790,000		1,790,000
Increased state school aid to provide for changes regarding residential facility summer programs	350,000		350,000
Increased funding for transportation payments	5,000,000		5,000,000
Reduced state school aid in the first year of the biennium	(16,795,584)		(16,795,584)
Added funding for supplemental operating grants in accordance with provisions of House Bill No. 1400	16,795,584		16,795,584
Changed the funding source for state school aid to provide for fiscal stabilization funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009	(85,644,337)	85,644,337	
Added funding for one-time supplemental grants in accordance with provisions of House Bill No. 1400	85,644,337		85,644,337
Appropriated federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below for various education programs)		67,379,051	67,379,051
Appropriated federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 for administrative costs relating to federal stimulus payments to schools, including salaries ($152,533) and operating expenses ($173,815)		326,348	326,348
Removed funding for instructional coaching pilot programs added in the executive budget	(500,000)		(500,000)
Added funding for a national board certification fund (House Bill No. 1400)	500,000		500,000
Added funding for continuing education grants (House Bill No. 1400)	100,000		100,000
Added funding for the development of a personal finance schoolbook (House Bill No. 1015)	25,000		25,000

Added funding for mill levy reduction grants to school districts (Senate Bill No. 2199) (see **Mill Levy Reduction Grants** section below)		295,000,000		295,000,000
Added funding from federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to provide funding for an English language learner grant to a regional education association (Senate Bill No. 2212)			40,000	40,000
Total	0.00	$289,103,149	$153,816,008	$442,919,157

FTE Changes

The 2009-11 biennium appropriation includes funding for 99.75 FTE positions, an increase of 5 FTE positions from the 2007-09 biennium authorized level of 94.75 FTE positions and the same as the executive budget recommendation. The Legislative Assembly did not change the executive recommendation to add 1 FTE administrative assistant III position in the Early Reading First program, 1 FTE assistant director position in the standards and achievement unit, 1 FTE assistant director position to monitor the expansion of counseling support and the role of career advisors, and 2 FTE positions (1 FTE assistant director position and 1 FTE administrative assistant II position) in the school approval and accreditation unit.

One-Time Funding

In Section 2 of House Bill No. 1013, the Legislative Assembly identified $726,000 from the general fund as one-time funding, of which $500,000 is for programming changes to the department's state automated reporting system (STARS) application used to gather school district information and $226,000 is for a grant to the North Dakota Geographic Alliance for matching funds available from the National Geographic Society.

In Section 33 of House Bill No. 1015, the Legislative Assembly appropriated $25,000 from the general fund to the Department of Public Instruction for the development and customization of a North Dakota personal finance schoolbook. This funding is considered to be one-time funding.

These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Department of Public Instruction is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

The Legislative Assembly appropriated $153,409,736 of federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 to the Department of Public Instruction. Federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 were appropriated as follows:

Title I - Part A	$27,415,262
Title I - School improvement	7,145,000
Title II - Part D - Technology	3,209,375
Individuals With Disabilities Education Act	27,413,988
McKinney-Vento Homeless Assistance Act	150,000
National school lunch program	230,000
The emergency food assistance program	85,426
Clean diesel (funds from the State Department of Health)	1,730,000
Subtotal	$67,379,051
State aid grants	85,644,337
Total federal funds	$153,023,388

In addition, federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 were appropriated as follows:

Department of Public Instruction administrative costs relating to federal fiscal stimulus payments to schools, including salaries ($152,533) and operating expenses ($173,815)	$326,348
Early Childhood Learning Council operating expenses	20,000
Funding for an English language learner grant to a regional education association (Senate Bill No. 2212)	40,000
Total federal funds (from Governor's office)	$386,348

The Department of Public Instruction may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

State School Aid - Per Student Payments, Transportation Aid, Special Education Contracts, Supplemental Operations Grants, Supplemental One-Time Grants, and Mill Levy Reduction Grants

The Legislative Assembly appropriated $1,264,810,216, of which $1,092,865,879 is from the general fund, $85,644,337 is from federal funds, and $86,300,000 is from the state tuition fund, for state school aid, including per student payments, transportation aid, special education, grants for operations, one-time expenditures, and mill levy reduction grants. This level of funding represents an increase of $484 million, of which $388.3 million is from the general fund, $85.6 million is from federal funds, and $10.1 million is from the state tuition fund, from the 2007-09 legislative appropriation of $780,765,879. (See the schedules following this section for a comparison of state school aid and other grants for the 2007-09 and 2009-11 bienniums.)

Per Student Formula Payments

The Legislative Assembly provided an appropriation of $808,370,295, of which $722,070,295 is from the general fund and $86,300,000 is from the state tuition fund, for state school aid for per student formula payments. This level of funding represents an increase of $82.2 million, of which $72.1 million is from the general fund and $10.1 million is from the state tuition fund, from the 2007-09 biennium appropriation of $726,165,879. The executive budget recommendation for the 2009-11 biennium included funding of $11 million for the implementation of an "at-risk" factor for state school aid per student formula payments and, beginning with the 2010-11 school year, $3.5 million for preschool programs for four year olds. The Legislative Assembly removed funding for these programs. The Legislative Assembly did not change the executive budget recommendation for the 2009-11 biennium regarding funding of $1 million for required assessments and, beginning in the second year of the biennium, $3.68 million for one additional contact day on the school calendar, $3.78 million for student performance strategists, and $2.7 million for career advisors.

Transportation Aid

The executive budget recommendation for the 2009-11 biennium included funding of $38.5 million from the general fund for transportation aid. The Legislative Assembly increased the funding by $5 million to provide $43.5 million from the general fund for transportation aid, $10 million more than the 2007-09 biennium. In addition, the Legislative Assembly provided a $5 million appropriation from the general fund for supplemental transportation aid payments contingent on the Office of Management and Budget projecting during the 2009-11 biennium that the June 30, 2011, ending balance of the state general fund will be at least $30 million more than estimated by the 2009 Legislative Assembly.

Section 54 of House Bill No. 1400 provides that the Department of Public Instruction is to distribute transportation aid for the 2009-11 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:

- Ninety-two cents per mile for schoolbuses having a capacity of 10 or more passengers.
- Forty-four cents per mile for vehicles having a capacity of nine or fewer passengers.
- Twenty-four cents per student for each one-way trip.

Section 54 of House Bill No. 1400 also provides that if any funds appropriated for transportation aid for the 2009-11 biennium remain unspent after all statutory obligations are met, the Department of Public Instruction is to prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

Special Education Contracts

The Legislative Assembly did not change the executive budget recommendation to provide a general fund appropriation of $15.5 million for special education contracts. The 2009-11 biennium appropriation is $2 million less than the 2007-09 biennium appropriation of $17.5 million.

Supplemental Operations Grants

The Legislative Assembly provided $16,795,584 from the general fund for supplemental operations grants to be awarded, on or before September 1, 2009, on a prorated basis, according to the latest available average daily membership of each school district.

Supplemental One-Time Grants

The Legislative Assembly provided for the distribution of supplemental one-time grants to school districts totaling $85,644,337 from the general fund. The grants may only be used for improvements, additions, equipment, textbooks, Title I expenditures, or professional development, and the school districts must report to the Department of Public Instruction regarding the use of the funds. The Department of Public Instruction is required to compile the information and report to the Legislative Council.

Mill Levy Reduction Grants

The Legislative Assembly, in Senate Bill No. 2199, provided property tax relief by appropriating $295 million from the general fund to the Department of Public Instruction for allocation to school districts to reduce school district property taxes for the 2009-11 biennium. The funding provides for a reduction of up to 75 mills in school district property tax levies and replacement of the revenue to school districts providing mill levy reduction grants. In addition, Senate Bill No. 2199:

- Eliminates authority for unlimited levy approval for school districts.
- Establishes a deadline of 2015 for school districts with existing voter-approved excess levies or unlimited levies to obtain voter approval for continuation of a levy of up to a specific number of mills.
- Provides if voter approval is not obtained by 2015, the school district levy limitation will be subject to statutory provisions allowing a levy based on the number of dollars levied by the school district in the highest of the most recent three years or the 185-mill general fund levy limitation.

The Legislative Assembly also provided for a transfer of $295 million in 2010 from the permanent oil tax trust fund to the newly created property tax relief sustainability fund to be used for property tax relief allocations after the 2009-11 biennium as determined by the Legislative Assembly.

Regional Education Association Incentives

The executive budget recommendation for the 2009-11 biennium included funding of $3 million for regional education associations. The Legislative Assembly provided that $2.6 million of the funding be distributed through a factor in the formula and $400,000 be distributed through grants. In addition, the Legislative Assembly provided that if an adequate amount of funds appropriated for state school aid payments for the 2007-09 biennium remain unspent after all statutory obligations are met, the department is to use $2 million for providing additional per student payments to school districts participating in regional education associations (see **2007-09 Contingent Distributions - State School Aid** section below for additional information).

School District Planning Grants

Section 55 of House Bill No. 1400 provides that the Department of Public Instruction may use $100,000 of the 2009-11 legislative appropriation for state school aid for providing planning grants to school districts participating in reorganizations under North Dakota Century Code (NDCC) Chapter 15.1-12. A grant provided may not exceed $25,000 and may not be awarded unless the student enrollment of the participating districts exceeds 360. If a grant is provided and the recipient districts vote not to reorganize, the department is to withhold the grant amount that each district received from any state aid payable to the district.

Teacher Compensation Increases

Section 51 of House Bill No. 1400 provides that during the 2009-11 biennium the board of each school district is to use an amount equal to at least 70 percent of all new money received by the district for per student payments and supplemental operations grants to increase the compensation paid to teachers, counselors, and career advisors and to provide compensation to teachers, counselors, and career advisors who begin employment with the district on or after July 1, 2009. Money available to districts as a result of federal action to stimulate the economy or address state fiscal recovery is not considered to be "new money" unless it is distributed through the state school aid formula.

School District Deferred Maintenance and Physical Plant Improvement Grants

The executive budget recommendation for the 2009-11 biennium included a $10 million general fund appropriation to the Department of Public Instruction for school districts deferred maintenance and physical plant improvement grants contingent upon the Office of Management and Budget projecting the June 30, 2011, ending general fund balance to be $30 million more than projected by the Office of Management and Budget at the end of the 2009 legislative session. The Legislative Assembly removed this contingent appropriation.

2007-09 Contingent Distributions - State School Aid

Section 55 of Senate Bill No. 2200 (2007) as amended by Section 58 of House Bill No. 1400 (2009) provides that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds remaining from the 2007-09 special education contracts appropriation prior to determining the remaining state school aid funds. The section provides that if any funds appropriated for state school aid payments for the 2007-09 biennium or added to the grants - state school aid line item remain unspent after all statutory obligations are met, the Department of Public Instruction is to distribute the remaining funds as follows:

1. The first $1 million for any state obligations in excess of the amount appropriated for special education contract charges.
2. The next $2 million for providing additional per student payments to school districts participating in regional education associations under NDCC Chapter 15.1-09.1.
3. The next $550,000 for providing additional payments to school districts serving English language learners and new immigrant English language learners in accordance with NDCC Chapter 15.1-38.
4. The next $200,000 for providing additional payments to school districts offering an adult education program during the 2007-09 biennium.
5. Any remaining amounts as additional per student payments on a prorated basis according to the latest average daily membership of each school district.

2009-11 Contingent Distributions - State School Aid

Section 59 of House Bill No. 1400 (2009) provides that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds from the 2009-11 special education contracts appropriation and if any amounts appropriated for state school aid payments remain unspent at the end of the 2009-11 biennium, that the Department of Public Instruction use the funds to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

Contingent Transfer for Special Education

Section 60 of House Bill No. 1400 (2009) provides that if the Superintendent of Public Instruction determines there are insufficient funds to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures, the Industrial Commission shall transfer the amount necessary from the Bank of North Dakota. The Superintendent is to request a deficiency appropriation from the 62nd Legislative Assembly to return any amount transferred under these provisions to the Bank of North Dakota.

Other Sections in House Bill No. 1013

2007-09 appropriation - Section 8 appropriates $20 million of additional federal funds to the Department of Public Instruction for providing grants to school districts during the 2007-09 biennium.

Tuition apportionment - Section 9 provides that any money available in the state tuition fund in excess of the $86.3 million appropriated in Section 1 of the bill is appropriated to the Department of Public Instruction for distribution to school districts.

Payments for 2007-09 biennium educational services - Section 10 provides that the Department of Public Instruction may use money appropriated for state school aid and special education contracts for the 2009-11 biennium to pay claims due during the 2007-09 biennium but not filed with the department until the 2009-11 biennium.

Distribution of special education aid - Section 11 provides that the Department of Public Instruction use $800,000 of the 2009-11 legislative appropriation for state school aid 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. 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.

Teacher of the year program - Section 12 requires the Department of Public Instruction to administer a teacher of the year program for the 2009-11 biennium. The department is to assign responsibility to its staff to coordinate the annual event, including preparation of application materials, distribution of materials to the selection committee, publicity, and planning of the event at which the recipient of the award is announced. The selection committee appointed by the Department of Public Instruction may not include more than one representative from any education-related organization or association.

Indirect cost allocation - Section 13 provides that, notwithstanding NDCC 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.

Contingent appropriation - Supplemental transportation aid payments - Section 16 provides a $5 million appropriation from the general fund for supplemental transportation aid payments contingent on the Office of Management and Budget projecting during the 2009-11 biennium that the June 30, 2011, ending balance of the state general fund will be $30 million more than estimated by the 2009 Legislative Assembly.

Superintendent's annual salary - Section 18 provides statutory changes relating to the Superintendent of Public Instruction's annual salary. The Superintendent's salary is increased from $90,587 to $95,116 on July 1, 2009, and $99,872 on July 1, 2010.

Residential facility summer programs - Section 19 provides statutory changes to NDCC Section 15.1-29-14(6) regarding "actual costs" of residential facility summer programs.

Related Legislation

Personal finance schoolbook - Section 33 of House Bill No. 1015 provides an appropriation of $25,000 from the general fund to the Department of Public Instruction for the development and customization of a North Dakota personal finance schoolbook.

Interstate Compact on Educational Opportunity for Military Children - House Bill No. 1309 provides for a Legislative Council study of the Interstate Compact on Educational Opportunity for Military Children.

American Indian bilingual education - House Bill No. 1399 provides for a Legislative Council study of American Indian bilingual education.

State school aid payments, career development, school calendar, school counselors, career advisors, student performance strategists, professional development, high school graduation requirements, scholarships, assessments, North Dakota Early Childhood Education Council, teacher support system program, national board certification fund, continuing education grants, transportation grants, school district reorganization planning grants, contingent money, and special education contingent transfer - House Bill No. 1400:

- Appropriates $2.3 million from the general fund for a grant to the Education Standards and Practices Board for a **teacher support system program**.
- Appropriates $500,000 from the general fund for the creation of a **national board certification fund**.
- Appropriates $100,000 from the general fund for **continuing education grants**.

- Provides the Department of Career and Technical Education develop a **career development facilitation program**.
- Increases the number of days in the **school calendar** for the 2010-11 and 2011-12 school years.
- Requires school districts to have available 1 FTE **counselor** for every 300 students in grades 7 through 12, beginning with the 2010-11 school year, and provides up to one-third of these positions may be filled by career advisors.
- Identifies the **duties of a career advisor**.
- Requires that beginning with the 2010-11 school year, each school district must have 1 FTE **student performance strategist** for every 400 students in kindergarten through grade 3.
- Requires each school district to use **PowerSchool** as its principal student information system.
- Requires the Department of Public Instruction appoint a **professional development advisory committee** and review each school district's professional development plan to ensure that it is effective and efficient.
- Provides for a **career and technical education scholarship** and an **academic scholarship** and requires each school district to make available subjects required for the scholarships.
- Increases **high school graduation requirements** and provides an optional high school curriculum.
- Provides payment for certain **summer programs**.
- Requires school districts administer an **interim assessment** annually and a **career interest inventory** to students once in the 7th grade or 8th grade and again in the 9th grade or 10th grade.
- Requires a **summative assessment** (the American College Test or three WorkKeys assessment) for all but certain students and allows students pursuing their general educational development diploma to also complete a summative assessment.
- Provides a **per student payment** of $3,200 for the 2009-10 school year and $3,779 for the 2010-11 school year; adjusts the weighting factor for special education services; and provides additional weighting factors for varying levels of proficiency for English language learners, for students enrolled in a school district participating in a regional education association, and for technology.
- Includes a **minimum payment provision** that entitles each school district to receive, during the 2009-10 school year, at least 108 percent of the baseline funding per weighted student unit. For the following school years, the minimum entitlement must be equal to at least 112.5 percent of the baseline funding per weighted student unit.
- Includes a **maximum payment provision** that, excluding equity payments, caps a school district's state aid payment for the 2009-10 school year at 120 percent of the baseline funding per weighted student unit. For the following school years, the payment per weighted student unit may not exceed 134 percent of the baseline funding per weighted student unit.
- Requires the determination of **imputed taxable valuation** include revenue derived from mobile home taxes, telecommunications taxes, payments in lieu of property taxes on the distribution and transmission of electric power from sources other than coal, and from United States flood control funds.
- Provides for the continuation of **equity payments** for a period of two years to a reorganized or dissolved district.
- Provides that United States flood control funds, American Recovery and Reinvestment Act of 2009 funds, and supplemental one-time grants may not be used in determining a district's **unobligated ending fund balance**. The provision expires June 30, 2011.
- Provides authorization for the continuation of the **North Dakota Commission on Education Improvement**. The Department of Public Instruction may use up to $40,000 of the 2009-11 legislative appropriation for state school aid for expense reimbursement for members of the commission.
- Changes the definition of excess costs for purposes of **special education contracts** from those that are four and one-half times the state average cost of education per student to those that are four times the state average.
- Increases the threshold for obtaining **construction approval**.
- Establishes an **Early Childhood Education Council**.
- Reduces the percentage by which certain school districts may increase their **general fund levies**, effective for taxable years beginning after December 31, 2008.
- Provides an appropriation for a **teacher support system grant program** to be administered by the Education Standards and Practices Board.
- Provides an appropriation to establish a **national board certification fund** to provide grants to applicants pursuing national board certification.
- Provides an appropriation for **continuing education grants**.
- Provides that the board of each school district is to use an amount equal to at least 70 percent of all new money received by the district for per student payments and supplemental operations grants to **increase the compensation** paid to teachers, counselors, and career advisors.

- Provides for the distribution of **supplemental one-time grants** that may only be used for improvements, additions, equipment, textbooks, Title I expenditures, or professional development, and the school districts must report to the department regarding the use of the funds. The Department of Public Instruction is required to compile the information and report to the Legislative Council.
- Provides for the distribution of **supplemental operations grants** to be awarded, on or before September 1, 2009, on a prorated basis according to the latest available average daily membership of each school district.
- Increases the state **transportation formula rates**.
- Provides the department may expend from the grants - state school aid line item up to $100,000 for **planning grants** to school districts participating in reorganizations, up to $400,000 for **grants to regional education associations**, and up to $300,000 for a grant equaling the reduction in a district's 2007-09 state aid payments resulting from the receipt of **federal impact aid**.
- Provides for the distribution of any **unspent 2007-09 biennium appropriations** remaining for special education and state school aid and any **unspent 2009-11 biennium appropriations** remaining for special education and state school aid.
- Provides for a contingent transfer from the Bank of North Dakota for **special education**.
- Directs the Legislative Council to consider studying school approval and accreditation, weather-related school cancellations, and displacement of students resulting from natural or manmade disasters.
- Minimum **general fund levy requirements** are repealed.

Mill levy reduction grants - Senate Bill No. 2199:

- Provides property tax relief by appropriating $295 million from the general fund for the 2009-11 biennium for allocation to school districts to reduce school district property taxes.
- Provides for a reduction of up to 75 mills in school district property tax levies and replacement of the revenue to school districts through mill levy reduction grants.
- Eliminates authority for unlimited levy approval for school districts.
- Establishes a deadline of 2015 for school districts with existing voter-approved excess levies or unlimited levies to obtain voter approval for continuation of a levy of up to a specific number of mills.
- Provides if voter approval is not obtained by 2015, the school district levy limitation will be subject to statutory provisions allowing a levy based on the number of dollars levied by the school district in the highest of the most recent three years or the 185-mill general fund levy limitation.
- Provides for transfer of $295 million in 2010 from the permanent oil tax trust fund to the property tax relief sustainability fund to be used for property tax relief allocation after the 2009-11 biennium.

English language learner grant - Senate Bill No. 2212 appropriates $40,000 from federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to the Department of Public Instruction to provide a grant to one regional education association in order that the association may acquire instructional materials for the enhancement of English language learner services and provide professional development opportunities relating to the provision of English language learner services. The association that receives the grant must agree to provide English language learner services to other regional education associations and school districts in the state.

STATE SCHOOL AID, OTHER GRANTS, AND DEPARTMENT OF PUBLIC INSTRUCTION ADMINISTRATION
COMPARISON OF 2007-09 APPROPRIATION AND ESTIMATED EXPENDITURES TO 2009-11 EXECUTIVE BUDGET AND LEGISLATIVE VERSIONS

	2007-09 Legislative Appropriation	2007-09 Estimated Expenditures	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Appropriation Increase (Decrease) Compared to 2007-09 Appropriation	2009-11 Appropriation Increase (Decrease) Compared to 2007-09 Estimated Expenditures	2009-11 Appropriation Increase (Decrease) Compared to 2009-11 Executive Budget
State school aid program							
State school aid	$726,165,879 [1]	$726,165,879 [1]	$837,125,879 [1]	$808,370,295 [1]	$82,204,416	$82,204,416	($28,755,584)
State school aid - 2005-07 contingent distributions	600,000 [2]	600,000 [2]			(600,000)	(600,000)	
State school aid - Potential transfer		4,622,985 [3]				(4,622,985)	
Transportation aid payments	33,500,000	33,500,000	38,500,000	43,500,000	10,000,000	10,000,000	5,000,000
Transportation aid payments - 2005-07 contingent distributions	2,000,000 [2]	2,000,000 [2]			(2,000,000)	(2,000,000)	
Special education - Contracts	17,500,000	17,500,000	15,500,000	15,500,000	(2,000,000)	(2,000,000)	
Special education - Contracts potential transfer		(4,622,985) [3]				4,622,985	
Supplemental operations grants				16,795,584	16,795,584	16,795,584	16,795,584
Supplemental one-time grants				85,644,337	85,644,337	85,644,337	85,644,337
Mill levy reduction grants			[7]	295,000,000	295,000,000	295,000,000	295,000,000
Regional education associations - 2005-07 carryforward	1,000,000 [2]	1,000,000 [2]			(1,000,000)	(1,000,000)	
Total - State school aid program	$780,765,879	$780,765,879	$891,125,879	$1,264,810,216	$484,044,337	$484,044,337	$373,684,337
General fund	$704,565,879	$704,565,879	$805,625,879	$1,092,865,879	$388,300,000	$388,300,000	$287,240,000
Federal funds				85,644,337	85,644,337	85,644,337	85,644,337
State tuition fund	76,200,000	76,200,000	85,500,000	86,300,000	10,100,000	10,100,000	800,000
Total	$780,765,879	$780,765,879	$891,125,879	$1,264,810,216	$484,044,337	$484,044,337	$373,684,337
Other grants - General fund							
Deferred maintenance and physical plant improvement grants	$5,000,000 [4]	$5,000,000 [4]			($5,000,000)	($5,000,000)	
Teacher center network	276,000	276,000	$310,000	$360,000	84,000	84,000	$50,000
School food services	1,080,000	1,080,000	1,380,000	1,380,000	300,000	300,000	
Adult education grants	1,055,000	1,055,000	1,055,000	1,850,000	795,000	795,000	795,000
LEAD Center	245,000	245,000	260,000	260,000	15,000	15,000	
Governor's School	320,000	320,000	365,000	410,000	90,000	90,000	45,000
National writing projects	108,000	108,000	108,000	153,000	45,000	45,000	45,000
Rural art outreach project	295,000	295,000	345,000	345,000	50,000	50,000	
Other grants	33,117	33,117	(137,883)		(33,117)	(33,117)	137,883
North Dakota Geographic Alliance			125,000	226,000	226,000	226,000	101,000
North Central Council for School Television			50,000	445,000	445,000	445,000	395,000
Mentoring program			2,300,000 [5]	2,300,000 [5]	2,300,000	2,300,000	
Instructional coaching pilot project			500,000				(500,000)
National board certification fund				500,000	500,000	500,000	500,000
Continuing education grants				100,000	100,000	100,000	100,000
Atlantik-Brucke teacher exchange program				75,000	75,000	75,000	75,000
North Dakota young entrepreneur education program				100,000	100,000	100,000	100,000
"We the People" program				18,000	18,000	18,000	18,000
National board certification	40,000	40,000	95,000	102,500	62,500	62,500	7,500
Total other grants - General fund	$8,452,117	$8,452,117	$6,755,117	$8,624,500	$172,383	$172,383	$1,869,383

	2007-09 Appropriation	2007-09 Estimated Expenditures	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Appropriation Increase (Decrease) Compared to 2007-09 Appropriation	2009-11 Appropriation Increase (Decrease) Compared to 2007-09 Estimated Expenditures	2009-11 Appropriation Increase (Decrease) Compared to 2009-11 Executive Budget
Other grants - Other funds							
Federal grants	$244,049,689 [6]	$244,049,689 [6]	$237,265,604	$304,873,120	$60,823,431	$60,823,431	$67,607,516
Displaced homemaker program	240,000	240,000	240,000	240,000			
Total other grants - Other funds	$244,289,689	$244,289,689	$237,505,604	$305,113,120	$60,823,431	$60,823,431	$67,607,516
Total state school aid and other grants - All funds	$1,033,507,685	$1,033,507,685	$1,135,386,600	$1,578,547,836	$545,040,151	$545,040,151	$443,161,236
Agency administration							
Administration (salaries, operating, equipment) - General fund	$6,053,201	$6,053,201	$7,921,445	$7,915,211	$1,862,010	$1,862,010	($6,234)
Administration (salaries, operating, equipment) - Other funds	25,288,784	23,541,669	36,799,542	36,563,697	11,274,913	13,022,028	(235,845)
Total agency administration - All funds	$31,341,985	$29,594,870	$44,720,987	$44,478,908	$13,136,923	$14,884,038	($242,079)
Total Department of Public Instruction - All funds	$1,064,849,670	$1,063,102,555	$1,180,107,587	$1,623,026,744	$558,177,074	$559,924,189	$442,919,157
General fund	$719,071,197	$719,071,197	$820,302,441	$1,109,405,590	$390,334,393	$390,334,393	$289,103,149
Other funds	345,778,473	344,031,358	359,805,146	513,621,154	167,842,681	169,589,796	153,816,008
Total	$1,064,849,670	$1,063,102,555	$1,180,107,587	$1,623,026,744	$558,177,074	$559,924,189	$442,919,157
FTE	94.75	94.75	99.75	99.75	5.00	5.00	

[1] State school aid - The amounts reported for state school aid include the base per student formula payments, special education average daily membership payments, equity payments, and full-day kindergarten (beginning with the 2008-09 school year). For the 2009-11 biennium, the amount for state school aid also includes payments to regional education associations.

[2] Section 18 of Senate Bill No. 2013 (2007) provided for the contingent distribution for any money appropriated for per student payments and transportation payments that remains after payment of all statutory obligations for per student and transportation payments during the 2005-07 biennium. Contingent distributions totaling $12.8 million, after returning $759,000 to the general fund, included:

	Authorized Amount Pursuant to Section 18 of 2007 Senate Bill No. 2013
Additional payments to school districts serving English language learners in accordance with North Dakota Century Code Section 15.1-27-12	$450,000
Additional payments to school districts participating in eligible educational associations	1,000,000
Increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium	600,000
Additional transportation grants to school districts for the 2007-09 biennium as provided in 2007 Senate Bill No. 2200	2,000,000
Payments to school districts that are members of regional education associations during the 2007-09 biennium	1,000,000
Grant to the Division of Independent Study for enhancing civic education	30,000
One-time grant to the North Dakota Museum of Art for enhancing the Snow Country Prison Exhibit	15,000
Payments to professionals and experts the North Dakota Commission on Education Improvement contracted with during the 2007-08 interim for assistance with its study of educational adequacy	200,000
Funding to the Education Standards and Practices Board for providing payments to recipients of national board certification and scholarships to individuals seeking national board certification	77,000
Additional payments to school districts offering an adult education program during the 2005-07 biennium	200,000

Purchase of automated external defibrillators and distribution to school districts	400,000
Grant to the North Central Council of School Television for licensing of educational television programs for classroom use by North Dakota elementary and secondary schools, assisting with the North Dakota studies project, and other operating expenses	395,000
Rewrite of the state school aid computer system	500,000
Rewrite of the teacher licensure application used by the Department of Public Instruction and the Education Standards and Practices Board	650,000
Reimbursements to eligible school districts that received reduced amounts of state aid. An eligible school district is one that received a reduction in state aid during the 2005-07 biennium because the district's general fund levy fell below 140 mills as the result of an accounting oversight.	25,748
Grants of $1,000 to North Dakota residents who are licensed to teach by the Education Standards and Practices Board, have taught in the state during each of the last five school years, and are enrolled in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership	90,000
Grant for the Atlantik-Brucke teacher exchange program	50,000
After providing for the contingency items noted above, $5.1 million of remaining funding was distributed by the department to the school districts as additional per student payments in June 2007.	5,100,000
Total	$12,782,748

[3] To provide the state school aid payments for the second year of the 2007-09 biennium at the appropriated per student rate, the Department of Public Instruction anticipates transferring an estimated $4.6 million in general fund appropriation authority from the grants - special education contracts line item to the grants - state school aid line item. Section 58 of House Bill No. 1400 (2009) amended Section 55 of Chapter 163 of the 2007 Session Laws relating to 2007-09 contingent distributions to provide that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds appropriated for special education contracts prior to determining the remaining state school aid funds.

[4] Section 50 of Senate Bill No. 2200 (2007) provided a $5 million general fund appropriation to the Department of Public Instruction for school districts' deferred maintenance and physical plant improvement grants contingent upon the Office of Management and Budget projecting either the June 30, 2008, or the June 30, 2009, ending general fund balance to be $30 million more than projected by the Office of Management and Budget at the end of the 2007 legislative session. In April 2008 the Office of Management and Budget projected the June 30, 2008, ending balance would exceed the legislative estimate by more than $30 million and the deferred maintenance and physical plant improvement grants were made available to school districts. The department anticipates all of the grant funds will be expended.

[5] The Legislative Assembly did not change the executive budget recommendation for the 2009-11 biennium to provide $2.3 million of funding from the general fund for a new mentoring program to provide training and support for new teachers.

[6] The amounts reported for other grants from federal funds include $20 million of federal funds appropriated to the Department of Public Instruction for providing grants to school districts authorized in Section 8 of 2009 House Bill No. 1013.

[7] 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.

PER STUDENT STATE SCHOOL AID PAYMENTS AND WEIGHTED STUDENT UNITS FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Legislative Appropriation	2007-09 Actual	2009-11 Executive Budget	2009-11 Legislative Appropriation
First-year per student payments	$3,250	$3,250	$3,420	$3,200
Second-year per student payments	$3,325	$3,325[1]	$3,779	$3,779
Weighted student units				
First year	107,254	105,962	110,375[3]	109,226[4]
Second year	107,028	108,281[2]	111,200[3]	108,884[4]

[1]To provide the state school aid payments for the second year of the 2007-09 biennium at the appropriated per student rate, the Department of Public Instruction anticipates transferring an estimated $4.6 million in general fund appropriation authority from the grants - special education contracts line item to the grants - state school aid line item. Section 58 of House Bill No. 1400 (2009) amended Section 55 of Chapter 163 of the 2007 Session Laws relating to 2007-09 contingent distributions to provide that the Department of Public Instruction first add to the grants - state school aid line item any unspent funds appropriated for special education contracts prior to determining the remaining state school aid funds.

[2]Estimated.

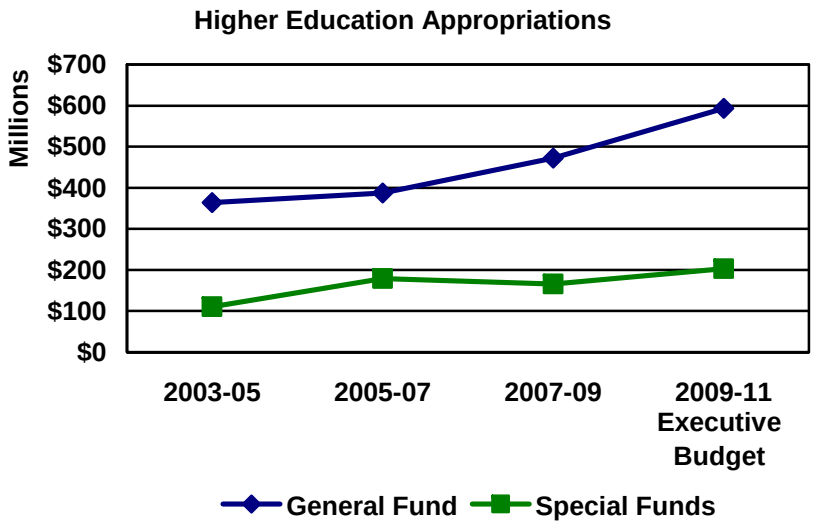
[3]The anticipated increase in weighted student units included in the executive recommendation for the 2009-11 biennium is the result of more modest declines in births, the proposed implementation of an at-risk weighting factor for students considered at risk of failing if they do not receive additional services, and the proposed addition of a prekindergarten factor to the main school funding formula for any school district that provides at least one-half day of education to four year olds at least two times per week beginning with the 2010-11 school year.

[4]The Legislative Assembly postponed the implementation of the at-risk weighting factor included in the executive budget to the 2011-13 biennium and did not provide for the prekindergarten factor resulting in a decrease in the weighted student units when comparing the legislative appropriation to the executive budget for the 2009-11 biennium.

HIGHER EDUCATION - OVERVIEW

The 2009 Legislative Assembly made the following higher education funding changes compared to 2007-09 legislative appropriations for higher education:

- Increased **general fund** support by $121,259,906, or 25.7 percent, including approximately $59.2 million of one-time funding from the general fund. The increase in funding is due in part to increasing funding for campus operations by approximately $49.4 million, increasing funding for major capital projects by approximately $27.8 million, and increasing funding for student financial assistance by approximately $13.4 million.
- Increased support from **special funds** by $37,344,663, or 22.6 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 **full-time equivalent (FTE) positions** from 2,136.59 to 2,131.42 to reflect the number of FTE positions supported by the general fund.



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	$593,296,143	$202,764,364	$796,060,507

Major items include:

1. **One-time appropriations** - Provided funding of $69,633,248, of which $59,233,248 is from the general fund and $10,400,000 is from the permanent oil tax trust fund, for the following one-time funding areas:

Repairs, maintenance, and security (deferred maintenance)	$20,000,000
Electronic medical records system	225,000
Campus master plan development	3,000,000
Major capital projects	46,408,248
Total	$69,633,248

2. **Campus parity** - Provided funding of $49.4 million from the general fund as requested by the State Board of Higher Education for costs to continue the fiscal year 2009 legislatively authorized salary increases, 5 percent per year salary increases for the 2009-11 biennium, estimated health insurance increases, and operating inflation of 2 percent for fiscal year 2010 and 2.2 percent for fiscal year 2011.
3. **Campus equity** - Provided funding of $10 million from the general fund for equity payments allocated as follows:

Bismarck State College	$573,904
Lake Region State College	402,575
Williston State College	250,000
University of North Dakota (UND)	2,101,461
UND School of Medicine and Health Sciences	505,999
North Dakota State University	4,108,963
State College of Science	250,000
Dickinson State University	594,988
Mayville State University	250,000
Minot State University	462,110
Valley City State University	250,000
Minot State University - Bottineau	250,000
Total	$10,000,000

4. **Student financial assistance programs** - Funding was provided for the following programs:
   - **Student financial assistance program** - Provided funding of $19,374,022, of which $19,025,594 is from the general fund and $348,428 is from federal funds, for the student financial assistance grant program. The total program funding amount represents an increase of $13,386,525 from the 2007-09 legislative appropriation of $5,987,497.

- **Career and technical education and academic scholarships** - Provided funding of $3 million from the general fund for new scholarship programs for North Dakota residents who attend North Dakota higher education institutions and meet certain eligibility requirements.

5. **Professional student exchange program** - Provided funding of $3,337,100, of which $2,346,130 is from the general fund and $990,970 is from the student loan trust fund, for the professional student exchange program. The funding includes $193,000 from the general fund to continue current student funding and provides the following estimated number of available new openings: seven veterinarian, eight dentist, and four optometrist. In addition, $467,590 of funding from the student loan trust fund is to be used to support currently enrolled students and provide an estimated five new openings per year under the Kansas State University veterinary medical education program. This level represents a total funds increase of $614,154 from the 2007-09 legislative appropriation of $2,722,946.
6. **Scholars program** - Provided funding of $2,113,584 from the general fund for the scholars program. The funding includes $450,000 to increase the number of new positions available by 53. This level represents a general fund increase of $635,018 from the 2007-09 legislative appropriation of $1,478,566.
7. **Competitive research** - Provided funding of $7,050,000 from the general fund for competitive research matching funding. This represents an increase of $1,400,000 from the 2007-09 legislative appropriation of $5,650,000.
8. **System information technology services** - Provided funding of $30,230,038, of which $29,209,438 is from the general fund and $1,020,600 is from the student loan trust fund, for support of the Higher Education Computer Network, the Interactive Video Network (IVN), the On-line Dakota Information Network (ODIN), and other related technology initiatives. The funding includes an increase of $2,306,255 for parity, $1,220,000 for increased bandwidth costs, and $1,020,600 for ConnectND support positions. This level of funding represents an increase of $4,246,745 from the 2007-09 ongoing appropriation of $25,983,293.
9. **Capital assets** - Funding of $273,904,267 is provided for capital assets, including:

	General Fund	Special Funds	Total
Capital construction lease payments	$11,296,798	$717,250	$12,014,048
Campus extraordinary repairs	26,714,054		26,714,054
Campus master plan development	3,000,000		3,000,000
Major capital projects	36,008,245	196,167,920[1]	232,176,165
Total	$77,019,097	$196,885,170	$273,904,267

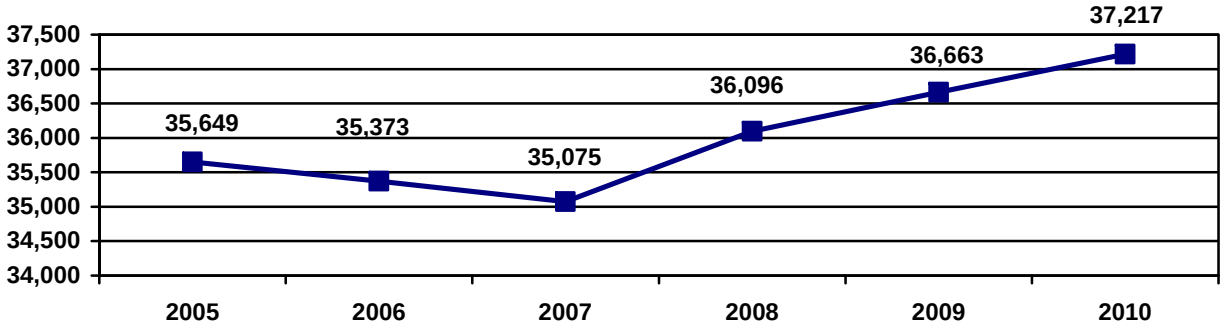
[1]Includes $18,809,920 of federal stimulus funding.

Please refer to the schedules under the **Capital Construction** section for additional information regarding capital improvements.

10. **Federal stimulus funding** - Federal stimulus funding of $19,309,920 was provided for the following higher education projects:

	Federal Fiscal Stabilization - Other Government Services Funds	Other Federal Stimulus Funding
UND Education Building	$11,200,000	
Minot State University Swain Hall	5,000,000	
UND Nursing Education Consortium	500,000	
Lake Region State College wind energy project		$2,609,920
Total	$16,700,000	$2,609,920

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



Institution	Actual Enrollments				Projected Enrollments	
	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010
Bismarck State College	2,602	2,651	2,792	2,937	3,020	3,100
Dickinson State University	2,031	2,059	2,158	2,294	2,293	2,293
Lake Region State College	738	750	764	784	750	750
Mayville State University	722	652	586	563	573	584
Minot State University	3,063	2,928	2,730	2,720	3,074	3,228
Minot State University - Bottineau	386	399	402	440	450	450
North Dakota State University	10,752	10,890	11,221	11,794	11,900	12,100
State College of Science	2,223	2,171	2,097	2,041	1,967	1,893
University of North Dakota	11,531	11,381	10,967	11,137	11,264	11,437
Valley City State University	899	844	807	823	830	840
Williston State College	702	648	551	562	542	542
Total	35,649	35,373	35,075	36,095	36,663	37,217

[1]The State Board of Higher Education adopted a new enrollment reporting policy in August 2006. The policy, which is consistent with national Integrated Postsecondary Education Data Systems (IPEDS) reporting requirements, provides that an undergraduate full-time equivalent (FTE) student is equal to 15 credit-hours rather than 16 credit-hours as previously calculated. The policy also provides that for graduate students, one full-time student is equivalent to 1 FTE student and a part-time student is equivalent to a .5 FTE student. In order to provide a consistent basis for comparing fall 2006 enrollments to previous years, the enrollments reported for 2005 have been recalculated based on the new definition. The information presented in this schedule was provided by the North Dakota University System office.

HIGHER EDUCATION - TUITION RATES

The following is a schedule of tuition and fee rates at state institutions of higher education for the academic years 2005-06 through 2009-10. The 2001 Legislative Assembly removed tuition income from the appropriation process by providing a continuing appropriation for all special funds, including tuition. Senate Bill No. 2038 (2009) continues this authority through June 30, 2011. The State Board of Higher Education has the statutory responsibility for setting tuition rates.

Institution	2005-06[1]	2006-07[1]	2007-08[1]	2008-09[1]	2009-10[1]
Bismarck State College[2]					
Undergraduate					
Resident	$2,787	$3,052	$3,204	$3,364	$3,364
	6.0%	9.5%	5.0%	5.0%	0.0%
Minnesota resident[3]	$3,590	$3,870	$3,990	$4,075	$4,075
	5.9%	7.8%	3.1%	2.1%	0.0%
Contiguous state/province[4]	$3,483	$3,815	$4,005	$4,205	$4,205
	6.0%	9.5%	5.0%	5.0%	0.0%
Other nonresident	$7,441	$8,148	$8,554	$8,982	$8,982
	6.0%	9.5%	5.0%	5.0%	0.0%
Dickinson State University					
Undergraduate					
Resident	$3,329	$3,646	$3,828	$4,019	$4,160
	9.5%	9.5%	5.0%	5.0%	3.5%
Minnesota resident[3]	$3,730	$3,922	$4,075	$4,197	$4,344
	9.5%	5.1%	3.9%	3.0%	3.5%
Contiguous state/province[4]	$4,161	$4,558	$4,785	$5,024	$5,200
	9.5%	9.5%	5.0%	5.0%	3.5%
Other nonresident	$8,888	$9,735	$10,222	$10,731	$11,106
	9.5%	9.5%	5.0%	5.0%	3.5%
Lake Region State College					
Undergraduate					
Resident	$2,550	$2,780	$2,919	$3,065	$3,065
	9.5%	9.0%	5.0%	5.0%	0.0%
Minnesota resident[3]	$3,729	$3,856	$3,998	$4,075	$4,075
	9.5%	3.4%	3.7%	1.9%	0.0%
Contiguous state/province[4]	$2,550	$2,780	$2,919	$3,065	$3,065
	9.5%	9.0%	5.0%	5.0%	0.0%
Other nonresident	$2,550	$2,780	$2,919	$3,065	$3,065
	9.5%	9.0%	5.0%	5.0%	0.0%
International students		$6,950	$7,298	$7,662	$7,662
			5.0%	5.0%	0.0%
Mayville State University					
Undergraduate					
Resident	$3,300	$3,614	$3,795	$3,985	$4,124
	9.5%	9.5%	5.0%	5.0%	3.5%
Minnesota resident[3]	$3,696	$3,888	$4,040	$4,162	$4,307
	9.5%	5.2%	3.9%	3.0%	3.5%

Institution	2005-06[1]	2006-07[1]	2007-08[1]	2008-09[1]	2009-10[1]
Contiguous state/province[4]	$4,125	$4,518	$4,743	$4,981	$5,156
	9.5%	9.5%	5.0%	5.0%	3.5%
All Canadian provinces except Saskatchewan and Manitoba		$5,421	$5,692	$5,977	$6,187
			5.0%	5.0%	3.5%
Other nonresident	$8,811	$5,421	$5,692	$5,977	$6,180
	9.5%	(38.5%)	5.0%	5.0%	3.4%
International students			$10,132	$10,639	$11,012
				5.0%	3.5%
Minot State University[5]					
Undergraduate					
Resident	$3,460	$3,790	$3,980	$4,179	$4,325
	9.5%	9.5%	5.0%	5.0%	3.5%
Minnesota resident[3]	$3,876	$4,077	$4,237	$4,365	$4,517
	9.5%	5.2%	3.9%	3.0%	3.5%
Contiguous state/province[4]	$4,325	$4,736	$4,973	$5,224	$4,325
	9.5%	9.5%	5.0%	5.0%	(17.2%)
Other nonresident	$9,238	$10,116	$10,622	$11,158	$4,325
	9.5%	9.5%	5.0%	5.0%	(61.2%)
Graduate					
Resident	$4,578	$5,013	$5,264	$5,527	$5,720
	9.5%	9.5%	5.0%	5.0%	3.5%
Minnesota resident[3]	$6,017	$6,285	$6,549	$6,745	$6,984
	9.5%	4.5%	4.2%	3.0%	3.5%
Contiguous state/province[4]	$6,867	$7,520	$7,896	$8,291	$5,720
	9.5%	9.5%	5.0%	5.0%	(31.0%)
Other nonresident	$12,223	$13,384	$14,053	$14,758	$5,720
	9.5%	9.5%	5.0%	5.0%	(61.2%)
Minot State University - Bottineau					
Undergraduate					
Resident	$2,575	$2,830	$2,972	$3,120	$3,120
	9.0%	9.9%	5.0%	5.0%	0.0%
Minnesota resident[3]	$3,729	$3,856	$3,998	$4,075	$4,075
	9.5%	3.4%	3.7%	1.9%	0.0%
South Dakota or Montana resident	$2,953	$2,953	$3,715	$3,901	$3,901
	0.0%	0.0%	25.8%	5.0%	0.0%
All provinces[6]	$2,575	$2,830	$2,972	$3,120	$3,120
	9.0%	9.9%	5.0%	5.0%	0.0%
Other nonresident	$6,875	$7,556	$4,458	$4,680	$4,680
	9.0%	9.9%	(41.0%)	5.0%	0.0%
State College of Science[7,8]					
Undergraduate					
Resident	$2,828	$3,054	$3,207	$3,368	$3,368
	5.9%	8.0%	5.0%	5.0%	0.0%
Minnesota resident[3]	$3,590	$3,870	$3,990	$4,075	$4,075
	5.9%	7.8%	3.1%	2.1%	0.0%

Institution	2005-06[1]	2006-07[1]	2007-08[1]	2008-09[1]	2009-10[1]
Contiguous state/province[4]	$3,534	$3,818	$4,009	$4,209	$4,209
	5.9%	8.0%	5.0%	5.0%	0.0%
Other nonresident	$7,550	$8,154	$8,563	$8,991	$8,991
	5.9%	8.0%	5.0%	5.0%	0.0%
Business and Industry Partnership Program[9]					
Resident	$2,828	$3,054	$3,207	$3,368	$3,368
	5.9%	8.0%	5.0%	5.0%	0.0%
Minnesota resident[3]	$3,590	$3,870	$3,990	$4,075	$4,075
	5.9%	7.8%	3.1%	2.1%	0.0%
Contiguous state/province[4]	$2,828	$3,054	$3,207	$3,368	$3,368
	5.9%	8.0%	5.0%	5.0%	0.0%
Other nonresident	$2,828	$3,054	$3,207	$3,368	$3,368
	5.9%	8.0%	5.0%	5.0%	0.0%
North Dakota State University					
Undergraduate					
Resident	$4,360	$4,774	$5,013	$5,264	$5,448
	9.5%	9.5%	5.0%	5.0%	3.5%
Minnesota resident[3]	$4,901	$5,142	$5,343	$5,504	$5,696
	9.5%	4.9%	3.9%	3.0%	3.5%
Contiguous state/province[4]	$6,540	$7,161	$7,519	$7,895	$8,172
	9.5%	9.5%	5.0%	5.0%	3.5%
Other nonresident	$11,641	$12,747	$13,384	$14,053	$14,547
	9.5%	9.5%	5.0%	5.0%	3.5%
Graduate					
Resident	$4,676	$5,120	$5,376	$5,645	$5,843
	9.5%	9.5%	5.0%	5.0%	3.5%
Minnesota resident[3]	$6,015	$6,285	$6,549	$6,745	$6,984
	9.5%	4.5%	4.2%	3.0%	3.5%
Contiguous state/province[4]	$7,013	$7,680	$8,064	$8,467	$8,764
	9.5%	9.5%	5.0%	5.0%	3.5%
Other nonresident	$12,485	$13,671	$14,354	$15,072	$15,600
	9.5%	9.5%	5.0%	5.0%	3.5%
University of North Dakota					
Undergraduate					
Resident	$4,390	$4,786	$5,025	$5,276	$5,461
	9.5%	9.0%	5.0%	5.0%	3.5%
Minnesota resident[3]	$4,901	$5,142	$5,343	$5,504	$5,696
	9.5%	4.9%	3.9%	3.0%	3.5%
Contiguous state/province[4]	$6,584	$7,180	$7,538	$7,914	$8,191
	9.5%	9.1%	5.0%	5.0%	3.5%
Other nonresident	$11,722	$12,780	$13,418	$14,088	$14,580
	9.5%	9.0%	5.0%	5.0%	3.5%
Graduate					
Resident	$4,722	$5,148	$5,405	$5,675	$5,874
	9.5%	9.0%	5.0%	5.0%	3.5%

Institution	2005-06[1]	2006-07[1]	2007-08[1]	2008-09[1]	2009-10[1]
Minnesota resident[3]	$6,015 9.5%	$6,285 4.5%	$6,549 4.2%	$6,745 3.0%	$6,984 3.5%
Contiguous state/province[4]	$7,084 9.5%	$7,722 9.0%	$8,108 5.0%	$8,513 5.0%	$8,810 3.5%
Other nonresident	$12,610 9.5%	$13,746 9.0%	$14,432 5.0%	$15,153 5.0%	$15,683 3.5%
School of Law[10]					
Resident	$5,160 9.5%	$5,780 12.0%	$6,069 5.0%	$6,372 5.0%	$6,596 3.5%
Minnesota resident (newly enrolled prior to the 2006-07 academic year)[3]	$6,015 9.5%	$6,285 4.5%	$6,549 4.2%		
Minnesota resident (newly enrolled during the 2006-07 or 2007-08 academic year)[3]		$15,432	$16,204 5.0%		
Minnesota resident (all students regardless of date of enrollment)[3]				$9,559	$9,893 3.5%
Contiguous state/province[4]	$7,740 9.5%	$8,670 12.0%	$9,104 5.0%	$9,559 5.0%	$9,893 3.5%
Other nonresident	$13,778 9.5%	$15,432 12.0%	$16,204 5.0%	$17,015 5.0%	$17,610 3.5%
School of Medicine and Health Sciences					
Resident	$18,908 8.0%	$20,422 8.0%	$21,443 5.0%	$22,515 5.0%	$23,303 3.5%
Minnesota resident[3]	$21,177 8.0%	$21,969 3.7%	$22,827 3.9%	$23,515 3.0%	$24,338 3.5%
Minnesota resident (newly enrolled as of the 2006-07 academic year)[3]		$22,464	$23,587 5.0%	$24,767 5.0%	$25,634 3.5%
Other nonresident	$50,482 8.0%	$37,800 (25.1%)	$39,690 5.0%	$41,675 5.0%	$43,134 3.5%
Physical Therapy[11]					
Resident	$8,738 8.0%	$9,438 8.0%	$9,910 5.0%	$10,406 5.0%	$10,770 3.5%
Minnesota resident[3]	$8,738 8.0%	$9,438 8.0%	$9,910 5.0%	$10,406 5.0%	$10,770 3.5%
Contiguous state/province[4]	$12,090 8.0%	$13,058 8.0%	$13,711 5.0%	$14,397 5.0%	$14,901 3.5%
Other nonresident	$12,090 8.0%	$13,058 8.0%	$13,711 5.0%	$14,397 5.0%	$14,901 3.5%
Valley City State University[12]					
Undergraduate					
Resident	$3,428 9.5%	$3,753 9.5%	$3,941 5.0%	$4,138 5.0%	$4,283 3.5%
Minnesota resident[3]	$3,839 9.5%	$4,037 5.2%	$4,195 3.9%	$4,322 3.0%	$4,473 3.5%

Institution	2005-06[1]	2006-07[1]	2007-08[1]	2008-09[1]	2009-10[1]
Contiguous state/province[4]	$4,284	$4,691	$4,926	$5,172	$5,354
	9.5%	9.5%	5.0%	5.0%	3.5%
Other nonresident	$9,152	$10,021	$10,522	$11,048	$11,435
	9.5%	9.5%	5.0%	5.0%	3.5%
Graduate					
Resident	$4,560	$4,993	$5,243	$5,505	$5,698
		9.5%	5.0%	5.0%	3.5%
Minnesota resident[3]	$6,017	$6,377	$6,549	$6,745	$6,981
		6.0%	2.7%	3.0%	3.5%
Contiguous state/province[4]	$5,700	$6,241	$6,554	$6,881	$7,122
		9.5%	5.0%	5.0%	3.5%
Other nonresident	$12,175	$13,332	$13,998	$14,698	$15,212
		9.5%	5.0%	5.0%	3.5%
Williston State College[13]					
Undergraduate					
Resident	$2,198	$2,374	$2,493	$2,618	$2,618
	6.0%	8.0%	5.0%	5.0%	0.0%
Minnesota resident[3]	$3,111	$3,354	$3,458	$3,532	$3,532
	5.9%	7.8%	3.1%	2.1%	0.0%
Contiguous state/province[4]	$2,198	$2,374	$2,493	$2,618	$2,618
	6.0%	8.0%	5.0%	5.0%	0.0%
Other nonresident	$3,298	$3,561	$3,740	$3,927	$3,927
	6.0%	8.0%	5.0%	5.0%	0.0%

[1]Beginning with the 2002-03 academic year, the State Board of Higher Education authorized each higher education institution president to set the final tuition rate for each campus within an approved range.

[2]Bismarck State College implemented a per credit tuition model beginning with the 2000-01 academic year. For academic years 2000-01 through 2003-04, the institution charged a per credit (part-time) tuition rate for all credit-hours except for the 14th and 15th credits, which were at no charge. Beginning with the 2004-05 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 student.

[3]Under the current 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.

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

[5]Beginning with the 2009-10 academic year, Minot State University charges resident tuition rates to all students except those enrolled under the North Dakota/Minnesota reciprocity agreement.

[6]Beginning with the 2002-03 academic year, Minot State University - Bottineau charges resident tuition rates to students from all Canadian provinces.

[7]Beginning with the 2002-03 academic year, the 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:

	2005-06	2006-07	2007-08	2008-09	2009-10
Undergraduate					
Contiguous state/province	$2,828	$3,054	$3,207	$3,368	$3,368
Other nonresidents	$2,828	$3,054	$3,207	$3,368	$3,368

[8]The State College of Science implemented a per credit tuition model beginning with the 2004-05 academic year. For the 2004-05 academic year, the institution charged a per credit (part-time) tuition rate for all credit-hours except for the 17th and 18th credits, which were at no charge. Beginning with the 2005-06 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 student.

[9]Beginning with the 2001-02 academic year, the 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.

[10]The University of North Dakota School of Law implemented a per credit tuition model beginning with the 2008-09 academic year. The institution charges a per credit (part-time) tuition rate for all credit-hours. The tuition rates shown for the 2008-09 academic year 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.

[11]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.

[12]Valley City State University implemented a per credit tuition model beginning with the 2005-06 academic year. The institution charges a per credit (part-time) tuition rate for all credit-hours. 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 tuition rates for graduate classes, which are all delivered online, are shown based on a credit load of 12 credit-hours per semester, which is the number of credit-hours taken by an average graduate full-time student.

[13]Williston State College implemented a per credit tuition model beginning with the 2002-03 academic year. The institution charges a per credit (part-time) tuition rate for all credit-hours except for the 14th, 15th, and 16th credits, which are at no charge. 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.

North Dakota University System office
Budget No. 215
Senate Bill No. 2003, House Bill No. 1394

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	21.30	$108,080,088	$4,069,558	$112,149,646
2009-11 legislative appropriations	**21.30**	**88,758,682**	**4,748,958**	**93,507,640**
Legislative increase (decrease) to executive budget	0.00	($19,321,406)	$679,400	($18,642,006)
Legislative increase (decrease) to 2007-09 appropriations	1.30	$20,157,564	($1,368,572)	$18,788,992

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$65,131,118	$3,470,000	$68,601,118
2009-11 legislative appropriations	**88,758,682**	**0**	**88,758,682**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$23,627,564	($3,470,000)	$20,157,564
Percentage increase (decrease) to 2007-09 appropriations	36.3%	(100.0%)	29.4%
2009-11 legislative increase (decrease) to executive budget	($15,321,406)	($4,000,000)	($19,321,406)
Percentage increase (decrease) to executive budget	(14.7%)	(100.0%)	(17.9%)

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Increased funding for the competitive research program (see **Competitive Research** section below)		$600,000		$600,000
Provided funding for a science, technology, mathematics, and engineering teacher education pool		1,500,000		1,500,000
Removed one-time funding designated for a security and emergency preparedness pool		(4,000,000)		(4,000,000)

Added ongoing funding for security and emergency preparedness		750,000		750,000
Adjusted the amount of funding provided to system information technology services from the student loan trust fund			($20,600)	(20,600)
Changed the funding source for tribal college assistance grants from the general fund to the permanent oil tax trust fund. (The special funds appropriation was included in House Bill No. 1394.)		(700,000)	700,000	0
Reduced funding for needs-based financial aid (see **Student Financial Assistance Grants** section below)		(20,274,406)		(20,274,406)
Reduced funding for student financial assistance programs (see **Student Financial Assistance Grants** section below)		(1,997,000)		(1,997,000)
Added funding for academic and technical education scholarships (see **Career and Technical Education and Academic Scholarships** section below)		3,000,000		3,000,000
Added funding for two-year college marketing and awareness		800,000		800,000
Added funding to expand the technology occupations loan forgiveness program		1,000,000		1,000,000
Total	0.00	($19,321,406)	$679,400	($18,642,006)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 21.3 FTE positions, an increase of 1.3 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The increase in FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions and entities of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. These amounts are not to be considered part of the University System's base budget for preparing the 2009-11 executive budget and the University System is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding. The table below summarizes one-time funding provided to the University System from the general fund and the permanent oil tax trust fund:

	General Fund	Permanent Oil Tax Trust Fund	Total
Deferred maintenance (higher education institutions)	$20,000,000		$20,000,000
Capital projects (higher education institutions)	36,008,248	$10,400,000	46,408,248
Campus master plan development (higher education institutions)	3,000,000		3,000,000
UND School of Medicine and Health Sciences electronic records project	225,000		225,000
Total	$59,233,248	$10,400,000	$69,633,248

Competitive Research

The Legislative Assembly provided funding of $7,050,000 from the general fund for competitive research. The $7,050,000 is $600,000 more than the executive recommendation of $6,450,000 and $1,400,000 more than the 2007-09 biennium legislative appropriation of $5,650,000. 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]

[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 the University of North Dakota.

[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 $7,185,612, of which $6,909,502 is from the general fund and $276,110 is from special funds, for system governance. The $7,185,612 is the same amount provided in the executive recommendation and $1,302,218 more than the 2007-09 biennium appropriation of $5,883,394. The following is a summary of the funding for system governance:

	2009-11 Legislative Appropriation		
	General Fund	Special Funds	Total
2007-09 biennium adjusted appropriation	$6,121,823	$249,000	$6,370,823
Provide funding for costs to continue fiscal year 2009 legislatively authorized salary increases	82,570	3,630	86,200
Provide funding for salary increases of 5 percent per year	269,955	16,100	286,055
Provide funding for estimated health insurance premium increases	69,741	5,570	75,311
Provide funding for operating inflation of 2 percent for fiscal year 2010 and 2.2 percent for fiscal year 2011	40,406	1,810	42,216
Provide funding for operating expenses increase, including increases in Western Interstate Commission on Higher Education and Midwestern Higher Education Compact dues	21,000		21,000
Provide funding for disabled student services	150,000		150,000
Increase funding for FINDET	154,007		154,007
2009-11 biennium appropriation	$6,909,502	$276,110	$7,185,612

System Information Technology Services

The Legislative Assembly provided $30,230,038, of which $29,209,438 is from the general fund and $1,020,600 is from the student loan trust fund, for support of the Higher Education Computer Network, the Interactive Video Network (IVN), the On-line Dakota Information Network (ODIN), and other related technology initiatives. The funding includes an increase of $2,306,255 for parity, $1,220,000 for increased bandwidth costs, and $1,020,600 for ConnectND support positions. The Legislative Assembly reduced special funds authority by $20,600 compared to the executive recommendation to reflect actual funding provided from the student loan trust fund.

	2007-09 Biennium Legislative Appropriation	2009-11 Biennium Executive Recommendation	2009-11 Biennium Legislative Appropriation	2009-11 Biennium Legislative Appropriation Increase (Decrease) From 2009-11 Executive Recommendation	2009-11 Biennium Legislative Appropriation Increase (Decrease) From 2007-09 Biennium Legislative Appropriation
General fund	$28,703,293	$29,209,438	**$29,209,438**		$506,145
Permanent oil tax trust fund	2,773,800				(2,773,800)
Student loan trust fund		1,041,200	**1,020,600**	($20,600)	1,020,600
Total	$31,477,093	$30,250,638	**$30,230,038**	($20,600)	($1,247,055)

Student Financial Assistance Grants

The Legislative Assembly provided $19,374,022 for student financial assistance grants, of which $19,025,594 is from the general fund and $348,428 is from federal funds. This represents a $20,274,406 reduction of funding from the general fund when compared to the executive recommendation to provide total funding of $39,648,428. The 2009-11 legislative appropriation of $19,374,022 is $13,386,525 more than the 2007-09 biennium appropriation of $5,987,497. The funding will be used to provide grants to students of up to $1,500 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	General Fund	Federal Funds	Other Funds	Total Funds
1995-97	$2,032,478	$400,000	$1,350,000	$3,782,478
1997-99	$1,495,000	$410,986	$2,574,400	$4,480,386
1999-2001	$1,735,881	$140,000	$2,574,400	$4,450,281
2001-03	$2,670,881	$214,000	$1,338,150	$4,223,031
2003-05	$2,730,215	$200,000	$0	$2,930,215
2005-07	$3,332,402	$172,000	$0	$3,504,402
2007-09	$5,823,497	$164,000	$0	$5,987,497
2009-11	$19,025,594	$348,428	$0	$19,374,022

Professional Student Exchange Program

The Legislative Assembly did not change the executive recommendation to provide $3,337,100, of which $2,346,130 is from the general fund and $990,970 is from the student loan trust fund, for the professional student exchange program. The $3,337,100 is $614,154 more than the 2007-09 appropriation of $2,722,946. The Legislative Assembly did not change the executive recommendation to increase funding from the student loan trust fund to continue the existing students in the Kansas State University veterinary medical education program and add 5 additional freshmen in each year of the 2009-11 biennium. The following is a summary of funding for the professional student exchange program:

Biennium	General Fund	Student Loan Trust Fund	Total Funds
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

Scholars Program

The Legislative Assembly did not change the executive recommendation to provide funding of $2,113,584 from the general fund for the scholars program. The $2,113,584 is $635,018 more than the 2007-09 biennium appropriation of $1,478,566. The funding is sufficient to continue existing students in the program and provide 53 new freshmen awards in each year of the 2009-11 biennium. The funding will also allow for the one-time distribution of $2,000 stipends to incoming freshmen. The following is a summary of funding for the scholars program:

Biennium	General Fund	Special Funds	Total Funds
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

Native American Scholarship Program

The Legislative Assembly did not change the executive recommendation to provide $381,292 from the general fund for Native American scholarships. The $381,292 is $666 more than the 2007-09 biennium appropriation of $380,626. The funding is expected to be sufficient to provide approximately 238 grants of $800 per student for each year of the 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

Education Incentive Programs

The Legislative Assembly provided $3,176,344 from the general fund for education incentive programs, an increase of $1,436,030 from the 2007-09 biennium appropriation of $1,740,314. This amount represents a decrease of $997,000 from the 2009-11 executive budget recommendation for education incentive programs of $4,173,344. Section 21 of Senate Bill No. 2003 provides that the funding of $3,176,344 may be allocated to education incentive programs as determined by the State Board of Higher Education. The board may determine the appropriate number of years of program eligibility for each education incentive program.

Career and Technical Education and Academic Scholarships

The Legislative Assembly provided $3 million from the general fund for career and technical education and academic scholarships as outlined in House Bill No. 1400. The funding will provide scholarships of up to $1,500 per year, up to a maximum of $6,000 per student, to residents of the state who attend a North Dakota higher education institution and meet program criteria. Section 37 of Senate Bill No. 2003 requires the State Board of Higher Education to provide an annual report to the Legislative Council regarding the program.

Capital Assets

The Legislative Assembly provided $12,014,048, of which $11,296,798 is from the general fund and $717,250 is from special funds, for University System office capital assets. The following is a summary of the 2009-11 legislative appropriation compared to the 2009-11 executive recommendation and the 2007-09 legislative appropriation:

	2007-09 Biennium Legislative Appropriation	2009-11 Biennium Executive Recommendation	2009-11 Biennium Legislative Appropriation	2009-11 Biennium Legislative Appropriation Increase (Decrease) From 2009-11 Biennium Executive Recommendation	2009-11 Biennium Legislative Appropriation Increase (Decrease) From 2007-09 Biennium Legislative Appropriation
Capital construction lease payments	$15,754,112	$12,014,048	$12,014,048	$0	($3,740,064)
Master capital plan and deferred maintenance (Mayville State University)	750,000				(750,000)
Total	$16,504,112	$12,014,048	$12,014,048	$0	($4,490,064)
General fund	$15,474,362	$11,296,798	$11,296,798	$0	($4,177,564)
Special funds	1,029,750	717,250	717,250	0	(312,500)
Total	$16,504,112	$12,014,048	$12,014,048	$0	($4,490,064)

Capital Improvements

The following schedule presents the higher education capital improvement funding contained in the 2009-11 executive recommendation and the appropriations approved by the Legislative Assembly for the 2009-11 biennium:

Entity/Project	2009-11 Executive Recommendation		2009-11 Legislative Appropriations	
	General Fund	Special Funds	General Fund	Special Funds
Bismarck State College				
Technical Center renovation	$3,000,000	$409,500	$3,000,000	$409,500
Extraordinary repairs	584,118		584,118	
Total	$3,584,118	$409,500	$3,584,118	$409,500
Lake Region State College				
Wind energy project	$2,609,920		$2,609,920[1]	$2,609,920
Extraordinary repairs	137,469		137,469	
Total	$2,747,389		$2,747,389	$2,609,920

Entity/Project	2009-11 Executive Recommendation		2009-11 Legislative Appropriations	
	General Fund	Special Funds	General Fund	Special Funds
Williston State College				
New dormitory		$9,375,000		$9,375,000
Science laboratory renovation	$1,610,000		$1,610,000	
Virtual center for career and technical education				6,000,000
Extraordinary repairs	468,477		468,477	
Total	$2,078,477	$9,375,000	$2,078,477	$15,375,000
University of North Dakota				
College of Business and Public Administration renovation and addition		$20,500,000		$20,500,000
Energy and Environmental Research Center storage and support building		1,540,000		1,540,000
Indoor track and practice facility		19,500,000		19,500,000
Relocation and renovation of the Oxford House		750,000		750,000
Renovation and addition to the Education Building	$11,200,000			11,200,000
Starcher Hall research area emergency generator		600,000		600,000
School of Medicine forensic pathology facility				129,000
School of Medicine Bismarck Family Practice Center				5,400,000
Hangar renovation at the Grand Forks Airport				1,500,000
Extraordinary repairs	9,479,219		9,479,219	
Total	$20,679,219	$42,890,000	$9,479,219	$61,119,000
North Dakota State University				
Auxiliary enterprises renovation - West dining services		$7,000,000		$7,000,000
Bison Sports Arena		25,500,000		25,500,000
Ellig Sports Complex softball field		4,500,000		4,500,000
Niskanen Apartments		20,000,000		20,000,000
Minard Hall - Phase 3	$13,000,000		$13,000,000	
Student health services expansion		1,100,000		1,100,000
Extraordinary repairs	7,048,042		7,048,042	
Total	$20,048,042	$58,100,000	$20,048,042	$58,100,000
State College of Science				
Horton Hall renovation	$5,700,000		$5,700,000	
Parking lot 4		$1,136,000		$1,136,000
Robertson Hall		6,000,000		6,000,000
Extraordinary repairs	1,787,475		1,787,475	
Total	$7,487,475	$7,136,000	$7,487,475	$7,136,000

Entity/Project	2009-11 Executive Recommendation		2009-11 Legislative Appropriations	
	General Fund	Special Funds	General Fund	Special Funds
Dickinson State University				
Campuswide master plan	$2,000,000		$2,000,000	
Extraordinary repairs	2,045,862		2,045,862	
Total	$4,045,862		$4,045,862	
Mayville State University				
Science Building and library renovation and addition	$4,958,325		$4,958,325	
Agassiz Hall housing renovation		$3,668,500		$3,668,500
Extraordinary repairs	2,119,114		2,119,114	
Total	$7,077,439	$3,668,500	$7,077,439	$3,668,500
Minot State University				
Parking lot maintenance		$1,000,000		$1,000,000
Physical plant building and boiler replacement	$3,750,000	6,250,000	$3,750,000	6,250,000
Wellness Center		10,000,000		15,000,000
Swain Hall renovation				5,000,000
Extraordinary repairs	1,191,981		1,191,981	
Total	$4,941,981	$17,250,000	$4,941,981	$27,250,000
Valley City State University				
W.E. Osmon Fieldhouse Wellness Center - Phase 1		$15,000,000		$15,000,000
Campuswide master plan	$1,000,000		$1,000,000	
Snoeyenbos Residence Hall renovation project		3,500,000		3,500,000
Extraordinary repairs	1,563,337		1,563,337	
Total	$2,563,337	$18,500,000	$2,563,337	$18,500,000
Minot State University - Bottineau				
Coal boiler replacement	$800,000		$800,000	
Entrepreneurial Center for Horticulture		$2,000,000		$2,000,000
Greenhouse repairs			280,000	
Extraordinary repairs	206,746		206,746	
Total	$1,006,746	$2,000,000	$1,286,746	$2,000,000
Forest Service				
Towner State Nursery greenhouse	$300,000		$300,000	
Extraordinary repairs	82,214		82,214	
Total	$382,214		$382,214	
Total Higher Education	$76,642,299	$159,329,000	$65,722,299	$196,167,920

[1]This funding is contingent upon federal stimulus funding not being available for the project.

Federal Fiscal Stimulus Funding

In Sections 3 and 4 of Senate Bill No. 2003 and Section 3 of Senate Bill No. 2266, the Legislative Assembly appropriated $19,309,920 of federal stimulus funding for the following North Dakota University System projects:

	Federal Fiscal Stabilization - Other Government Services Funds	Other Federal Stimulus Funding	Total
University of North Dakota Education Building	$11,200,000		$11,200,000
Minot State University Swain Hall	5,000,000		5,000,000
University of North Dakota Nursing Education Consortium	500,000		500,000
Lake Region State College wind energy project		$2,609,920	2,609,920
Total	$16,700,000	$2,609,920	$19,309,920

The University System may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for institutions of higher education generally do not include a specific appropriation of other funds, including tuition income.

Other Sections in Senate Bill No. 2003

Lake Region State College contingent appropriation - Section 2 provides that the general fund appropriation of $2,609,920 for the Lake Region State College wind energy project is available only to the extent that federal stimulus funding is not available for the project.

Permanent oil tax trust fund - Sections 5, 8, and 9 provide that the appropriation for the University System includes funding of $10,750,000 from the permanent oil tax trust fund, of which $5,000,000 is for the Williston State College virtual center for career and technical education, $5,400,000 is for the University of North Dakota School of Medicine and Health Sciences Bismarck Family Practice Center, and $350,000 is for operations at Dickinson State University.

Dickinson State University Stoxen Library - Section 6 provides a contingent general fund appropriation of $8.8 million to Dickinson State University for a renovation and addition to Stoxen Library. The funding is available only if actual general fund revenues for the period from July 1, 2009, through December 31, 2009, exceed legislative estimates for this period by at least $25 million as determined by the Office of Management and Budget.

Forest Service funding - Section 14 provides that $826,284 appropriated to the Forest Service from the general fund may only be used to replace federal funding reductions on a dollar-for-dollar basis.

Student loan trust fund - Section 15 provides that the appropriation for the University System includes $2,011,570 from the student loan trust fund for the professional student exchange program ($990,970) and system information technology services ($1,020,600).

Transfer authority - Sections 17 and 18 allow the State Board of Higher Education to authorize higher education institutions to transfer spending authority from the operations line item to the capital assets line item or deferred maintenance line item or between the deferred maintenance and capital assets line items. Any transfer made must be reported to the Office of Management and Budget.

Security and emergency preparedness funding - Section 19 provides that $750,000 appropriated to the University System office for security and emergency preparedness is to be used for the benefit of higher education institutions.

FTE positions - Section 20 provides the State Board of Higher Education with the authority to adjust FTE positions as needed, subject to the availability of funds, for institutions and entities under its control. The University System is to report any adjustments to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

Minot State University capital assets - Sections 22 and 23 authorize Minot State University to use $3,750,000 of funding designated for the coal boiler project on a geothermal system ($2,500,000) or the Swain Hall renovation project ($1,250,000).

Unspent 2007-09 general fund appropriations - Section 25 requires the State Board of Higher Education to use $200,000 of University System office unspent 2007-09 biennium general fund appropriation authorized to continue under North Dakota Century Code (NDCC) Section 54-44.1-11 for student retention and marketing efforts at Valley City State University.

Bond issuance authorization and appropriation - Section 26 authorizes the State Board of Higher Education to arrange for the issuance of revenue bonds for several higher education capital projects and provides the higher education institutions with the appropriation authority for the revenue bond proceeds.

Employee compensation adjustments - Section 27 provides that each University System employee is to receive a minimum annual compensation adjustment of $100 during the 2009-11 biennium subject to the employee meeting documented performance standards.

Science, technology, engineering, and mathematics (STEM) teacher education enhancement - Section 28 provides that funding of $1.5 million designated for STEM teacher education is to be used for the benefit of institutions under the control of the State Board of Higher Education.

Technology occupations loan forgiveness program - Section 29 provides legislative intent that the University System ensure the technology occupations loan forgiveness program is able to support the same amount of students in the future without additional funding from the Legislative Assembly. Section 36 provides statutory changes to expand the existing technology occupations loan forgiveness program to include students pursuing studies in science, engineering, and mathematics.

Tuition increase limit - Section 30 provides that the State Board of Higher Education limit any annual tuition increase for students attending institutions under its control for the 2009-10 and 2010-11 academic years to no more than 4 percent for each year unless the board receives prior Budget Section approval.

Legislative Council studies - Sections 30, 31, 32, 33, and 34 provide that the Legislative Council study various higher education topic areas, including completion based funding, tuition waivers, governance, and the establishment of a higher education student trust fund.

Joint education board meetings - Section 38 amends NDCC 15.1-01-02 regarding joint meetings of the State Board of Public School Education, State Board of Higher Education, Education Standards and Practices Board, and State Board for Career and Technical Education.

University of North Dakota hangar project - Section 39 allows the State Board of Higher Education to enter an agreement with a private entity to finance a renovation and addition to the University of North Dakota hangar at the Grand Forks Airport.

Related Legislation

Special revenue funds, budget requests, appropriations, unspent general fund appropriations, higher education studies, and reporting requirements - Senate Bill No. 2038 continues through June 30, 2011, the continuing appropriation of higher education institutions' special revenue funds and through July 31, 2011, the authority for the University System to continue at the end of the biennium unspent general fund appropriations and the requirement that the budget request and appropriation of the University System include block grants for a base funding component, an initiative funding component, and an asset funding component. The bill also provides for a Legislative Council study of higher education, provides for reporting requirements, and provides performance and accountability measures to be included in the State Board of Higher Education performance and accountability report pursuant to NDCC Section 15-10-14.2.

Financial assistance to tribally controlled community colleges - House Bill No. 1394 provides a $700,000 special funds appropriation from the permanent oil tax trust fund to the State Board of Higher Education for providing grant assistance payments to tribally controlled community colleges to defray the costs of education associated with enrollment of nonbeneficiary students.

Hearing-impaired student services - Senate Bill No. 2155 provides a $200,000 appropriation to the School for the Deaf to provide grants to institutions under the control of the State Board of Higher Education for services provided to hearing-impaired students.

Nursing Education Consortium - Senate Bill No. 2266 provides a $500,000 federal stimulus funds appropriation to the University of North Dakota for the costs of developing a nursing education simulation laboratory initiative.

Bismarck State College
Budget No. 227
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	111.93	$26,965,129	$409,500	$27,374,629
2009-11 legislative appropriations	**110.93**	**27,788,123**	**409,500**	**28,197,623**
Legislative increase (decrease) to executive budget	(1.00)	$822,994	$0	$822,994
Legislative increase (decrease) to 2007-09 appropriations	5.55	$7,092,551	($5,324,550)	$1,768,001

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$19,977,161	$718,411	$20,695,572
2009-11 legislative appropriations	**24,447,486**	**3,340,637**	**27,788,123**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$4,470,325	$2,622,226	$7,092,551
Percentage increase (decrease) to 2007-09 appropriations	22.4%	365.0%	34.3%
2009-11 legislative increase (decrease) to executive budget	$822,994	$0	$822,994
Percentage increase (decrease) to executive budget	3.5%	0.0%	3.1%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding and related FTE position added in the executive budget for campus security and emergency preparedness	(1.00)	($308,437)		($308,437)
Added funding to limit tuition increases		974,105		974,105
Adjusted the distribution of campus equity payments included in the executive budget		157,326		157,326
Total	(1.00)	$822,994	$0	$822,994

FTE Changes

The Legislative Assembly authorized funding for 110.93 FTE positions, a decrease of 1 FTE position from the executive recommendation and an increase of 5.55 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The Legislative Assembly removed 1 FTE position included in the executive recommendation for campus security and emergency preparedness. The increase in FTE positions from the authorized number of FTE positions for the 2007-09 biennium reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $3,000,000 from the general fund is for renovation of the Technical Center and $340,637 from the general fund is for deferred maintenance at Bismarck State College. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and Bismarck State College is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for Bismarck State College does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, Bismarck State College received $974,105. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $573,904 to Bismarck State College, an increase of $157,326 from the executive budget recommendation of $416,578.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide $584,118 from the general fund for extraordinary repairs, an increase of $110,926 from the 2007-09 biennium appropriation of $473,192. Of the $584,118, $243,481 is considered base funding and $340,637 is considered one-time funding.

Capital Projects

The Legislative Assembly did not change the executive recommendation to appropriate $3,409,500, of which $3,000,000 is from the general fund, for renovation of the Technical Center.

Dickinson State University
Budget No. 239
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	91.10	$23,999,835	$0	$23,999,835
2009-11 legislative appropriations	**91.10**	**24,919,599**	**350,000**	**25,269,599**
Legislative increase (decrease) to executive budget	0.00	$919,764	$350,000	$1,269,764
Legislative increase (decrease) to 2007-09 appropriations	(30.50)	$6,894,726	($7,650,000)	($755,274)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$17,239,800	$785,073	$18,024,873
2009-11 legislative appropriations	**21,257,427**	**3,662,172**	**24,919,599**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$4,017,627	$2,877,099	$6,894,726
Percentage increase (decrease) to 2007-09 appropriations	23.3%	366.5%	38.3%
2009-11 legislative increase (decrease) to executive budget	$919,764	$0	$919,764
Percentage increase (decrease) to executive budget	4.5%	0.0%	3.8%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for campus security and emergency preparedness		($57,280)		($57,280)
Added funding to limit tuition increases		75,749		75,749
Adjusted the distribution of campus equity payments included in the executive budget		151,295		151,295
Added funding for the Theodore Roosevelt Center		750,000		750,000

Added funding from the permanent oil tax trust fund for campus operations			350,000	350,000
Total	0.00	$919,764	$350,000	$1,269,764

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 91.1 FTE positions, a decrease of 30.5 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The decrease in FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $1,662,172 from the general fund is for deferred maintenance and $2 million from the general fund is for the development of a campus master plan and other campus repairs at Dickinson State University. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and Dickinson State University is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for Dickinson State University does not include a specific appropriation of other funds, except for operating funding provided from the permanent oil tax trust fund.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, Dickinson State University received $75,749. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $594,988 to Dickinson State University, an increase of $151,295 from the executive budget recommendation of $443,693.

Stoxen Library Contingent General Fund Appropriation

Section 6 of Senate Bill No. 2003 provides an $8.8 million contingent general fund appropriation to Dickinson State University for a renovation and addition to the Stoxen Library. The funding is available only if actual general fund revenues for the period from July 1, 2009, through December 31, 2009, exceed legislative estimates for this period by at least $25 million as determined by the Office of Management and Budget.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide funding of $2,045,862 from the general fund for extraordinary repairs, an increase of $1,027,099 from the 2007-09 biennium legislative appropriation of $1,018,763. Of the $2,045,862, $383,690 is considered base funding and $1,662,172 is considered one-time funding.

Forest Service
Budget No. 244
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	27.00	$3,855,768	$997,486	$4,853,254
2009-11 legislative appropriations	**27.00**	**3,855,768**	**997,486**	**4,853,254**
Legislative increase (decrease) to executive budget	0.00	$0	$0	$0
Legislative increase (decrease) to 2007-09 appropriations	7.53	$1,320,222	$0	$1,320,222

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$2,391,980	$143,566	$2,535,546
2009-11 legislative appropriations	**3,510,192**	**345,576**	**3,855,768**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,118,212	$202,010	$1,320,222
Percentage increase (decrease) to 2007-09 appropriations	46.7%	140.7%	52.1%
2009-11 legislative increase (decrease) to executive budget	$0	$0	$0
Percentage increase (decrease) to executive budget	0.0%	0.0%	0.0%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
The Legislative Assembly did not change the executive recommendation for the Forest Service				
Total	0.00	$0	$0	$0

FTE Changes

The Legislative Assembly provided funding for 27 FTE positions, an increase of 7.53 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The increase in FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $300,000 from the general fund is for the construction of a greenhouse at the Towner State Nursery and $45,576 from the general fund is for Forest Service deferred maintenance. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Forest Service is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for the Forest Service does not include a specific appropriation of other funds. However, the Legislative Assembly did appropriate special funds of $997,486, including $247,486 from the trees for North Dakota program and $750,000 from nursery tree sales.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide funding of $82,214 from the general fund for extraordinary repairs, an increase of $22,010 from the 2007-09 biennium legislative appropriation of $60,204. Of the $82,214, $36,638 is considered base funding and $45,576 is considered one-time funding.

Capital Projects

The Legislative Assembly did not change the executive recommendation to provide $300,000 from the general fund for the construction of a greenhouse at the Towner State Nursery.

Other Sections in Bill

Forest Service federal funding - Section 14 provides that the Forest Service appropriation includes $826,284 from the general fund that may only be used on a dollar-for-dollar basis to offset federal funding reductions.

Lake Region State College
Budget No. 228
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	33.97	$10,337,834	$0	$10,337,834
2009-11 legislative appropriations	**32.97**	**10,703,599**	**2,609,920**	**13,313,519**
Legislative increase (decrease) to executive budget	(1.00)	$365,765	$2,609,920	$2,975,685
Legislative increase (decrease) to 2007-09 appropriations	2.48	$4,066,647	($397,680)	$3,668,967

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$6,555,010	$81,942	$6,636,952
2009-11 legislative appropriations	**7,999,872**	**2,703,727**	**10,703,599**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,444,862	$2,621,785	$4,066,647
Percentage increase (decrease) to 2007-09 appropriations	22.0%	3,199.6%	61.3%
2009-11 legislative increase (decrease) to executive budget	$365,765	$0	$365,765
Percentage increase (decrease) to executive budget	4.8%	0.0%	3.5%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding and related FTE position added in the executive budget for campus security and emergency preparedness	(1.00)	($101,153)		($101,153)
Added funding to limit tuition increases		260,572		260,572
Adjusted the distribution of campus equity payments included in the executive budget		206,346		206,346

Appropriated federal fiscal stimulus funds for the wind energy project and provided that funding from the general fund for the project included in the executive budget is only to be used to the extent that federal stimulus funds are not available			$2,609,920	2,609,920
Total	(1.00)	$365,765	$2,609,920	$2,975,685

FTE Changes

The Legislative Assembly authorized funding for 32.97 FTE positions, a decrease of 1 FTE position from the executive recommendation and an increase of 2.48 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The Legislative Assembly removed 1 FTE position included in the executive recommendation for campus security and emergency preparedness. The increase in FTE positions from the authorized number of FTE positions for the 2007-09 biennium reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $2,609,920 from the general fund is contingent funding for a wind energy project and $93,807 from the general fund is for deferred maintenance at Lake Region State College. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and Lake Region State College is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for Lake Region State College does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, Lake Region State College received $260,572. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $402,575 to Lake Region State College, an increase of $206,346 from the executive budget recommendation of $196,229.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide $137,469 from the general fund for extraordinary repairs, an increase of $11,865 from the 2007-09 biennium appropriation of $125,604. Of the $137,469, $43,662 is considered base funding and $93,807 is considered one-time funding.

Capital Projects

The Legislative Assembly appropriated $2,609,920 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 for a wind energy project at Lake Region State College and provided that funding of $2,609,920 from the general fund for the project included in the executive budget is only to be used to the extent that federal fiscal stimulus funds are not available. Any unspent general fund appropriation related to the project must be returned to the general fund.

Mayville State University
Budget No. 240
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	55.39	$18,506,022	$3,668,500	$22,174,522
2009-11 legislative appropriations	**55.39**	**18,707,055**	**3,668,500**	**22,375,555**
Legislative increase (decrease) to executive budget	0.00	$201,033	$0	$201,033
Legislative increase (decrease) to 2007-09 appropriations	(0.50)	$7,502,027	$2,768,500	$10,270,527

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,324,058	$880,970	$11,205,028
2009-11 legislative appropriations	**11,838,610**	**6,868,445**	**18,707,055**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,514,552	$5,987,475	$7,502,027
Percentage increase (decrease) to 2007-09 appropriations	14.7%	679.6%	70.0%
2009-11 legislative increase (decrease) to executive budget	$201,033	$0	$201,033
Percentage increase (decrease) to executive budget	1.7%	0.0%	1.1%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Removed funding added in the executive budget for campus security and emergency preparedness		($70,446)		($70,446)
Added funding to limit tuition increases		156,614		156,614
Adjusted the distribution of campus equity payments included in the executive budget		114,865		114,865
Total	0.00	$201,033	$0	$201,033

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 55.39 FTE positions, a decrease of a .5 FTE position from the authorized number of FTE positions for the 2007-09 biennium. The decrease in FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $4,958,325 from the general fund is for a renovation and addition to the Science and Library Building at Mayville State University and $1,910,120 from the general fund is for deferred maintenance at Mayville State University. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and Mayville State University is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for Mayville State University does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, Mayville State University received $156,614. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $250,000 to Mayville State University, an increase of $114,865 from the executive budget recommendation of $135,135.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide funding of $2,119,114 from the general fund for extraordinary repairs, an increase of $1,029,151 from the 2007-09 biennium legislative appropriation of $1,089,963. Of the $2,119,114, $208,994 is considered base funding and $1,910,120 is considered one-time funding.

Capital Projects

The Legislative Assembly did not change the executive recommendation to provide $4,958,325 from the general fund for the Science and Library Building addition and renovation and $3,668,500 of special funds spending authority from the issuance of revenue bonds for renovations to Agassiz Hall.

Minot State University
Budget No. 241
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	190.82	$38,766,984	$17,250,000	$56,016,984
2009-11 legislative appropriations	**189.82**	**39,565,688**	**27,250,000**	**66,815,688**
Legislative increase (decrease) to executive budget	(1.00)	$798,704	$10,000,000	$10,798,704
Legislative increase (decrease) to 2007-09 appropriations	4.99	$1,298,287	$25,843,385	$27,141,672

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$30,691,992	$7,575,409	$38,267,401
2009-11 legislative appropriations	**35,220,577**	**4,345,111**	**39,565,688**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$4,528,585	($3,230,298)	$1,298,287
Percentage increase (decrease) to 2007-09 appropriations	14.8%	(42.6%)	3.4%
2009-11 legislative increase (decrease) to executive budget	$798,704	$0	$798,704
Percentage increase (decrease) to executive budget	2.3%	0.0%	2.1%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding and a related FTE position added in the executive budget for campus security and emergency preparedness	(1.00)	($84,000)		($84,000)
Added funding to limit tuition increases		693,392		693,392
Adjusted the distribution of campus equity payments included in the executive budget		189,312		189,312

Added funding for major capital projects, including the Student Wellness Center ($5 million) and Swain Hall ($5 million)			$10,000,000	10,000,000
Total	(1.00)	$798,704	$10,000,000	$10,798,704

FTE Changes

The Legislative Assembly provided funding for 189.82 FTE positions, an increase of 4.99 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The Legislative Assembly removed 1 FTE security and emergency preparedness position added in the executive budget. The remaining increase in FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $3,750,000 from the general fund is for the boiler project and $595,111 from the general fund is for deferred maintenance at Minot State University. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and Minot State University is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 4 of Senate Bill No. 2003, the Legislative Assembly appropriated $5 million of federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to Minot State University for the Swain Hall renovation project. The University System may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for Minot State University does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, Minot State University received $693,392. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $462,110 to Minot State University, an increase of $189,312 from the executive budget recommendation of $272,798.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide funding of $1,191,981 from the general fund for extraordinary repairs, a decrease of $260,763 from the 2007-09 biennium legislative appropriation of $1,452,744. Of the $1,191,981, $596,870 is considered base funding and $595,111 is considered one-time funding.

Capital Projects

The Legislative Assembly authorized the following projects:

	2009-11 Executive Budget Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Parking lot repair		$1,000,000	$1,000,000		$1,000,000	$1,000,000
Student Wellness Center		10,000,000[1]	10,000,000		15,000,000[1]	15,000,000
Boiler replacement	$3,750,000	6,250,000	10,000,000	$3,750,000[2]	6,250,000	10,000,000
Swain Hall renovation					5,000,000[3]	5,000,000
Total	$3,750,000	$17,250,000	$21,000,000	$3,750,000	$27,250,000	$31,000,000

[1]The executive budget recommendation included revenue bonding authority of $5 million and special funds spending authority of $5 million from student fees for the Student Wellness Center project. The Legislative Assembly increased the revenue bonding authority amount for the project to $10 million.

[2]Sections 22 and 23 of Senate Bill No. 2003 provide that of the $3,750,000 designated for the boiler project, $2,500,000 may be used for a geothermal energy system and $1,250,000 may be used for the Swain Hall project.

[3]Funding is provided from federal fiscal stabilization - other government services federal stimulus funds made available to the Governor.

Minot State University - Bottineau
Budget No. 243
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	32.75	$6,624,391	$2,000,000	$8,624,391
2009-11 legislative appropriations	**31.75**	**7,149,118**	**2,000,000**	**9,149,118**
Legislative increase (decrease) to executive budget	(1.00)	$524,727	$0	$524,727
Legislative increase (decrease) to 2007-09 appropriations	0.64	$2,230,868	$1,748,000	$3,978,868

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$4,869,273	$48,977	$4,918,250
2009-11 legislative appropriations	**5,972,097**	**1,177,021**	**7,149,118**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,102,824	$1,128,044	$2,230,868
Percentage increase (decrease) to 2007-09 appropriations	22.6%	2,303.2%	45.4%
2009-11 legislative increase (decrease) to executive budget	$244,727	$280,000	$524,727
Percentage increase (decrease) to executive budget	4.3%	31.2%	7.9%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding and related FTE position added in the executive budget for campus security and emergency preparedness	(1.00)	($107,469)		($107,469)
Added funding to limit tuition increases		172,331		172,331
Adjusted the distribution of campus equity payments included in the executive budget		114,865		114,865
Added funding for safety and security projects		65,000		65,000

Added funding for greenhouse repairs		280,000		280,000
Total	(1.00)	$524,727	$0	$524,727

FTE Changes

The Legislative Assembly provided funding for 31.75 FTE positions, an increase of a .64 FTE position from the authorized number of FTE positions for the 2007-09 biennium. The Legislative Assembly removed 1 FTE security and emergency preparedness position added in the executive budget. The remaining increase of a .64 FTE position reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $800,000 from the general fund is for a boiler replacement, $280,000 from the general fund is for greenhouse repairs, and $97,021 from the general fund is for extraordinary repairs at Minot State University - Bottineau. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and Minot State University - Bottineau is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for Minot State University - Bottineau does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, Minot State University - Bottineau received $172,331. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $250,000 to Minot State University - Bottineau, an increase of $114,865 from the executive budget recommendation of $135,135.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide $206,746 from the general fund for extraordinary repairs, an increase of $48,044 from the 2007-09 biennium legislative appropriation of $158,702. Of the $206,746, $109,725 is considered base funding and $97,021 is considered one-time funding.

Capital Projects

The Legislative Assembly authorized the following projects:

	2009-11 Executive Budget Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Coal boiler replacement	$800,000		$800,000	$800,000		$800,000
Entrepreneurial Center for Horticulture		$2,000,000	2,000,000		$2,000,000	2,000,000
Greenhouse repairs				280,000		280,000
Total	$800,000	$2,000,000	$2,800,000	$1,080,000	$2,000,000	$3,080,000

Related Legislation

Senate Bill No. 2389 - This bill changes the name of Minot State University - Bottineau to Dakota College at Bottineau.

North Dakota State University
Budget No. 235
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	517.76	$127,545,474	$58,100,000	$185,645,474
2009-11 legislative appropriations	**515.76**	**128,415,664**	**58,100,000**	**186,515,664**
Legislative increase (decrease) to executive budget	(2.00)	$870,190	$0	$870,190
Legislative increase (decrease) to 2007-09 appropriations	17.64	$29,585,031[1]	$11,600,000	$41,185,031

[1]This amount reflects a $527,842 general fund deficiency appropriation for the 2007-09 biennium approved by the 2009 Legislative Assembly for 2000 flood-related expenses.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$91,285,856	$7,544,777	$98,830,633
2009-11 legislative appropriations	**110,059,847**	**18,355,817**	**128,415,664**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$18,773,991	$10,811,040	$29,585,031
Percentage increase (decrease) to 2007-09 appropriations	20.6%	143.3%	29.9%
2009-11 legislative increase (decrease) to executive budget	$870,190	$0	$870,190
Percentage increase (decrease) to executive budget	0.8%	0.0%	0.7%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding and related FTE positions added in the executive budget for campus security and emergency preparedness	(2.00)	($192,116)		($192,116)
Added funding to limit tuition increases		1,916,408		1,916,408

Adjusted the distribution of campus equity payments included in the executive budget		(854,102)		(854,102)
Total	(2.00)	$870,190	$0	$870,190

FTE Changes

The Legislative Assembly provided funding for 515.76 FTE positions, an increase of 17.64 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The Legislative Assembly removed 2 FTE security and emergency preparedness positions added in the executive budget. The remaining increase of 17.64 FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the North Dakota University System. Of this amount, $13,000,000 from the general fund is for the Minard Hall renovation project and $5,355,817 from the general fund is for deferred maintenance at North Dakota State University. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and North Dakota State University is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for North Dakota State University does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases of two-year campuses for the 2009-11 biennium. Of this amount, North Dakota State University received $1,916,408. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of the total amount, the Legislative Assembly appropriated $4,108,963 to North Dakota State University, a decrease of $854,102 from the executive budget recommendation of $4,963,065.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide funding of $7,048,042 from the general fund for extraordinary repairs, an increase of $2,838,881 from the 2007-09 biennium legislative appropriation of $4,209,161. Of the $7,048,042, $1,692,225 is considered base funding and $5,355,817 is considered one-time funding.

Capital Projects

The Legislative Assembly did not change the executive recommendation for the following projects:

	General Fund	Other Funds	Total
West Dining Center		$7,000,000[1]	$7,000,000
Bison Sports Arena renovation		25,500,000	25,500,000
Ellig Sports Complex renovation		4,500,000	4,500,000
Niskanen Apartments		20,000,000[1]	20,000,000
Minard Hall - Phase 3 renovation	$13,000,000		13,000,000
Student health services expansion		1,100,000	1,100,000
Total	$13,000,000	$58,100,000	$71,100,000

[1]The Legislative Assembly did not change the executive recommendation to provide revenue bonding authority of $7 million for the West Dining Center project and $20 million for the Niskanen Apartments project.

State College of Science
Budget No. 238
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	158.24	$38,038,068	$7,136,000	$45,174,068
2009-11 legislative appropriations	**157.24**	**39,094,630**	**7,136,000**	**46,230,630**
Legislative increase (decrease) to executive budget	(1.00)	$1,056,562	$0	$1,056,562
Legislative increase (decrease) to 2007-09 appropriations	0.47	$9,967,817	($2,948,420)	$7,019,397

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$28,143,700	$983,113	$29,126,813
2009-11 legislative appropriations	**32,360,487**	**6,734,143**	**39,094,630**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$4,216,787	$5,751,030	$9,967,817
Percentage increase (decrease) to 2007-09 appropriations	15.0%	585.0%	34.2%
2009-11 legislative increase (decrease) to executive budget	$1,056,562	$0	$1,056,562
Percentage increase (decrease) to executive budget	3.4%	0.0%	2.8%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding and related FTE position added in the executive budget for campus security and emergency preparedness	(1.00)	($50,000)		($50,000)
Added funding to limit tuition increases		991,697		991,697
Adjusted the distribution of campus equity payments included in the executive budget		114,865		114,865
Total	(1.00)	$1,056,562	$0	$1,056,562

FTE Changes

The Legislative Assembly authorized funding for 157.24 FTE positions, a decrease of 1 FTE position from the executive recommendation and an increase of .47 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The Legislative Assembly removed 1 FTE position included in the executive recommendation for campus security and emergency preparedness. The increase in FTE positions from the authorized number of FTE positions for the 2007-09 biennium reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the North Dakota University System. Of this amount, $5,700,000 from the general fund is for renovation of Horton Hall and $1,034,143 from the general fund is for deferred maintenance at the State College of Science. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the State College of Science is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for the State College of Science does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, the State College of Science received $991,697. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $250,000 to the State College of Science, an increase of $114,865 from the executive budget recommendation of $135,135.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide $1,787,475 from the general fund for extraordinary repairs, an increase of $401,030 from the 2007-09 biennium appropriation of $1,386,445. Of the $1,787,475, $753,332 is considered base funding and $1,034,143 is considered one-time funding.

Capital Projects

The Legislative Assembly authorized the following projects:

	2009-11 Executive Budget Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Renovation of Horton Hall	$5,700,000		$5,700,000	$5,700,000		$5,700,000
Parking lot construction		$1,136,000	1,136,000		$1,136,000	1,136,000
Renovation of Robertson Hall		6,000,000	6,000,000		6,000,000	6,000,000
Total	$5,700,000	$7,136,000	$12,836,000	$5,700,000	$7,136,000	$12,836,000

University of North Dakota
Budget No. 230
Senate Bill Nos. 2003, 2266

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	627.28	$144,486,043	$42,890,000	$187,376,043
2009-11 legislative appropriations	**625.28**	**134,516,002**	**61,619,000**	**196,135,002**
Legislative increase (decrease) to executive budget	(2.00)	($9,970,041)	$18,729,000	$8,758,959
Legislative increase (decrease) to 2007-09 appropriations	(11.96)	$16,536,526[1]	($16,301,000)	$235,526[1]

[1]This amount reflects a $2,858,771 general fund deficiency appropriation for the 2007-09 biennium approved by the 2009 Legislative Assembly for 1997 flood-related expenses.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$109,312,375	$8,667,101	$117,979,476
2009-11 legislative appropriations	**127,337,328**	**7,178,674**	**134,516,002**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$18,024,953	($1,488,427)	$16,536,526
Percentage increase (decrease) to 2007-09 appropriations	16.5%	(17.2%)	14.0%
2009-11 legislative increase (decrease) to executive budget	$1,229,959	($11,200,000)	($9,970,041)
Percentage increase (decrease) to executive budget	1.0%	(60.9%)	(6.9%)

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding and related FTE positions added in the executive budget for campus security and emergency preparedness	(2.00)	($204,600)		($204,600)
Added funding to limit tuition increases		1,774,161		1,774,161

Adjusted the distribution of campus equity payments included in the executive budget		(339,602)		(339,602)
Changed the funding source for the Education Building renovation project from the general fund to federal fiscal stimulus funds		(11,200,000)	$11,200,000	0
Added federal fiscal stimulus funding in Senate Bill No. 2266 for the Nursing Education Consortium			500,000	500,000
Added funding for capital projects, including the Bismarck Family Practice Center ($5,400,000), airport hangar renovation ($1,500,000), and forensic pathology facility ($129,000).			7,029,000	7,029,000
Total	(2.00)	($9,970,041)	$18,729,000	$8,758,959

FTE Changes

The Legislative Assembly provided funding for 625.28 FTE positions, a decrease of 11.96 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The Legislative Assembly removed 2 FTE security and emergency preparedness positions added in the executive budget. The decrease of 11.96 FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $7,178,674 from the general fund is for deferred maintenance at the University of North Dakota. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the University of North Dakota is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 4 of Senate Bill No. 2003 and Section 3 of Senate Bill No. 2266, the Legislative Assembly appropriated $11,700,000 of federal fiscal stabilization - other government uses funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to the University of North Dakota for the Education Building renovation project ($11,200,000) and the Nursing Education Consortium simulation laboratory project ($500,000). The University System may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for the University of North Dakota does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provide for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, the University of North Dakota

received $1,774,161. Section 30 of Senate Bill No. 2003 provided an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of the total amount, the Legislative Assembly appropriated $2,101,461 to the University of North Dakota, a decrease of $339,602 from the executive budget recommendation of $2,441,063.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide funding of $9,479,219 from the general fund for extraordinary repairs, an increase of $3,550,344 from the 2007-09 biennium legislative appropriation of $5,928,875. Of the $9,479,219, $2,300,545 is considered base funding and $7,178,674 is considered one-time funding.

Capital Projects

The Legislative Assembly authorized the following projects:

	2009-11 Executive Budget Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
College of Business and Public Administration Building renovation		$20,500,000	$20,500,000		$20,500,000	$20,500,000
Energy and Environmental Research Center storage and support building		1,540,000	1,540,000		1,540,000	1,540,000
Indoor track and practice facility		19,500,000	19,500,000		19,500,000	19,500,000
Relocation and renovation of the Oxford House		750,000	750,000		750,000	750,000
Renovation and addition to the Education Building	$11,200,000		11,200,000		11,200,000[1]	11,200,000
Starcher Hall emergency generator		600,000	600,000		600,000	600,000
School of Medicine forensic pathology facility					129,000	129,000
Airport hangar renovation					1,500,000[2]	1,500,000
School of Medicine Bismarck Family Practice Center					5,400,000[3]	5,400,000
Total	$11,200,000	$42,890,000	$54,090,000	$0	$61,119,000	$61,119,000

[1]Funding is provided from federal fiscal stabilization - other government services funds made available to the Governor through the federal American Recovery and Reinvestment Act of 2009.

[2]The Legislative Assembly provided revenue bonding authority of $1,500,000 for the airport hangar renovation and Section 39 of Senate Bill No. 2003 allows the State Board of Higher Education to enter an agreement with a private entity to finance the project.

[3]Funding is provided from the permanent oil tax trust fund.

University of North Dakota School of Medicine and Health Sciences
Budget No. 232
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	144.92	$39,932,875	$0	$39,932,875
2009-11 legislative appropriations	**144.92**	**41,115,401**	**0**	**41,115,401**
Legislative increase (decrease) to executive budget	0.00	$1,182,526	$0	$1,182,526
Legislative increase (decrease) to 2007-09 appropriations	(12.82)	$6,626,900	$0	$6,626,900

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$34,027,701	$460,800	$34,488,501
2009-11 legislative appropriations	**40,890,401**	**225,000**	**41,115,401**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$6,862,700	($235,800)	$6,626,900
Percentage increase (decrease) to 2007-09 appropriations	20.2%	(51.2%)	19.2%
2009-11 legislative increase (decrease) to executive budget	$1,182,526	$0	$1,182,526
Percentage increase (decrease) to executive budget	3.0%	0.0%	3.0%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding to limit tuition increases		$767,426		$767,426
Adjusted the distribution of campus equity payments included in the executive budget		(84,900)		(84,900)
Added funding to implement a rural health initiative		500,000		500,000
Total	0.00	$1,182,526	$0	$1,182,526

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 144.92 FTE positions, a decrease of 12.82 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The decrease in FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $225,000 from the general fund is for an electronic medical records system at the University of North Dakota School of Medicine and Health Sciences. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the University of North Dakota School of Medicine and Health Sciences is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for the University of North Dakota School of Medicine and Health Sciences does not include a specific appropriation of other funds.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, the University of North Dakota School of Medicine and Health Sciences received $767,426. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $505,999 to the University of North Dakota School of Medicine and Health Sciences, a decrease of $84,900 from the executive budget recommendation of $590,899.

Capital Projects

The Legislative Assembly provided a $5.4 million appropriation from the permanent oil tax trust fund to the University of North Dakota for the construction of a new Bismarck Family Practice Center facility. The University of North Dakota also received authorization to spend $129,000 of special funds for the construction of a forensic pathology facility at the University of North Dakota School of Medicine and Health Sciences.

Valley City State University
Budget No. 242
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	86.86	$17,572,585	$18,500,000	$36,072,585
2009-11 legislative appropriations	**86.86**	**18,931,338**	**18,500,000**	**37,431,338**
Legislative increase (decrease) to executive budget	0.00	$1,358,753	$0	$1,358,753
Legislative increase (decrease) to 2007-09 appropriations	8.71	$4,784,966	$16,300,000	$21,084,966

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$13,608,553	$537,819	$14,146,372
2009-11 legislative appropriations	**16,626,417**	**2,304,921**	**18,931,338**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$3,017,864	$1,767,102	$4,784,966
Percentage increase (decrease) to 2007-09 appropriations	22.2%	328.6%	33.8%
2009-11 legislative increase (decrease) to executive budget	$1,358,753	$0	$1,358,753
Percentage increase (decrease) to executive budget	8.9%	0.0%	7.7%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for campus security and emergency preparedness		($50,000)		($50,000)
Added funding to limit tuition increases		176,888		176,888
Adjusted the distribution of campus equity payments included in the executive budget		114,865		114,865
Added funding to support strategic campus goals, offset enrollment impacts, and address other campus needs, including capital needs		800,000		800,000

Added funding for flood-related expenditures		317,000		317,000
Total	0.00	$1,358,753	$0	$1,358,753

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 86.86 FTE positions, an increase of 8.71 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The increase in FTE positions reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $1,000,000 from the general fund is for the development of a campus master plan at Valley City State University and $1,304,921 from the general fund is for deferred maintenance at Valley City State University. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and Valley City State University is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for Valley City State University does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, Valley City State University received $176,888. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Campus Marketing and Student Retention

Section 25 of Senate Bill No. 2003 provides that $200,000 of the University System office unspent 2007-09 general fund appropriation be used for marketing and student retention at Valley City State University.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $250,000 to Valley City State University, an increase of $114,865 from the executive budget recommendation of $135,135.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide funding of $1,563,337 from the general fund for extraordinary repairs, an increase of $767,102 from the 2007-09 biennium legislative appropriation of $796,235. Of the $1,563,337, $258,416 is considered base funding and $1,304,921 is considered one-time funding.

Capital Projects

The Legislative Assembly did not change the executive recommendation to provide $1 million from the general fund for the development of a master capital plan and other campus repairs, $15 million of special funds spending authority for the W. E. Osmon Fieldhouse project, and $3.5 million of special funds spending authority resulting from the issuance of revenue bonds for the Snoeyenbos Residence Hall renovation project.

Williston State College
Budget No. 229
Senate Bill No. 2003

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	42.10	$9,513,851	$9,375,000	$18,888,851
2009-11 legislative appropriations	**41.10**	**9,775,476**	**15,375,000**	**25,150,476**
Legislative increase (decrease) to executive budget	(1.00)	$261,625	$6,000,000	$6,261,625
Legislative increase (decrease) to 2007-09 appropriations	1.30	$3,195,774	$13,075,000	$16,270,774

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$6,508,979	$70,723	$6,579,702
2009-11 legislative appropriations	**7,783,474**	**1,992,002**	**9,775,476**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,274,495	$1,921,279	$3,195,774
Percentage increase (decrease) to 2007-09 appropriations	19.6%	2,716.6%	48.6%
2009-11 legislative increase (decrease) to executive budget	$261,625	$0	$261,625
Percentage increase (decrease) to executive budget	3.5%	0.0%	2.7%

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

Salaries and Wages

The North Dakota University System budget request included funding for parity to provide for inflationary costs, including the general fund share of salary and health insurance increases. This method of funding these costs was not changed by the executive budget or the Legislative Assembly.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding and related FTE position added in the executive budget for campus security and emergency preparedness	(1.00)	($109,364)		($109,364)
Added funding to limit tuition increases		256,124		256,124
Adjusted the distribution of campus equity payments included in the executive budget		114,865		114,865

Added funding of $5 million from the permanent oil tax trust fund and $1 million from special funds for a virtual center for career and technical education			$6,000,000	6,000,000
Total	(1.00)	$261,625	$6,000,000	$6,261,625

FTE Changes

The Legislative Assembly authorized funding for 41.1 FTE positions, a decrease of 1 FTE position from the executive recommendation and an increase of 1.3 FTE positions from the authorized number of FTE positions for the 2007-09 biennium. The Legislative Assembly removed 1 FTE position included in the executive recommendation for campus security and emergency preparedness. The increase in FTE positions from the authorized number of FTE positions for the 2007-09 biennium reflects the adjustment in the number of FTE positions to the level supported by the general fund. Pursuant to Section 20 of Senate Bill No. 2003, the State Board of Higher Education is authorized to adjust FTE positions as needed for institutions of higher education. Any FTE adjustment must be reported to the Office of Management and Budget prior to the submission of the 2011-13 budget request.

One-Time Funding

In Section 7 of Senate Bill No. 2003, the Legislative Assembly identified $59,233,248 from the general fund and $10,400,000 from the permanent oil tax trust fund for one-time funding items for the University System. Of this amount, $1,610,000 from the general fund is for renovation of the science laboratory, $382,002 from the general fund is for deferred maintenance, and $5 million from the permanent oil tax trust fund is for a virtual center for career and technical education at Williston State College. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and Williston State College is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Income

The Legislative Assembly approved the executive recommendation, as provided in Section 16 of Senate Bill No. 2003 and Section 1 of Senate Bill No. 2038, to appropriate on a continuing basis (through June 30, 2011) all other funds, including tuition income, received by the institutions of higher education during the 2009-11 biennium. Consequently, the legislative appropriation for Williston State College does not include a specific appropriation of other funds, except for capital projects.

Tuition Increases

The Legislative Assembly provided a total of $8,215,467 from the general fund to higher education institutions to limit annual tuition increases to 4 percent at four-year campuses and provided for no tuition increases at two-year campuses for the 2009-11 biennium. Of this amount, Williston State College received $256,124. Section 30 of Senate Bill No. 2003 provided that an institution may not increase tuition by more than 4 percent annually without Budget Section approval.

Equity Funding

The Legislative Assembly did not change the executive budget recommendation to provide a total of $10 million from the general fund to higher education institutions for equity payments. Of this amount, the Legislative Assembly appropriated $250,000 to Williston State College, an increase of $114,865 from the executive budget recommendation of $135,135.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation to provide $468,477 from the general fund for extraordinary repairs, an increase of $311,279 from the 2007-09 biennium appropriation of $157,198. Of the $468,477, $86,475 is considered base funding and $382,002 is considered one-time funding.

Capital Projects

The Legislative Assembly authorized the following projects:

	2009-11 Executive Budget Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Renovation of science laboratory	$1,610,000		$1,610,000	$1,610,000		$1,610,000
New dormitory		$9,375,000	9,375,000		9,375,000	9,375,000
Virtual center for career and technical education[1]					6,000,000	6,000,000
Total	$1,610,000	$9,375,000	$10,985,000	$1,610,000	$15,375,000	$16,985,000

[1]The Legislative Assembly appropriated $5 million from the permanent oil tax trust fund and $1 million of other funds for the Williston State College virtual center for career and technical education.

DEPARTMENT OF HUMAN SERVICES - SUMMARY

DEPARTMENTWIDE

Total funding - The chart below provides a comparison of legislative appropriations for the department for the 2009-11 biennium compared to the 2007-09 biennium.

Biennium	General Fund	Other Funds	Total
2009-11	$650,645,814	$1,637,100,137	$2,287,745,951
2007-09	593,916,230	1,290,890,297	1,884,806,527
Increase (decrease)	$56,729,584	$346,209,840	$402,939,424

FTE positions - The Department of Human Services is authorized a total of 2,216.88 FTE positions for the 2009-11 biennium, a decrease of 20.5 FTE positions compared to the executive budget and a decrease of 6.5 FTE positions compared to the 2007-09 biennium. Changes compared to the 2007-09 biennium include:

- Adding 1 FTE position associated with child care worker background checks.
- Removing 7.5 FTE positions relating to child support enforcement not requested by the department.

Anticipated salary savings - The Legislative Assembly reduced salaries and wages funding by $3,756,774, of which $3,317,041 is from the general fund, in anticipation of savings from vacant positions and employee turnover during the 2009-11 biennium. The Legislative Assembly reduced salaries and wages funding by $1,400,000 more from the general fund more than the executive recommendation which reduced salaries and wages funding by $2,356,774, of which $1,917,014 was from the general fund in anticipation of savings from vacant positions and employment turnover. The total reductions relating to anticipated salary savings are:

	General Fund	Other Funds	Total
Departmentwide	$1,000,000		$1,000,000
Management	110,879		110,879
Program and policy	130,497		130,497
State Hospital	1,274,839	$439,733	1,714,572
Developmental Center	201,159		201,159
Human service centers	599,667		599,667
Total reductions	$3,317,041	$439,733	$3,756,774

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 2009-11 biennium. The department is to report to the Budget Section after June 30, 2010, on any transfers made in excess of $50,000 and to the Appropriations Committees of the 2011 Legislative Assembly regarding any transfers made.

FMAP - The federal medical assistance percentage (FMAP) 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:

- Did not change the executive budget recommendations which provided $10.2 million of additional general fund support as a result of North Dakota's FMAP reductions projected for the 2009-11 biennium.
- Provided a funding source change of $66.5 million from the general fund to federal funds due to the enhanced FMAP included in the federal American Recovery and Reinvestment Act of 2009.
- Provided a funding source change of $9.5 million to the general fund from federal funds due to an estimated decrease in the state's FMAP for the last seven months of the biennium.

Federal Fiscal Year	North Dakota's FMAP	North Dakota's Enhanced FMAP
2006	65.85%	N/A
2007	64.72%	N/A
2008	63.75%	N/A
2009	63.15%	69.95%
2010	63.01%	69.95%
2011	60.69% (estimate)	69.95% (first quarter)

Inflationary increases - The Legislative Assembly provided a total of $77.3 million, of which $30.4 million is from the general fund, to provide a 6 percent inflationary increase in the second year of the biennium for rebased services (hospitals, physicians, chiropractors, and ambulances) and dentists and a 6 percent per year inflationary increase for providers of other services. The executive budget recommended providing a 7 percent inflationary increase in the second year of the biennium for rebased services and a 7 percent per year inflationary increase to providers of other services. The following is a summary of funding for inflationary increases:

	2009-11 Executive Budget	2009-11 Legislative Appropriations	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget
General fund	$37.1 million	$30.4 million	($6.7 million)
Other funds	57.6 million	46.9 million	(10.7 million)
Total	$94.7 million	$77.3 million	($17.4 million)

PROGRAM AND POLICY

TANF - Funding for temporary assistance for needy families (TANF) benefits is provided at $23,477,922, of which $5,531,958 is from the general fund, $9,495,659 is from retained funds and child support collections, and $8,450,305 is from federal funds, the same as the executive budget, and $1,907,617 less than the 2007-09 legislative appropriation of $25,385,539. The funding level is anticipated to provide services for an average monthly caseload of 2,851 and to provide an average monthly payment of $343 per case for the 2009-11 biennium.

Indian county allocation - North Dakota Century Code Section 50-01.2-03.2(3) provides for grant payments to Indian counties for their economic assistance program administrative costs. Current law provides that any county with more than 20 percent of the caseload for economic assistance programs consisting of people who reside on federally recognized Indian reservation land is eligible for a grant. Grants are equal to 100 percent of the administrative costs that are in excess of the statewide average of administrative costs expressed in mills. The subsection was amended by the 2009 Legislative Assembly in House Bill No. 1540 to provide that effective July 1, 2010, any county with 10 percent or more of the county's supplemental nutrition assistance program caseload on federally recognized Indian reservation land is eligible for a grant. Grants are equal to a county's actual direct costs and indirect costs for locally administered economic assistance programs multiplied by the percentage of a county's average total supplemental nutrition assistance program caseload for the previous state fiscal year which reside on federally recognized Indian reservation land not to exceed 90 percent. The Legislative Assembly provided $3,924,148 for these grants, of which $1,959,541 is from the general fund and $1,964,607 is from "retained funds," $549,938 more than the executive budget and $1,004,417 more than the 2007-09 biennium appropriation. All changes to the funding were made to the general fund. The legislative increase relates to the new formula as provided in House Bill No. 1540.

Basic care assistance - The schedule below provides a comparison of funding for basic care assistance. The Legislative Assembly made a number of adjustments to the funding for basic care assistance, including:

- Decreased funding to provide 6 percent annual inflationary increases for the biennium for basic care assistance providers rather than the 7 percent annual inflationary increases recommended in the executive budget.
- Increased the personal needs allowance for individuals in basic care facilities from $60 per month as provided for in the executive budget to $85 per month.
- Added funding to provide a salary and benefit supplemental payment for individuals employed by basic care and nursing care facilities, except for administrators and contract nursing.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total basic care assistance	$14,083,121	$17,070,865	**$18,113,925**	$1,043,060	$4,030,804
General fund	$6,097,305	$7,859,036	**$8,219,552**	$360,516	$2,122,247
Estate collections		$96,000	**$96,000**		$96,000
"Retained funds"	$2,284,362	$2,284,362	**$2,284,362**		
Federal funds	$5,701,454	$6,831,467	**$7,514,011**	$682,544	$1,812,557

Medical assistance - The schedule below provides a comparison of funding for medical assistance, excluding funding relating to nursing facility care and other long-term care services, developmental disabilities grants, and the Healthy Steps program. The Legislative Assembly made a number of adjustments to the funding for medical assistance grants, including:

- Decreased funding to provide a 6 percent inflationary increase for the second year of the biennium for rebased services rather than the 7 percent inflationary increase for the second year of the biennium recommended in the executive budget.
- Decreased funding to provide 6 percent annual inflationary increases for the biennium for all other providers rather than the 7 percent annual inflationary increases recommended in the executive budget.
- Adjusted funding for rebasing hospitals, physicians, chiropractors, ambulances, and dentists.
- Reduced funding to reflect a decrease in projected caseload/utilization rates.
  Added funding for a Bank of North Dakota line of credit if caseload/utilization rates are greater than anticipated.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total medical assistance	$394,784,291	$482,133,759	**$491,112,048**	$8,978,289	$96,327,757
General fund	$112,382,988	$138,162,168	**$119,011,442**	($19,150,726)	$6,628,454
Federal funds	$260,271,693	$315,282,790	**$338,799,024**	$23,516,234	$78,527,331
Community health trust fund	$213,904	$790,015	**$790,015**		$576,111
Estate collections	$3,060,000	$2,673,800	**$2,673,800**		($386,200)
"Retained funds"	$11,121,250	$17,375,336	**$17,371,688**	($3,648)	$6,250,438
Contingent Bank of North Dakota loan proceeds			**$4,616,429**	$4,616,429	$4,616,429
Other funds	$7,734,456	$7,849,650	**$7,849,650**		$115,194

Rebased services - The schedule below compares funding for the services for which rebasing payment rates were rebased:

	2009-11 Executive Budget			2009-11 Legislative Appropriation			2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Hospitals[1]	$8,140,450	$13,872,664	$22,013,114	$8,140,450	$13,872,664	$22,013,114			
Physicians[2]	4,899,850	8,350,150	13,250,000	14,699,550	25,050,450	39,750,000	$9,799,700	$16,700,300	$26,500,000
Chiropractors[3]	153,836	262,164	416,000	115,377	196,623	312,000	(38,459)	(65,541)	(104,000)
Ambulances[4]	743,710	1,267,404	2,011,114	743,710	1,267,404	2,011,114			
Total	$13,937,846	$23,752,382	$37,690,228	$23,699,087	$40,387,141	$64,086,228	$9,761,241	$16,634,759	$26,396,000

[1]The Legislative Assembly did not change the executive recommendation to provide funding for rebasing hospital payment rates to 100 percent of cost.

[2]The Legislative Assembly increased funding for rebasing physician payment rates by $26.5 million, of which $9,799,700 is from the general fund, for rebasing rates to 75 percent of the amount needed to rebase to 100 percent of cost. The executive budget included funding for rebasing rates to 25 percent of the amount needed to rebase to 100 percent of cost.

[3]The Legislative Assembly decreased funding for rebasing chiropractor payment rates by $104,000, of which $38,459 is from the general fund, for rebasing rates to 75 percent of the cost report. The executive budget included funding for rebasing rates to 100 percent of cost.

[4]The Legislative Assembly did not change the executive recommendation to provide funding for rebasing ambulance rates to Medicare rates.

Medicare Part D "clawback" payments - The Legislative Assembly appropriated $19,416,262, of which $18,624,262 is from the general fund and $792,000 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 same amount recommended in the executive budget. The amount provided is an increase of $266,647 from the 2007-09 biennium appropriation of $19,149,615, of which $18,849,615 was from the general fund and $300,000 was from estate collections.

Healthy Steps - The schedule below provides a comparison of funding for Healthy Steps (children's health insurance program). The Legislative Assembly made a number of adjustments to the funding for Healthy Steps, including:

- Increased eligibility for the program from 150 percent to 160 percent of the federal poverty level instead of an increase to 200 percent of the federal poverty level as recommended in the executive budget.
- Removed funding for 1.5 FTE positions added in the executive budget.
- Adjusted funding to reflect utilization reprojections (an estimated decrease in caseload of 1,626 children) and a revised premium amount (final 2009-11 premium of $228.71 per month compared to an estimated premium of $243.93 provided for in the executive budget).
- Added funding for additional program outreach.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total Healthy Steps	$20,204,746	$35,248,129	**$21,632,536**	($13,615,593)	$1,427,790
General fund	$4,669,885	$9,122,897	**$5,598,799**	($3,524,098)	$928,914
Federal funds	$15,534,861	$26,125,232	**$16,033,737**	($10,091,495)	$498,876

Developmental disabilities grants - The schedule below provides a comparison of funding for developmental disabilities (DD) grants. The Legislative Assembly made a number of adjustments to the funding for DD grants, including:

- Decreased funding to provide 6 percent annual inflationary increases for the biennium for DD grants rather than the 7 percent annual inflationary increases recommended in the executive budget.
- Reduced funding to reflect a decrease in projected caseload/utilization rates.
- Added funding for a Bank of North Dakota line of credit if caseload/utilization rates are greater than anticipated.
- Added funding to provide a salary and benefit supplemental payment for individuals employed by DD providers, except for administrators.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total DD grants	$274,423,470	$323,056,043	**$341,542,546**	$18,486,503	$67,119,076
General fund	$95,952,600	$118,885,733	**$110,730,341**	($8,155,392)	$14,777,741
Contingent Bank of North Dakota loan proceeds	$3,500,000		**$1,190,654**	$1,190,654	($2,309,346)
Federal funds	$174,970,870	$204,170,310	**$229,621,551**	$25,451,241	$54,650,681

Nursing facilities - The schedule below provides a comparison of the funding provided for nursing facility payments under the medical assistance program. The Legislative Assembly made a number of adjustments to the funding for nursing facilities, including:

- Decreased funding to provide 6 percent annual inflationary increases for the biennium for nursing facilities rather than the 7 percent annual inflationary increases recommended in the executive budget.
- Reduced funding to reflect a decrease in projected caseload/utilization rates.
- Added funding for a Bank of North Dakota line of credit if caseload/utilization rates are greater than anticipated.
- Added funding to provide a salary and benefit supplemental payment for individuals employed by nursing facilities, except for administrators and contract nursing.
- Added funding to increase nursing facility bed limits in the formula for nursing home payments.

	2007-09 Biennium	2009-11 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total nursing facilities	$370,080,827	$422,244,637	**$425,861,278**	$3,616,641	$55,780,451
General fund	$132,817,907	$153,236,194	**$132,415,339**	($20,820,855)	($402,568)
Health care trust fund	$525,597	$3,000,000	**$4,124,506**	$1,124,506	$3,598,909
Contingent Bank of North Dakota loan proceeds			**$2,801,758**	$2,801,758	$2,801,758
Federal funds	$236,737,323	$266,008,443	**$286,519,675**	$20,511,232	$49,782,352

SPED and expanded SPED - The schedule below provides a comparison of funding for service payments for elderly and disabled (SPED) and expanded SPED. The Legislative Assembly decreased funding to decrease the inflationary rate for SPED and expanded SPED from 7 percent for each year of the biennium as recommended in the executive budget to 6 percent for each year of the biennium. The Legislative Assembly approved the executive recommendation to revise the SPED fee schedule based on the actual cost-of-living adjustment through January 2008 and an estimated cost-of-living adjustment for January 2009 to allow individuals with higher income levels to receive SPED services without paying a fee. The Legislative Assembly added funding to provide a $1 per hour salary increase for qualified service providers.

	2007-09 Biennium	2007-09 Executive Budget	2009-11 Legislative Appropriation	2009-11 Legislative Increase (Decrease) to 2009-11 Executive Budget	2009-11 Legislative Increase (Decrease) to 2007-09
Total SPED and expanded SPED	$12,708,265	$18,057,693	**$18,221,905**	$164,212	$5,513,640
General fund	$12,111,009	$17,190,678	**$17,347,138**	$156,460	$5,236,129
County funds	$597,256	$867,015	**$874,767**	$7,752	$277,511

Dementia care services - The Legislative Assembly in House Bill No. 1043 directed the Department of Human Services to contract for a dementia care services program in each area of the state served by a regional human service center to provide personalized care consultation services, training, and education relating to dementia. The Legislative Assembly appropriated $1.2 million from the general fund for the program.

STATE HOSPITAL

Global behavioral health initiative - The Legislative Assembly removed funding of $516,815 from the general fund and 6 FTE positions included in the executive budget for a global behavioral health initiative to address capacity issues and provide a consistent rate among all regions for behavioral services.

Capital improvements - The Legislative Assembly appropriated $2,731,017 from the general fund for extraordinary repairs, $500,000 less than recommended in the executive budget.

DEVELOPMENTAL CENTER

Capital improvements - The Legislative Assembly appropriated $712,675 from the general fund for extraordinary repairs, the same amount as provided in the executive recommendation.

HUMAN SERVICE CENTERS

Global behavioral health initiative - The Legislative Assembly removed funding of $4,406,255, of which $3,901,309 is from the general fund, and 5 FTE positions included in the executive budget for a global behavioral health initiative to address capacity issues and provide a consistent rate among all regions for behavioral services.

Human Service Center	FTE	General Fund	Other Funds	Total
North Central		$1,358,307	$100,000	$1,458,307
Northeast		280,663	81,200	361,863
Southeast	4.00	1,190,124	183,746	1,373,870
South Central	1.00	127,669		127,669
West Central		279,546		279,546
Badlands		665,000	140,000	805,000
Total reduction	5.00	$3,901,309	$504,946	$4,406,255

DD cases - The Legislative Assembly removed funding of $444,588, of which $235,172 is from the general fund, and 4 FTE positions included in the executive budget for providing additional oversight and monitoring of DD cases as required by the Centers for Medicare and Medicaid Services as follows:

Human Service Center	FTE	General Fund	Other Funds	Total
North Central	1.00	$58,793	$52,354	$111,147
Northeast	1.00	58,793	52,354	111,147
Southeast	1.00	58,793	52,354	111,147
West Central	1.00	58,793	52,354	111,147
Total reduction	4.00	$235,172	$209,416	$444,588

Young adult transition residential services - The Legislative Assembly removed funding of $1,176,844, of which $834,622 is from the general fund, included in the executive budget for young adult transition residential services at the Southeast Human Service Center ($426,844) and the West Central Human Service Center ($750,000). The Legislative Assembly in House Bill No. 1044 provided that the department develop, within its approved funding level, a program for services to transition-aged youth of risk.

Department of Human Services
Budget No. 325
House Bill Nos. 1012, 1043, 1327, 1418, 1433, 1540, 1556, Senate Bill Nos. 2174, 2198, 2231, 2391

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	2,237.38	$721,512,545	$1,540,574,416	$2,262,086,961
2009-11 legislative appropriations	**2,216.88**	**650,645,814**	**1,637,100,137**	**2,287,745,951**
Legislative increase (decrease) to executive budget	(20.50)	($70,866,731)	$96,525,721	$25,658,990
Legislative increase (decrease) to 2007-09 appropriations	(6.50)	$56,729,584	$346,209,840	$402,939,424

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$582,028,966	$11,887,264	$593,916,230
2009-11 legislative appropriations	**646,349,516[1]**	**4,296,298**	**650,645,814[1]**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$64,320,550[1]	($7,590,966)	$56,729,584[1]
Percentage increase (decrease) to 2007-09 appropriations	11.1%[1]	(6.4%)	9.6%[1]
2009-11 legislative increase (decrease) to executive budget	($70,866,731)[1]	$0	($70,866,731)[1]
Percentage increase (decrease) to executive budget	(9.9%)[1]	0.0%	(9.8%)[1]

[1]Due to the receipt of federal fiscal stimulus funds, these amounts reflect general fund savings of $69,263,082 relating to the enhanced federal medical assistance percentage (FMAP) ($66,500,000) and child support incentive funds ($2,763,082). Excluding these savings, these amounts would be as follows:

	Ongoing General Fund Appropriation	Total General Fund Appropriation
2009-11 legislative appropriations	$715,612,598	$719,908,896
2009-11 legislative increase (decrease) to 2007-09 appropriations	$133,583,632	$125,992,666
Percentage increase (decrease) to 2007-09 appropriations	23.0%	21.2%
2009-11 legislative increase (decrease) to executive budget	($1,603,649)	($1,603,649)
Percentage increase (decrease) to executive budget	(0.2%)	(0.2%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Management				
Removed funding added in the executive budget for state employee salary equity adjustments		($3,458,506)	($1,575,064)	($5,033,570)
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(110,879)		(110,879)
Removed 1 FTE position added in the executive budget to perform additional duties required by Statement on Auditing Standards No. 112 regarding communicating internal control matters	(1.00)	(56,724)	(72,331)	(129,055)
Decreased funding for department travel		(7,128)	(7,592)	(14,720)
Added funding for expenses relating to the Early Childhood Services Advisory Board established in House Bill No. 1472		20,776		20,776
Subtotal - Management changes	(1.00)	($3,612,461)	($1,654,987)	($5,267,448)
Program and Policy				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(130,497)		(130,497)
Decreased funding for department travel		(33,432)	(84,899)	(118,331)
Economic Assistance				
Added funding in House Bill No. 1540 for additional funding for reimbursing the expenses of locally administered economic assistance programs in counties that contain federally recognized Indian reservation land		549,938		549,938
Added funding in Senate Bill No. 2231 for contracting with a statewide provider of charitable food distribution services to address gaps in service in, expand the recovery and distribution of surplus food supplies for, and strengthen the capacity of, the North Dakota charitable emergency feeding network		350,000		350,000
Added funding in Senate Bill No. 2391 from federal temporary assistance for needy families block grant funds for the alternatives-to-abortion program to provide a total of $500,000			100,000	100,000

Medical Services				
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(111,048)	(561,337)	(672,385)
Decreased funding added in the executive budget for inflationary increases for the rebased services (hospitals, physicians, ambulances, and chiropractors) to provide a 6 percent increase for the second year of the biennium		(1,237,634)	(2,148,298)	(3,385,932)
Increased funding for rebasing physician payment rates. The legislative appropriation provides funding of $39,700,000, of which $14,699,550 is from the general fund, for rebasing rates to 75 percent of the cost report. The executive budget included funding of $13,250,000, of which $4,899,850 is from the general fund, for rebasing rates to 25 percent of the amount needed to rebase to 100 percent of cost.		9,799,700	16,700,300	26,500,000
Decreased funding for rebasing chiropractor payment rates. The legislative appropriation provides funding of $312,000, of which $115,377 is from the general fund, for rebasing rates to 75 percent of the cost report. The executive budget included funding of $416,000, of which $153,836 is from the general fund, for rebasing rates to 100 percent of cost.		(38,459)	(65,541)	(104,000)
Decreased funding for medical services to reduce projected caseload/utilization rates		(9,600,000)	(16,359,978)	(25,959,978)
Added funding for a Bank of North Dakota line of credit ($8,500,000) if caseload/utilization rates are greater than anticipated, including $14,485,398 of special funds for the related federal funding share			22,985,398	22,985,398
Added funding for an estimated decrease in the state's federal medical assistance percentage (FMAP) for the last seven months of the 2009-11 biennium		9,500,000	(9,500,000)	0
Added one-time funding for a supplemental payment to small, rural critical access hospitals		400,000		400,000
Decreased funding for the state children's health insurance program to reflect an increase in the program eligibility requirement from 150 percent to 160 percent of the federal poverty level instead of an increase to 200 percent of the federal poverty level as provided for in the executive budget, including the removal of 1.5 FTE positions	(1.50)	(727,025)	(2,082,197)	(2,809,222)
Adjusted funding for the state children's health insurance program to reflect utilization reprojections and a revised premium amount		(2,832,256)	(8,110,063)	(10,942,319)

Added funding for additional outreach for the state children's health insurance program		300,000		300,000
Decreased funding for the funeral set-aside for Medicaid recipients to provide for an increase in the set-aside from $5,000 to $6,000 instead of $7,000 as provided for in the executive budget		(103,922)	(179,078)	(283,000)
Long-Term Care				
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(4,544,584)	(7,103,292)	(11,647,876)
Reduced funding for long-term care to reflect a decrease in projected caseload/utilization rates		(5,600,000)	(9,543,320)	(15,143,320)
Reduced funding for developmental disabilities grants to reflect a decrease in projected caseload/utilization rates		(2,476,000)	(4,219,511)	(6,695,511)
Added funding to increase the personal needs allowance for individuals in basic care facilities and ICR/MR facilities from $60 per month as provided for in the executive budget to $85 per month		283,052	163,348	446,400
Added funding to increase nursing facility bed limits in the formula for nursing home payments from $138,907 to $169,098 for single rooms and $92,604 to $112,732 for double rooms. Of the $877,518, $324,506 is from the health care trust fund and $553,012 is from federal funds.			877,518	877,518
Added funding to provide a salary and benefit supplemental payment for individuals employed by basic care and nursing care facilities except for administrators and contract nursing		5,512,441	12,465,072	17,977,513
Added funding to provide a salary and benefit supplemental payment for individuals employed by developmental disabilities providers except for administrators		7,086,807	14,552,299	21,639,106
Added funding to provide a $1 per hour increase for qualified service providers		853,268	963,026	1,816,294
Added funding for developmental disabilities providers who are serving severely medically fragile and behaviorally challenged individuals		1,553,160	2,646,840	4,200,000
Removed a FTE position included in the executive budget relating to the implementation of a home and community-based care waiver to provide support for children who have a diagnosis of autism spectrum disorder	(1.00)	(66,872)	(66,871)	(133,743)

Added funding in House Bill No. 1043 for contracting for a dementia care services program	1,200,000		1,200,000
Added funding from the health care trust fund in House Bill No. 1327 for providing a grant to a nursing facility for costs associated with remodeling the facility to meet the requirements of an assisted living facility and a basic care facility		200,000	200,000
Added funding in House Bill No. 1433 for funding a special care rate for qualifying nursing homes	28,761	337,114	365,875
Aging Services			
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases	(15,200)		(15,200)
Removed funding for a pilot aging and disability resource center	(600,000)		(600,000)
Added funding for a grant to the community of care program	120,000		120,000
Children and Family Services			
Decreased funding added in the executive budget for inflationary increases for all services except the rebased services to provide 6 percent per year increases	(436,192)	(823,013)	(1,259,205)
Increased funding for the Healthy Families program from $300,000 from the general fund as provided for the 2007-09 biennium to $500,000 from the general fund for the 2009-11 biennium	200,000		200,000
Added funding for family group conferencing ($100,000) and for safety and permanency funds ($100,000)	200,000		200,000
Added funding for children's advocacy centers	200,000		200,000
Mental Health and Substance Abuse Program			
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases	(21,237)		(21,237)
Decreased funding for compulsive gambling services from $700,000, of which $300,000 was from the general fund and $400,000 was from special funds from lottery proceeds, as provided for in the executive budget to $650,000, of which $250,000 is from the general fund and $400,000 is from special funds from lottery proceeds. The 2007-09 legislative appropriation for compulsive gambling services is $400,000 of special funds from lottery proceeds.	(50,000)		(50,000)

Decreased funding for the Governor's Prevention and Advisory Council grants from $200,000 from the general fund as provided for in the executive budget to $100,000 from the general fund	(100,000)		(100,000)
Added funding in Senate Bill No. 2198 for providing services to individuals with traumatic brain injury	330,000		330,000
Developmental Disabilities Division			
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases	(27,199)		(27,199)
Added funding in House Bill No. 1556 for conducting a study of the methodology and calculations for the ratesetting structure for public and private licensed developmental disability providers	100,000	100,000	200,000
Added funding in Senate Bill No. 2174 for expenses of the Autism Spectrum Disorder Task Force established in the bill	3,000		3,000
Vocational Rehabilitation			
Decreased funding for centers of independent living from $2,114,539, of which $1,330,958 is from the general fund, as included in the executive budget to $1,744,539, of which $930,958 is from the general fund (The funding of $1,744,539 represents an increase of $400,000 from the 2007-09 biennium appropriation of $1,344,539, of which $530,958 was from the general fund.)	(400,000)		(400,000)
Federal Fiscal Stimulus Funding			
Appropriated additional funding for supplemental nutrition assistance program benefits and related administrative expenses		9,874,747	9,874,747
Changed the funding source and provided additional funding for child support enforcement activities	(2,763,082)	3,200,000	436,918
Changed the funding source for Medicaid, foster care, and adoption payments due to the enhanced FMAP included in the federal American Recovery and Reinvestment Act of 2009	(66,500,000)	66,500,000	0
Appropriated additional funding for elderly nutrition services		485,000	485,000
Appropriated additional funding for senior employment program		143,288	143,288
Appropriated additional funding for older blind services		3,170	3,170

Appropriated additional funding for developmentally delayed infants aged 0 to 3 years to reflect federal funds received for Individuals With Disabilities Education Act - Part C			2,140,000	2,140,000
Appropriated additional funding for centers for independent living			243,000	243,000
Appropriated additional funding for vocational rehabilitation services			1,800,000	1,800,000
Appropriated funding in House Bill No. 1418 for implementing programs associated with early childhood care services			3,644,000	3,644,000
Subtotal - Program and Policy changes	(2.50)	($59,844,512)	$99,276,722	$39,432,210
State Hospital				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(357,798)		(357,798)
Decreased funding for department travel		(4,603)	(3,465)	(8,068)
Removed funding and 6 FTE positions included in the executive budget for the global behavioral health initiative	(6.00)	(516,815)		(516,815)
Decreased funding for extraordinary repairs from $3,231,017 to $2,731,017		(500,000)		(500,000)
Subtotal - State Hospital	(6.00)	($1,379,216)	($3,465)	($1,382,681)
Developmental Center				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(201,159)		(201,159)
Decreased funding for department travel		(74)	(114)	(188)
Subtotal - Developmental Center	0.00	($201,233)	($114)	($201,347)
Human Service Centers				
Northwest				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(68,293)		(68,293)
Decreased funding for department travel		(9,810)	(4,234)	(14,044)
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(27,637)	(152)	(27,789)
Subtotal - Northwest Human Service Center	0.00	($105,740)	($4,386)	($110,126)

North Central				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(86,078)		(86,078)
Decreased funding for department travel		(1,066)	(760)	(1,826)
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(55,310)	(3,113)	(58,423)
Removed funding included in the executive budget for the global behavioral health initiative		(1,358,307)	(100,000)	(1,458,307)
Removed funding and 1 FTE position included in the executive budget for providing additional oversight and monitoring of developmental disabilities cases	(1.00)	(58,793)	(52,354)	(111,147)
Subtotal - North Central Human Service Center	(1.00)	($1,559,554)	($156,227)	($1,715,781)
Lake Region				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(73,337)		(73,337)
Decreased funding for department travel		(6,308)	(4,277)	(10,585)
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(29,810)		(29,810)
Subtotal - Lake Region Human Service Center	0.00	($109,455)	($4,277)	($113,732)
Northeast				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(44,145)		(44,145)
Decreased funding for department travel		(1,327)	(2,285)	(3,612)
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(63,400)	(24,253)	(87,653)
Removed funding included in the executive budget for the global behavioral health initiative		(280,663)	(81,200)	(361,863)
Removed funding and 1 FTE position included in the executive budget for providing additional oversight and monitoring of developmental disabilities cases	(1.00)	(58,793)	(52,354)	(111,147)
Subtotal - Northeast Human Service Center	(1.00)	($448,328)	($160,092)	($608,420)

Southeast				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(115,044)		(115,044)
Decreased funding for department travel		(853)	(707)	(1,560)
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(57,874)	(167)	(58,041)
Removed funding and 4 FTE positions included in the executive budget for the global behavioral health initiative	(4.00)	(1,190,124)	(183,746)	(1,373,870)
Added funding for contract staffing at the Cooper House		236,520	78,840	315,360
Removed funding and 1 FTE position included in the executive budget for providing additional oversight and monitoring of developmental disabilities cases	(1.00)	(58,793)	(52,354)	(111,147)
Removed funding included in the executive budget for young adult transition residential services		(184,622)	(242,222)	(426,844)
Removed funding and 1 FTE position included in the executive budget for the partnership program	(1.00)	(61,490)	(40,440)	(101,930)
Subtotal - Southeast Human Service Center	(6.00)	($1,432,280)	($440,796)	($1,873,076)
South Central				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(90,063)		(90,063)
Decreased funding for department travel		(5,115)	(3,292)	($8,407)
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(46,570)		(46,570)
Removed funding and 1 FTE position included in the executive budget for the global behavioral health initiative	(1.00)	(127,669)		(127,669)
Removed funding and 1 FTE position included in the executive budget to complete vulnerable adult protection services	(1.00)	(73,128)		(73,128)
Subtotal - South Central Human Service Center	(2.00)	($342,545)	($3,292)	($345,837)
West Central				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(94,610)		(94,610)
Decreased funding for department travel		(6,838)	(4,748)	(11,586)

Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		(70,021)	(965)	(70,986)
Removed funding included in the executive budget for the global behavioral health initiative		(279,546)		(279,546)
Removed funding and 1 FTE position included in the executive budget for providing additional oversight and monitoring of developmental disabilities cases	(1.00)	(58,793)	(52,354)	(111,147)
Removed funding included in the executive budget for young adult transition residential services		(650,000)	(100,000)	(750,000)
Subtotal - West Central Human Service Center	(1.00)	($1,159,808)	($158,067)	($1,317,875)
Badlands				
Reduced funding for salaries and wages for anticipated savings from vacant positions and employee turnover		(28,097)		(28,097)
Decreased funding for department travel		(116)	(81)	($197)
Decreased funding for inflationary increases for all services except the rebased services to provide 6 percent per year increases		21,614	(25,217)	(3,603)
Removed funding included in the executive budget for the global behavioral health initiative		(665,000)	(140,000)	(805,000)
Subtotal - Badlands Human Service Center	0.00	($671,599)	($165,298)	($836,897)
Total	(20.50)	($70,866,731)	$96,525,721	$25,658,990

FTE Changes

The 2009-11 biennium appropriation includes funding for 2,216.88 FTE positions, a decrease of 6.50 FTE positions from the 2007-09 biennium authorized level of 2,223.38 FTE positions. The following table summarizes FTE position changes included in the 2009-11 executive budget and the legislative appropriation:

Position	Executive Budget FTE Changes	Legislative Appropriation FTE Changes	Legislative Appropriation Increase (Decrease) From Executive Budget
Central office			
Account budget specialist	1.00	0.00	(1.00)
Eligibility worker II	1.00	0.00	(1.00)
Eligibility worker II	0.50	0.00	(0.50)
Human service program administrator III	1.00	0.00	(1.00)
Pending classification (child care worker background checks)	1.00	1.00	0.00
Positions not requested by the department	(7.50)	(7.50)	0.00
State Hospital			
Mental health care specialist I	1.00	0.00	(1.00)
Mental health care specialist I	1.00	0.00	(1.00)

Position	Executive Budget FTE Changes	Legislative Appropriation FTE Changes	Legislative Appropriation Increase (Decrease) From Executive Budget
Mental health care specialist I	1.00	0.00	(1.00)
Mental health care specialist I	1.00	0.00	(1.00)
Mental health care specialist I	1.00	0.00	(1.00)
Registered pharmacy technician	1.00	0.00	(1.00)
Human service centers			
Developmental disabilities manager II (North Central HSC)	1.00	0.00	(1.00)
Developmental disabilities manager II (Northeast HSC)	1.00	0.00	(1.00)
Human service aide II (Southeast HSC)	1.00	0.00	(1.00)
MI case manager II (Southeast HSC)	1.00	0.00	(1.00)
Addiction counselor II (Southeast HSC)	1.00	0.00	(1.00)
Registered nursing I (Southeast HSC)	1.00	0.00	(1.00)
MI case manager II (Southeast HSC)	1.00	0.00	(1.00)
Developmental disabilities manager II (Southeast HSC)	1.00	0.00	(1.00)
MI case manager II (South Central HSC)	1.00	0.00	(1.00)
MI case manager II (South Central HSC)	1.00	0.00	(1.00)
Developmental disabilities manager II (West Central HSC)	1.00	0.00	(1.00)
Total	14.00	(6.50)	(20.50)

One-Time Funding

In Section 6 of House Bill No. 1012, the Legislative Assembly identified $4,196,298 from the general fund for one-time funding items. The Legislative Assembly also provided a $100,000 general fund appropriation in House Bill No. 1556 to the Department of Human Services for a study of the methodology and calculations for the ratesetting structure for public and private licensed developmental disabilities providers which is considered to be one-time funding. These items, summarized as follows, are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Department of Human Services is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Extraordinary repairs	$3,443,692
Equipment over $5,000	352,606
Supplemental payments for small, rural critical access hospitals	400,000
Study of rates for public and private licensed developmental disabilities providers (HB 1556)	100,000
Total	$4,296,298

Federal Fiscal Stimulus Funding

In Section 2 of House Bill No. 1012 and Section 2 of House Bill No. 1418, the Legislative Assembly appropriated $88,033,205 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009. The Department of Human Services may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This funding, which is summarized as follows, except for the funding relating to the FMAP and funding of $2,763,082 of child support incentive matching funds is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Federal medical assistance percentage	$66,500,000
Elderly nutrition services	485,000
Child support incentive matching funds	3,200,000[1]
Rehabilitation services and disability assistance and independent living	2,043,000
Individuals With Disabilities Education Act - Part C	2,140,000
Supplemental nutrition assistance program benefits and administration	9,874,747
Senior employment program	143,288
Older blind	3,170
Early childhood care services (HB 1418)	3,644,000
Total	$88,033,205

[1]Of the $3,200,000, $2,763,082 was used to replace funding from the general fund for providing child support incentive matching funds.

Other Sections in House Bill No. 1012

General fund transfer to budget stabilization fund - Use of general fund savings - Section 3 provides that notwithstanding North Dakota Century Code (NDCC) Section 54-27.2-02, the State Treasurer and the Office of Management and Budget may not include in the amount used to determine general fund transfers to the budget stabilization fund at the end of the 2007-09 biennium under Chapter 54-27.2 any general fund amounts resulting from the increased federal share of medical assistance payments resulting from the federal American Recovery and Reinvestment Act of 2009. The State Treasurer and the Office of Management and Budget are to separately account for these amounts and 2009-11 biennium general fund amounts resulting from FMAP changes under the federal American Recovery and Reinvestment Act of 2009 and use these amounts to defray the expenses of continuing program costs of the Department of Human Services from the general fund for the 2009-11 biennium as follows:

Inflationary increases for human services providers	$27,345,292
Rate increases for selected Medicaid services due to rebasing	21,788,982
Rate increases for nursing homes due to property limit changes and other nursing home increases	7,788,572
Wage increases for employees of nursing homes, basic care, and developmental disabilities services providers and qualified service providers	16,229,317
Salary increases for Department of Human Services employees	14,293,872
Total	$87,446,035

Bank of North Dakota loan authorization - Section 4 authorizes the Department of Human Services, if the caseload/utilization of medical services, long-term care, and developmental disabilities services is more than anticipated by the Legislative Assembly and subject to Budget Section approval, to obtain a Bank of North Dakota loan for up to $8.5 million for providing the state matching share of additional medical assistance grants for medical services, long-term care, and developmental disabilities services during the 2009-11 biennium. The department is to request funding from the 2011 Legislative Assembly to repay any loan obtained, including interest.

2009-11 spending level authorization - Section 5 provides that if the Department of Human Services expenditures exceed funding levels, including loan proceeds, approved by the Legislative Assembly due to caseload/utilization of programs exceeding the level anticipated by the Legislative Assembly, the department may continue to spend at the increased level and may seek a deficiency appropriation from the 2011 Legislative Assembly.

Transfer authority - Section 7 authorizes the Department of Human Services to transfer appropriation authority between line items within each subdivision and between subdivisions of the department. The department is to report to the Budget Section after June 30, 2010, on any transfers made in excess of $50,000 and to the Appropriations Committees of the 2011 Legislative Assembly regarding any transfers made.

Health care trust fund - Section 8 identifies $4,124,506 of the Department of Human Services' other funds appropriation as being from the health care trust fund.

Legislative Council study - Child support enforcement - Section 9 provides for a Legislative Council study of the Department of Human Services' child support enforcement program. The study is to include the review of arrearages in terms of total owed and interest accrued and child support enforcement activities in other states.

Legislative Council study - Long-term care - Section 10 provides for a Legislative Council study of long-term care services in the state. The study is to include a review of the Department of Human Services' payment system and a review of the State Department of Health's survey and inspection programs and processes.

Medicaid provider payments - Section 13 provides legislative intent that the Department of Human Services establish a goal to set Medicaid payments for hospitals, physicians, chiropractors, and ambulances at 100 percent of cost.

Supplemental payment - Critical access hospitals - Section 14 provides that $400,000 of one-time funding from the general fund is provided to the Department of Human Services for providing a supplemental payment to eligible critical access hospitals. A critical access hospital is eligible for a payment under this section only if its percentage of medical payments exceeds 25 percent of its total annual revenue in its most recent audited financial statements and is located in a city with a population that does not exceed 1,450. The department is to seek federal Medicaid funding to provide a portion of the supplemental payment. If federal Medicaid funding is not available for a portion of the payment, the department may spend the $400,000 from the general fund for making the supplemental payment only if the action will not result in a reduction in federal Medicaid funding to the state.

Dementia care services - Section 15 provides legislative intent that the Department of Human Services integrate the dementia care services program established in House Bill No. 1043 with the home and community-based care services programs of the department.

Legislative Council study - Traumatic brain injury - Section 16 provides for a Legislative Council study of the impact of individuals with traumatic brain injury, including veterans who are returning from wars, on the state's human services system. The study must include an analysis of the estimated cost of providing human service-related services to the individuals with traumatic brain injury.

Children's health insurance program outreach - Section 17 provides legislative intent that the Department of Human Services award a contract for outreach services for the state children's health insurance program to an entity other than an insurance company for the 2009-11 biennium.

Exemption - Section 18 provides that $270,000 of the $3,100,000 appropriated for a sexual offender treatment addition at the State Hospital for the 2007-09 biennium is not subject to NDCC Section 54-44.1-11 and may be spent during the 2009-11 biennium for completing roof repairs at the State Hospital.

Developmental Center admission - Section 19 amends NDCC Section 25-04-05 relating to screening required prior to admission or readmission to the Developmental Center.

Medical assistance benefits - Section 20 amends NDCC Section 50-24.1-02.6 relating to medical assistance eligibility.

Children's advocacy centers - Section 22 creates a new subsection to NDCC Section 50-25.1-05 relating to the adoption of rules regarding the recording of interviews in child abuse or neglect cases.

Children's health insurance program - Section 23 amends NDCC Section 50-29-04 to increase eligibility for the state children's health insurance program from 150 percent to 160 percent of the federal poverty level.

Health care trust fund - Section 24 amends NDCC Section 50-30-02 to provide that money in the health care trust fund may not be included in draft appropriation acts under Section 54-44.1-06.

Repeal - Section 25 repeals Section 4 of Chapter 422 of the 2007 Session Laws relating to the effective date of the expansion of medical assistance benefits.

Related Legislation

Dementia care services - House Bill No. 1043 directs the Department of Human Services to contract for a dementia care services program in each area of the state served by a regional human service center to provide personalized care consultation services, training, and education relating to dementia; provides a $1.2 million general fund appropriation for the program; and provides for a report to the Legislative Council regarding the outcomes of the program.

Transition-aged youth at risk - House Bill No. 1044 provides that the Department of Human Services develop, within current appropriations, a program for services to transition-aged youth at risk.

Child care assistance - House Bill No. 1090 identifies the child care assistance currently administered by the Department of Human Services in statute.

Child support enforcement - House Bill No. 1175 provides statutory changes regarding child support enforcement.

Sale of land - House Bill No. 1214 authorizes the Department of Human Services to sell land at the Developmental Center in Walsh County.

Bad debt expenses - House Bill No. 1303 increases the amount of allowable bad debt expenses when determining nursing home rates.

Education expenses - House Bill No. 1307 provides for an increase of certain education expenses for determining nursing home rates.

Nursing facility grant - House Bill No. 1327 provides a $200,000 special funds appropriation from the health care trust fund to the Department of Human Services for providing a grant to a nursing facility for costs associated with remodeling the facility to meet the requirements of an assisted living facility and a basic care facility. The facility receiving the grant is to use $50,000 of the grant to conduct a rent subsidy pilot project for at least four assisted living residents.

Early childhood care services - House Bill No. 1418 appropriates $3,644,000 of federal fiscal stimulus funds to the Department of Human Services for implementing programs associated with early childhood care services.

Special care rate for nursing homes - House Bill No. 1433 provides a $365,875 appropriation, of which $28,761 is from the general fund, to the Department of Human Services for funding a special care rate for qualifying nursing homes.

Funeral set-aside - House Bill No. 1477 amends NDCC Section 50-24.1-02.3 to increase the funeral set-aside for Medicaid recipients from $5,000 to $6,000.

Indian county payments - House Bill No. 1540 relates to the funding of economic assistance programs in counties with federally recognized Indian reservation land. The bill provides a $549,938 general fund appropriation to the Department of Human Services for additional payments to counties that contain federally recognized Indian reservation land.

Study of developmental disabilities providers - House Bill No. 1556 appropriates $100,000 from the general fund and $100,000 from special funds to the Department of Human Services for a study by the department of the methodology and calculations for the ratesetting structure for public and private licensed developmental disabilities providers.

Criminal history record checks - Senate Bill No. 2162 relates to criminal history record checks for individuals who provide early childhood services, Department of Human Services employees, and service providers.

Autism spectrum disorder task force - Senate Bill No. 2174 establishes an autism spectrum disorder task force and provides a $3,000 general fund appropriation to the Department of Human Services for paying for expenses of the task force.

Traumatic brain injury - Senate Bill No. 2198 provides a $330,000 general fund appropriation to the Department of Human Services for providing services to individuals with traumatic brain injury.

Charitable emergency feeding network - Senate Bill No. 2231 provides a $350,000 general fund appropriation to the Department of Human Services for contracting with a statewide provider of charitable food distribution services to address gaps in service in, expand the recovery and distribution of surplus food supplies, and strengthen the capacity of the North Dakota charitable emergency feeding network.

Alternatives-to-abortion program - Senate Bill No. 2391 provides a $100,000 special funds appropriation to the Department of Human Services from federal temporary assistance for needy families block grant funds for the alternatives-to-abortion program.

Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
House Bill Nos. 1016, 1015, Senate Bill Nos. 2012, 2444

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	232.00	$28,904,609	$120,025,948	$148,930,557
2009-11 legislative appropriations	**232.00**	**40,725,214**	**236,671,871**	**277,397,085**
Legislative increase (decrease) to executive budget	0.00	$11,820,605	$116,645,923	$128,466,528
Legislative increase (decrease) to 2007-09 appropriations	0.00	($29,941,646)[1]	$114,920,808	$84,979,162

[1]This amount reflects the 2007-09 deficiency appropriation of $5,822,553 from the general fund to the Adjutant General to repay the Bank of North Dakota for the state's share of disaster costs ($4,822,553) and for emergency snow removal grants ($1,000,000) and the transfer of $43,000,000 from the general fund to the state disaster relief fund in the 2007-09 biennium.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$19,062,337	$51,604,523[1]	$70,666,860
2009-11 legislative appropriations	**22,189,867**	**18,535,347**	**40,725,214**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$3,127,530	($33,069,176)	($29,941,646)
Percentage increase (decrease) to 2007-09 appropriations	16.4%	(64.1%)	(42.4%)
2009-11 legislative increase (decrease) to executive budget	$358,105	$11,462,500	$11,820,605
Percentage increase (decrease) to executive budget	1.6%	162.1%	40.9%

[1]This amount reflects the 2007-09 deficiency appropriation of $5,822,553 from the general fund and the transfer of $43,000,000 from the general fund to the state disaster relief fund noted above.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($67,895)	($137,847)	($205,742)

Changed the funding source for boiler replacement at the Minot Air Force Reserve Center and the Raymond J. Bohn Armory ($500,000), construction of an east operations center facility at the Air National Guard installation in Fargo ($450,000), and security enhancements for the state's system that serves as the designated control terminal agency for the National Crime Information Center ($311,500) from the general fund to federal fiscal stabilization - other government services funds from the Governor		(1,261,500)	1,261,500	0
Appropriated federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 for military energy-related maintenance and repairs			2,522,270	2,522,270
Added funding for a volunteer management grant program (see **Other Sections in House Bill No. 1016** section below)		400,000		400,000
Provided additional funding from federal funds for costs relating to the 2009 flood-related disasters. This funding is in addition to the funding appropriated in Senate Bill No. 2444.			50,000,000	50,000,000
Provided funding from the state disaster relief fund for emergency snow removal grants to counties, cities, and townships ($20 million) and for costs relating to the 2009 flood-related disasters, snow removal damage to roads, and other disasters ($23 million) (Senate Bill No. 2012)			43,000,000	43,000,000
Provided funding of $12.5 million from the general fund and $20 million of federal funds for costs relating to the 2009 flood-related disasters (Senate Bill No. 2444)		12,500,000	20,000,000	32,500,000
Provided funding for grants to political subdivisions for disaster, emergency response, and disaster recovery costs relating to 2007 tornado damage (House Bill No. 1015)		250,000		250,000
Total	0.00	$11,820,605	$116,645,923	$128,466,528

FTE Changes

The 2009-11 biennium appropriation includes funding for 232 FTE positions, the same as the 2007-09 biennium. The Legislative Assembly did not change the executive recommendation to delete 5 FTE protection service worker positions not requested by the agency and to add 1 FTE geographic information system specialist III position, 1 FTE systems mechanic III position, 1 FTE position for the reintegration program, 1 FTE computer and network specialist position, and 1 FTE emergency program specialist position.

One-Time Funding

In Section 6 of House Bill No. 1016, the Legislative Assembly identified $5,785,347 from the general fund for the Motorola lease purchase payment ($1,525,347), veterans' bonus multiple deployments ($500,000), technology projects ($3,600,000), and technology equipment and software purchases ($160,000) as one-time funding items. Other one-time funding items for the Adjutant General include:

- House Bill No. 1015 - $250,000 from the general fund for grants to eligible political subdivisions for emergency and disaster recovery relating to 2007 tornado damage.

- Senate Bill No. 2444 - $12.5 million from the general fund for 2009 flood disaster funding.

The total for one-time funding to the Adjutant General is $18,535,347. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Adjutant General is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Sections 2 and 3 of House Bill No. 1016, the Legislative Assembly appropriated $3,783,770 of federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009. This funding, summarized below, is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Military energy-related maintenance and repairs	$2,522,270
Boiler replacement at the Minot Air Force Reserve Center and the Raymond J. Bohn Armory (fiscal stabilization - other government services funds from the Governor)	500,000
Construction of an east operations center at the Air National Guard installation in Fargo (fiscal stabilization - other government services funds from the Governor)	450,000
Funding to enhance the security within the state's system that serves as the designated control terminal agency for the National Crime Information Center (fiscal stabilization - other government services funds from the Governor)	311,500
Total	$3,783,770

Capital Assets Line Item

The Legislative Assembly provided funding of $2,241,017, of which $1,749,017 is from the general fund and $492,000 is from other funds, for capital assets. The funding of $2,241,017 is a decrease of $450,000 from the executive recommendation of $2,691,017. The following is a summary of the capital assets line item funding:

	2009-11 Executive Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
National Guard						
Payment in lieu of taxes at Camp Grafton	$37,000		$37,000	$37,000		$37,000
Bond payment	70,627		70,627	70,627		70,627
Special assessments	64,043		64,043	64,043		64,043
Replacement of grounds equipment units	52,000		52,000	52,000		52,000
East operations center facility	450,000		450,000	[1]		[1]
Subtotal - National Guard	$673,670		$673,670	$223,670		$223,670
Department of Emergency Services						
Motorola lease purchase agreement payment	$1,525,347		$1,525,347	$1,525,347		$1,525,347
Replacement of two videoconference systems		$40,000	40,000		$40,000	40,000
Mobile joint information center		75,000	75,000		75,000	75,000
Mobile command vehicle		75,000	75,000		75,000	75,000
Camera-based security system and identification card system		132,000	132,000		132,000	132,000
Two global positioning systems		70,000	70,000		70,000	70,000

	2009-11 Executive Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Geospatial data software upgrade package for the WebEOC system		100,000	100,000		100,000	100,000
Subtotal - Department of Emergency Services	$1,525,347	$492,000	$2,017,347	$1,525,347	$492,000	$2,017,347
Total - Adjutant General	$2,199,017	$492,000	$2,691,017	$1,749,017[2]	$492,000[2]	$2,241,017[2]

[1]The Legislative Assembly appropriated $450,000 of federal fiscal stabilization funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to the Adjutant General for construction of an east operations center facility.

[2]In addition to the amounts reported for the capital assets line item, capital asset funding is also included in the Army Guard contract line item and in the appropriation of federal fiscal stimulus funding.

Tuition and Enlistment Compensation

The Legislative Assembly did not change the executive recommendation to provide $2,407,500 from the general fund for the tuition and enlistment compensation program, the same level of funding provided for the 2007-09 biennium. The tuition and enlistment compensation program is a scholarship program providing approximately $1,000 per semester for eligible students taking 12 or more credits. Students taking fewer than 12 credits receive lower payments. In addition, under North Dakota Century Code (NDCC) Section 37-07.1-03, the accredited postsecondary institution waives 25 percent of the total tuition cost for each eligible student.

Veterans' Cemetery

The Legislative Assembly did not change the executive recommendation to provide funding of $489,141, of which $301,659 is from the general fund and $187,482 is special funds from the Veterans' Cemetery maintenance fund, for the operation of the Veterans' Cemetery. This represents an increase in funding of $64,351 from the 2007-09 biennium appropriation of $354,922, of which $238,659 was from the general fund and $116,263 was special funds from the Veterans' Cemetery maintenance fund. Section 7 of House Bill No. 1016 provides that any additional funds received by the Adjutant General and deposited in the Veterans' Cemetery maintenance fund pursuant to NDCC Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery are appropriated to the Adjutant General.

Other Sections in House Bill No. 1016

Volunteer management grant program - Section 5 appropriates $400,000 from the general fund to the Department of Emergency Services to provide grants to political subdivisions for payments to entities that have provided volunteer management services within that political subdivision for a particular disaster in an amount that may not exceed $50,000 for each disaster.

Line item transfer authority - Section 8 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 2009-11 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Exemption - Section 9 provides that any unexpended general fund appropriation authority relating to the $980,000 appropriated for the computer-aided dispatch project during the 2007-09 biennium is not subject to the provisions of NDCC Section 54-44.1-11 and may be expended during the 2009-11 biennium.

Reintegration program - Section 10 provides legislative intent that the Adjutant General use all federal funds available for the reintegration program before using the $1,377,409 appropriated from the general fund for the program. The funding for the program is to be used for providing support for all service members and their families. Section 11 provides that the Adjutant General is to report to the Budget Section during the 2009-10 interim regarding reintegration program expenditures and the program's impact on service members.

State Radio communications coverage - Section 12 provides legislative intent that the funding of $500,000 from the general fund appropriated for improving State Radio communications coverage in the state is to be used for conducting a study of the effects of Next Generation 911 ($100,000), alternatives to constructing new State Radio towers ($75,000), and implementing a new State Radio tower site near Wales ($325,000).

Disaster funding - Section 13 provides legislative intent that 2009 flood disaster payments to political subdivisions be made allowing for a 6 percent local share. The difference between current federal funding and anticipated federal funding is to be made by the state until federal reimbursement funds are received.

Volunteer emergency responder - Section 14 amends NDCC Section 37-29-03 as created by House Bill No. 1181 (2009) to allow 20 regular working days of absence by an employee to serve as a volunteer emergency responder, instead of 10 regular business days as in House Bill No. 1181, before the employer may terminate or demote the employee. In addition, the requirement that the employee must continue to make reasonable notification efforts to the employer over the course of the absence is removed. Section 15 amends Section 54-06-27 as amended by House Bill No. 1181 to allow 20 regular working days of absence by an employee of a state agency or political subdivision to serve as a volunteer emergency responder, instead of 10 regular business days as in House Bill No. 1181.

Related Legislation

Disaster, emergency response, and recovery costs - Section 34 of House Bill No. 1015 provides a $250,000 general fund appropriation to the Department of Emergency Services for providing grants to eligible political subdivisions for up to 50 percent of the costs incurred by the political subdivisions in meeting the local cost-share required by the Federal Emergency Management Agency for disaster, emergency response, and recovery costs, and for up to 50 percent of the costs incurred by the political subdivisions for disaster, emergency response, and recovery costs not covered by the Federal Emergency Management Agency. An eligible political subdivision is one that experienced damage or destruction due to a tornado during the summer of 2007.

2007-09 deficiency appropriation - House Bill No. 1023 provides a $4,822,553 general fund deficiency appropriation for the 2007-09 biennium for the state's share of disaster costs.

Tuition and enlistment compensation program - House Bill No. 1138 amends statutory provisions relating to the National Guard tuition and enlistment compensation program to allow grants for student fees in addition to tuition.

Veterans' bonus program - House Bill No. 1482 amends NDCC Sections 37-28-02 and 37-28-03 to extend the veterans' bonus program through the 2009-11 biennium and to expand eligibility for the veterans' bonus program to include multiple deployments. The bill also amends Section 6 of Chapter 17 of the 2005 Session Laws to provide 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, and 2009-11 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 2011-13 biennium.

Hazardous chemicals preparedness and response program - House Bill No. 1484 amends NDCC Section 37-17.1-07.1(2)(c) to increase the maximum fee for a facility under the hazardous chemicals preparedness and response program from $150 to $475. This bill is estimated to generate approximately $35,775 of additional revenue, of which one-half is provided to local emergency planning commissions for local expenses and one-half is used by the Department of Emergency Services to manage the statewide hazardous chemicals preparedness and response program.

State disaster relief fund - Senate Bill No. 2012 includes the following sections relating to a state disaster relief fund:

- Section 4 establishes a state disaster relief fund. Money in the fund is to be used subject to legislative appropriations for providing funding for defraying the expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential declared disasters in the state.
- Section 5 provides that the Office of Management and Budget is to transfer $43 million from the general fund to the state disaster relief fund during the 2007-09 biennium.
- Section 6 appropriates $43 million from the state disaster relief fund to the Adjutant General for providing emergency relief funding during the 2009-11 biennium. The Adjutant General may use up to $20 million of the funds for providing emergency snow removal grants to counties, cities, and townships in accordance with Section 7 of Senate Bill No. 2012 and may use the remaining $23 million 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 7 provides that a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 50 percent of the costs incurred by the county, township, or city for the period January 2009 through March 2009 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. Each county, township, or city requesting reimbursement is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services is to distribute these grants prior to June 30, 2009, and shall report to the Budget Section regarding the grants awarded under this section.
- Section 8 provides that 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. Each political subdivision requesting reimbursement is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services may distribute up to $13 million of grants under this section. Any additional grant expenditures require Budget Section approval. The Department of Emergency Services is to report to the Budget Section on grants awarded under this section. Any funds provided for by the Department of Emergency Services in this section which are not distributed to political subdivisions may be used to match federal disaster relief funds received for state purposes, subject to Budget Section approval.

Income tax credit - Senate Bill No. 2388 provides for an income tax credit for an employer maintaining payment of salary and related retirement plan contributions for an employee called to active military duty as a member of a reserve or National Guard component.

Emergency snow removal grants - Senate Bill No. 2393 appropriates $1 million from the general fund to the Department of Emergency Services for emergency snow removal grants for the 2007-09 biennium.

Flood disaster relief - Senate Bill No. 2444 appropriates $12.5 million from the general fund and $20 million from special funds to the Adjutant General for expenses relating to 2009 flood disasters.

Office of Administrative Hearings
Budget No. 140
Senate Bill No. 2017

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	8.00	$0	$1,836,105	$1,836,105
2009-11 legislative appropriations	**5.00**	**0**	**1,498,712**	**1,498,712**
Legislative increase (decrease) to executive budget	(3.00)	$0	($337,393)	($337,393)
Legislative increase (decrease) to 2007-09 appropriations	(3.00)	$0	($147,987)	($147,987)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($11,793)	($11,793)
Removed 2 FTE administrative law judge positions and 1 FTE administrative assistant position. Services will be provided by temporary contract administrative law judges.	(3.00)		(535,100)	(535,100)
Increased operating expenses to provide additional funding for temporary contract administrative law judges			209,500	209,500
Total	(3.00)	$0	($337,393)	($337,393)

FTE Changes

The 2009-11 legislative appropriation includes funding for 5 FTE positions, a decrease of 3 FTE positions from the executive recommendation and the 2007-09 authorized level of 8. The Legislative Assembly removed 2 FTE administrative law judge positions and 1 FTE administrative assistant position. Services will be provided by temporary contract administrative law judges.

Related Legislation

House Bill No. 1113 - This bill relates to state employee complaint appeals.

House Bill No. 1464 - This bill relates to Workforce Safety and Insurance administrative hearings.

Senate Bill No. 2357 - This bill relates to discharge for cause hearings.

Aeronautics Commission
Budget No. 412
Senate Bill No. 2006

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	6.00	$550,000	$12,388,082	$12,938,082
2009-11 legislative appropriations	**6.00**	**550,000**	**12,368,666**	**12,918,666**
Legislative increase (decrease) to executive budget	0.00	$0	($19,416)	($19,416)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$0	$5,840,582	$5,840,582

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$550,000	$0	$550,000
2009-11 legislative appropriations	**550,000**	**0**	**550,000**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$0	$0	$0
Percentage increase (decrease) to 2007-09 appropriations	0%	N/A	0%
2009-11 legislative increase (decrease) to executive budget	$0	$0	$0
Percentage increase (decrease) to executive budget	0%	N/A	0%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($19,416)	($19,416)
Total	0.00	$0	($19,416)	($19,416)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 6 FTE positions, the same as the 2007-09 biennium.

Air Service (Air Carrier) Airport Grants

The Legislative Assembly did not change the executive recommendation to provide $3.3 million, of which $550,000 is from the general fund and $2,750,000 is from other funds, for the air service airport grant program. This is an increase of $1.3 million from the funding provided for the 2007-09 biennium of $2 million, which included $500,000 from the general fund and $1,450,000 from other funds.

General Aviation (Secondary Airport) Grant Program

The Legislative Assembly did not change the executive recommendation to provide $2,530,000 of other funds for the general aviation grant program. This is an increase of $1,030,000 from the funding for the 2007-09 biennium of $1.5 million from other funds.

Other Sections in Bill

Special funds - Section 2 amends North Dakota Century Code Section 57-43.3-06 relating to the use of special funds received by the Aeronautics Commission.

NDSU Main Research Center
Budget No. 640
Senate Bill Nos. 2020, 2373

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	353.39	$60,188,875	$44,813,267	$105,002,142
2009-11 legislative appropriations	**352.39**	**60,217,151**	**45,713,267**	**105,930,418**
Legislative increase (decrease) to executive budget	(1.00)	$28,276	$900,000	$928,276
Legislative increase (decrease) to 2007-09 appropriations	5.00	$16,065,454[1]	$2,811,100	$18,876,554[1]

[1]This amount reflects a 2007-09 deficiency appropriation of $100,499 from the general fund to the Main Research Center for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$36,043,448	$8,108,249	$44,151,697
2009-11 legislative appropriations	**42,767,151**	**17,450,000**	**60,217,151**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$6,723,703	$9,341,751	$16,065,454
Percentage increase (decrease) to 2007-09 appropriations	18.7%	115.2%	36.4%
2009-11 legislative increase (decrease) to executive budget	$78,276	($50,000)	$28,276
Percentage increase (decrease) to executive budget	0.2%	(0.3%)	0.05%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Main Research Center is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Reduced **one-time funding** included in the executive budget for deferred maintenance to provide a total of $450,000		($50,000)		($50,000)
Added, as an emergency measure, funding for industrial hemp research			$200,000	200,000

Added funding for 1 FTE wheat rust pathologist position, including salaries and wages ($210,000) and operating expenses ($40,000)	1.00	250,000		250,000
Removed funding for 1 FTE scientist position for pulse, oilseed, and wheat quality, including salaries and wages ($223,750) and operating expenses ($33,000)	(1.00)	(256,750)		(256,750)
Removed funding for 1 FTE technician position for pulse, oilseed, and wheat quality, including salaries and wages ($131,974) and operating expenses ($33,000)	(1.00)	(164,974)		(164,974)
Appropriated funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below)			700,000	700,000
Added funding in Senate Bill No. 2373 to provide matching funds for grape research		250,000		250,000
Total	(1.00)	$28,276	$900,000	$928,276

FTE Changes

The 2007-09 appropriation is based on 348.88 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 1.49 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 347.39 FTE positions. The 2009-11 biennium appropriation includes funding for 352.39 FTE positions, a decrease of 1 FTE position from the executive recommendation of 353.39 and an increase of 5 FTE positions from the 2007-09 authorized level of 347.39. The Legislative Assembly removed 1 FTE scientist position and 1 FTE technician position for pulse, oilseed, and wheat quality included in the executive recommendation, but did not change the addition of 1 FTE scientist position and 3 FTE technician positions for pulse, oilseed, and wheat quality included in the executive recommendation. In addition, the Legislative Assembly authorized 1 FTE wheat rust pathologist.

One-Time Funding

In Section 2 of Senate Bill No. 2020, the Legislative Assembly identified $17,450,000 from the general fund for the Main Research Center greenhouse project ($11,450,400); the beef research facility ($2,612,400); the North Central, Williston, Langdon, and Dickinson Research Centers office addition and renovation projects ($2,937,200); and the deferred maintenance pool ($450,000) as one-time funding items. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Main Research Center is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

The Legislative Assembly, in Section 4 of Senate Bill No. 2020, appropriated, if funds are available, $700,000 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Main Research Center for the installation of a geothermal heating system in the Main Research Center greenhouse project. In Section 5 of the bill, the Legislative Assembly authorized the Main Research Center to seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Grape and Wine Program Committee

Senate Bill No. 2373 establishes a Grape and Wine Program Committee and appropriates $250,000 from the general fund to the Grape and Wine Program Committee for the purpose of providing matching funds for grape research during the 2009-11 biennium.

Capital Construction

Main Research Center greenhouse project - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation to provide $11,450,400 from the general fund to continue the Main Research Center greenhouse project. In addition, the Main Research Center, pursuant to Section 12 of Senate Bill No. 2020 (2007), may continue any unspent 2007-09 appropriation authority for the project to the 2009-11 biennium. Funding for the Main Research Center greenhouse project is summarized as follows:

Biennium	General Fund	Federal Fiscal Stimulus Funds	Gifts, Grants, Contracts, and Donations	Bond Proceeds	Total
2005-07			$5,000,000	$2,000,000	$7,000,000
2007-09[1]	$7,000,000				7,000,000
2009-11[2]	$11,450,400	$700,000			12,150,400
Total					$26,150,400

[1]The 2007 Legislative Assembly removed references to Phases 1 and 2 of the greenhouse project and provided that the Main Research Center may use any funding available within the total appropriation authority for the Main Research Center greenhouse project, including the continuation of unspent authority from the 2005-07 biennium, for the Main Research Center greenhouse project to begin construction.

[2]The Main Research Center requested $16.8 million for the 2009-11 biennium to complete the Main Research Center greenhouse project. The 2009 Legislative Assembly, as recommended in the executive budget, provided an appropriation of $11.5 from the general fund. In Section 4 of Senate Bill No. 2020, the Legislative Assembly appropriated an additional $700,000 of federal funds, if available, under the federal American Recovery and Reinvestment Act of 2009 to install a geothermal heating system in the Main Research Center greenhouse. The Main Research Center anticipates requesting an additional $5.3 million to complete the project during the 2011-13 biennium.

In addition, the Legislative Assembly did not change the executive recommendation to provide $480,000 from the general fund for the increased cost of greenhouse utilities.

Beef research facility - The 2007 Legislative Assembly appropriated $1 million from special funds and $80,000 from the general fund for a beef research facility at the Main Research Center. The Main Research Center was able to secure $621,900 of federal and special funds to begin the project. The 2009 Legislative Assembly did not change the executive recommendation to provide $2,612,400 from the general fund to complete the research complex in the 2009-11 biennium.

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the executive recommendation to provide $2,937,200 from the general fund for the following projects:

- North Central Research Center renovation and addition ($624,000);
- Williston Research Center Ernie French Center addition ($1,680,000);
- Langdon Research Center geothermal heating and cooling pump system ($144,000); and
- Dickinson Research Center renovation of the former headquarters building ($489,200).

Deferred maintenance pool - The Legislative Assembly provided one-time funding of $450,000 from the general fund for a deferred maintenance pool to address needs at the Main Research Center and branch research centers, a reduction of $50,000 from the executive recommendation of $500,000.

Extraordinary repairs - The Legislative Assembly did not change the executive recommendation to increase base funding for extraordinary repairs and deferred maintenance by $600,000 to provide total base funding of $1,340,465 from the general fund for extraordinary repairs and deferred maintenance.

Other Sections in Senate Bill No. 2020

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Deferred maintenance transfer authority - Section 6 authorizes the Main Research Center to transfer from the deferred maintenance line to the Main Research Center line amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Beef Systems Center of Excellence - Section 11 provides legislative intent that the Beef Systems Center of Excellence authorized by the 58th (2003) Legislative Assembly has met the funding requirements as outlined in Section 9 of Chapter 20 of the 2003 Session Laws for collection of both federal and special funds by private contributions through the creation of the North Dakota Agricultural Innovation Center and the capitalization for the creation of North Dakota Natural Beef, LLC, which was approved by the Office of Management and Budget when it released $800,000 to the North Dakota State University Agricultural Experiment Station in 2006 pursuant to Section 8 of Chapter 20 of the 2003 Session Laws. The section also provides legislative intent that this center is subject to requirements outlined in Chapter 136 of the 2003 Session Laws and not those enacted later as a part of the center of excellence program administered by the Department of Commerce pursuant to North Dakota Century Code (NDCC) Chapter 15-69.

Capital project carryover authority - Section 12 provides that the 2007-09 appropriation for the Main Research Center greenhouse project is not subject to the provisions of NDCC Section 54-44.1-11, and any unspent appropriation authority or related revenues are available and may be spent during the 2009-11 biennium.

Emergency - Section 13 provides the appropriations for industrial hemp research of $200,000 from special funds, for deferred maintenance of $450,000 from the general fund, and for capital projects of $17,000,000 from the general fund and $350,000 from special funds are declared to be an emergency measure.

Related Legislation

Grape and Wine Program Committee - Senate Bill No. 2373 establishes a Grape and Wine Program Committee and appropriates $250,000 from the general fund to the Grape and Wine Program Committee for the purpose of providing matching funds for grape research during the 2009-11 biennium. The Grape and Wine Program Committee may spend funds appropriated under this section for grants only after consultation with the Main Research Center and only to the extent of $4 for each $1 provided from other sources. The Grape and Wine Program Committee may spend additional funds from gifts, grants, or donations and those additional funds are appropriated to the Grape and Wine Program Committee.

Agronomy Seed Farm
Budget No. 649
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	3.00	$0	$1,275,238	$1,275,238
2009-11 legislative appropriations	**3.00**	**0**	**1,275,238**	**1,275,238**
Legislative increase (decrease) to executive budget	0.00	$0	$0	$0
Legislative increase (decrease) to 2007-09 appropriations	0.00	$0	$41,662	$41,662

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Agronomy Seed Farm is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
The Legislative Assembly did not change the executive recommendation for the Agronomy Seed Farm.				
Total	0.00	$0	$0	$0

FTE Changes

The 2007-09 appropriation is based on 3 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorized the State Board of Higher Education to adjust FTE positions as needed. The State Board of Higher Education did not add or remove FTE positions pursuant to this section. The Legislative Assembly did not change the executive recommendation which included funding for 3 FTE positions, the same as the 2007-09 authorized level.

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations, received by the Upper Great Plains Transportation Institute, North Dakota State University (NDSU) Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Council on the Arts
Budget No. 709
Senate Bill No. 2010

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	5.00	$1,318,173	$1,445,486	$2,763,659
2009-11 legislative appropriations	**5.00**	**1,368,734**	**1,735,486**	**3,104,220**
Legislative increase (decrease) to executive budget	0.00	$50,561	$290,000	$340,561
Legislative increase (decrease) to 2007-09 appropriations	0.00	$199,687	$447,168	$646,855

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,159,047	$10,000	$1,169,047
2009-11 legislative appropriations	**1,311,284**	**57,450**	**1,368,734**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$152,237	$47,450	$199,687
Percentage increase (decrease) to 2007-09 appropriations	13.1%	474.5%	17.1%
2009-11 legislative increase (decrease) to executive budget	($6,889)	$57,450	$50,561
Percentage increase (decrease) to executive budget	(0.5%)	N/A	3.8%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($6,889)		($6,889)
Added funding for arts museum grants		57,450		57,450
Appropriated federal fiscal stimulus funding (see **Federal Fiscal Stimulus Funding** section below)			$290,000	290,000
Total	0.00	$50,561	$290,000	$340,561

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 5 FTE positions, the same as the 2007-09 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2010, the Legislative Assembly identified $57,450 from the general fund as one-time funding for grants to arts museums. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Council on the Arts is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 4 of Senate Bill No. 2010, the Legislative Assembly appropriated $290,000 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Council on the Arts for grants to arts organizations and administrative support. The Council on the Arts may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Bank of North Dakota
Budget No. 471
Senate Bill No. 2014

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	171.50	$10,800,000	$43,398,350	$54,198,350
2009-11 legislative appropriations	**176.50**	**11,100,000**	**44,167,274**	**55,267,274**
Legislative increase (decrease) to executive budget	5.00	$300,000	$768,924	$1,068,924
Legislative increase (decrease) to 2007-09 appropriations	0.00	($2,500,000)	$5,941,184	$3,441,184

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$9,400,000	$4,200,000	$13,600,000
2009-11 legislative appropriations	**9,400,000**	**1,700,000**	**11,100,000**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$0	($2,500,000)	($2,500,000)
Percentage increase (decrease) to 2007-09 appropriations	0.0%	(59.5%)	(18.4%)
2009-11 legislative increase (decrease) to executive budget	$0	$300,000	$300,000
Percentage increase (decrease) to executive budget	0.0%	21.4%	2.8%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($207,982)	($207,982)
Restored 5 vacant FTE positions removed in the executive recommendation	5.00		976,906	976,906
Reduced funding for biofuels PACE from $1.4 million to $700,000		($700,000)		(700,000)
Provided funding for Ag PACE disaster program		1,000,000		1,000,000

Total	5.00	$300,000	$768,924	$1,068,924

FTE Changes

The 2009-11 biennium appropriation includes funding for 176.5 FTE positions, the same as the 2007-09 biennium. The Legislative Assembly restored 5 vacant FTE positions removed in the executive recommendation.

One-Time Funding

In Section 2 of Senate Bill No. 2014, the Legislative Assembly identified $1,700,000 from the general fund, of which $700,000 relates to the biofuels PACE fund and $1,000,000 is for a transfer to the Ag PACE fund for a disaster program, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Bank of North Dakota is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Economic Development

The Legislative Assembly increased the recommended level of funding for the Ag PACE fund from $1,400,000 to $2,400,000 and decreased the recommended level of funding for the biofuels PACE fund from $1,400,000 to $700,000. The Legislative Assembly did not change the recommended funding levels for the PACE fund or 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:

	2007-09 Appropriation	2009-11 Executive Recommendation	2009-11 Appropriation
PACE fund	$8,000,000	$8,000,000	$8,000,000
Ag PACE fund	1,400,000	1,400,000	2,400,000
Biofuels PACE fund	4,200,000	1,400,000	700,000
Beginning farmer revolving loan fund	950,000	950,000	950,000
Total	$14,550,000	$11,750,000	$12,050,000
Funding sources			
General fund	$13,600,000	$10,800,000	$11,100,000
Other funds - Beginning farmer revolving loan fund	$950,000	$950,000	$950,000

General Fund Transfers

Section 16 of Senate Bill No. 2014 provides for a transfer of Bank of North Dakota current earnings and accumulated and undivided profits to the general fund during the 2009-11 biennium in an amount equal to any general fund money deposited in the Ag PACE fund and obligated for the disaster program (see **Ag PACE disaster program** below).

Section 8 of Senate Bill No. 2332 provides for a transfer of up to $8 million of the Bank's profits to the health information technology loan fund or electronic health information exchange fund. Section 9 of Senate Bill No. 2332 provides for a contingent transfer of up to $5 million of Bank profits to the health information technology planning loan fund (see **Related Legislation** section below).

The following schedule shows an analysis of the Bank's estimated capital structure for the 2009-11 biennium:

June 30, 2009, estimated capital level	$237,000,000
Estimated 2009-11 biennium profits	100,000,000[1]
2009-11 biennium transfers to the general fund per Section 16 of Senate Bill No. 2014	(1,000,000)
2009-11 biennium transfers to health information technology-related funds per Sections 8 and 9 of Senate Bill No. 2332	(13,000,000)
Estimated capital on June 30, 2011	$323,000,000

[1]Actual calendar year 2008 profits were $57 million.

Other Sections in Bill

Ag PACE disaster program - Section 15 provides for a transfer of up to $1 million from the general fund to the Ag PACE fund for a disaster program to assist farmers and livestock producers that suffered extraordinary losses directly as a result of the weather-related events in the winter and spring of 2009. The Bank of North Dakota must return any Ag PACE disaster program funds not obligated by January 1, 2011, to the general fund. The Bank of North Dakota may transfer funds available in the PACE and biofuels PACE programs to the Ag PACE program for providing additional funds for the disaster program for the 2009-11 biennium.

Transfer to general fund - Bank of North Dakota - Section 16 provides for a transfer of Bank profits to the general fund in an amount equal to any general fund money deposited in the Ag PACE fund and obligated for the disaster program provided for under Section 15 of the bill.

Legislative intent - Land purchase - Section 18 provides legislative intent that to the best of its ability the Bank of North Dakota ensure that properties adjacent to Bank of North Dakota property northwest of West Street in Bismarck are developed for uses that are consistent with the mission and purpose of the Bank of North Dakota.

Legislative intent - College SAVE program incentives - Section 19 provides legislative intent that the Bank of North Dakota use administrative fee collections associated with the Bank's College SAVE program to provide incentives to establish 529 college savings plans under the Bank's College SAVE program.

Related Legislation

Beginning entrepreneur loan program - Senate Bill No. 2100 changes the total amount of outstanding loans the Bank may guarantee in the beginning entrepreneur loan program from $8 million to an amount equal to 5 percent of the Bank's Tier 1 capital.

Biofuels PACE fund - Senate Bill No. 2291 increases the loan limit up to an additional $250,000 for livestock operators who purchase or install biodigester systems.

New venture capital program - House Bill No. 1202 provides that up to $1 million of the Bank's new venture capital program funds may be used for entrepreneurship awards up to $50,000 per year for designated entrepreneurship centers and up to $20,000 for qualified entrepreneurs who utilize the services of a designated entrepreneurship center.

Transfer of Bank of North Dakota profits - Section 8 of Senate Bill No. 2332 provides for a transfer of up to $8 million of the Bank's profits to the health information technology loan fund or electronic health information exchange fund to meet any required federal fund match. Section 9 of the bill provides for a contingent transfer of up to $5 million of Bank profits to the health information technology planning loan fund if actual general fund revenues for the period July 1, 2009, through September 30, 2009, exceed estimated general fund revenues for that period by at least $22.5 million.

North Dakota Vision Services - School for the Blind
Budget No. 253
House Bill Nos. 1013, 1078

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	28.00	$3,340,671	$820,582	$4,161,253
2009-11 legislative appropriations	**29.50**	**3,492,068**	**815,902**	**4,307,970**
Legislative increase (decrease) to executive budget	1.50	$151,397	($4,680)	$146,717
Legislative increase (decrease) to 2007-09 appropriations	1.50	$564,600	($32,059)	$532,541

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$2,927,468	$0	$2,927,468
2009-11 legislative appropriations	**3,421,868**	**70,200**	**3,492,068**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$494,400	$70,200	$564,600
Percentage increase (decrease) to 2007-09 appropriations	16.9%	N/A	19.3%
2009-11 legislative increase (decrease) to executive budget	$151,397	$0	$151,397
Percentage increase (decrease) to executive budget	4.6%	0.0%	4.5%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the North Dakota Vision Services - School for the Blind is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($28,747)	($4,680)	($33,427)
Added funding for a .5 FTE position for the National Instructional Materials Access Center	.50	47,808		47,808
Added funding for 1 FTE position for adult services in eastern North Dakota, including salaries ($106,128) and operating expenses ($21,654)	1.00	127,782		127,782

Added funding for costs associated with serving as the National Instructional Materials Access Center (House Bill No. 1078)		4,554		4,554
Total	1.50	$151,397	($4,680)	$146,717

FTE Changes

The 2009-11 biennium appropriation includes funding for 29.5 FTE positions, an increase of 1.5 FTE positions from the 2007-09 biennium authorized level and the executive recommendation of 28 FTE positions. The Legislative Assembly added 1 FTE for adult services in eastern North Dakota and a .5 FTE position for the National Instructional Materials Access Center.

One-Time Funding

In Section 2 of House Bill No. 1013, the Legislative Assembly identified $70,200 from the general fund, of which $18,200 is for security cameras and portable adaptive technology devices, $14,000 is for videoconferencing equipment, $7,000 is for the installation of an intercom system, and $31,000 is to continue the window replacement project started during the 2007-09 biennium, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the North Dakota Vision Services - School for the Blind is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in House Bill No. 1013

Deferred maintenance line item transfer authority - Section 7 provides that the North Dakota Vision Services - School for the Blind may transfer from the deferred maintenance line item to the capital assets line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

North Dakota Vision Services - School for the Blind - Operating fund - Section 15 provides income collected for subscription fees or Braille fees must be deposited in the North Dakota Vision Services - School for the Blind operating fund and may be spent subject to appropriation by the Legislative Assembly.

Related Legislation

National Instructional Materials Access Center - House Bill No. 1078 provides a $4,554 general fund appropriation to North Dakota Vision Services - School for the Blind to serve as the National Instructional Materials Access Center authorized user.

Land Department
Budget No. 226
Senate Bill No. 2013

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	21.75	$0	$23,806,148	$23,806,148
2009-11 legislative appropriations	**21.75**	**0**	**13,792,561**	**13,792,561**
Legislative increase (decrease) to executive budget	0.00	$0	($10,013,587)	($10,013,587)
Legislative increase (decrease) to 2007-09 appropriations	3.00	$0	$4,658,553	$4,658,553

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Land Department is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($13,587)	($13,587)
Reduced funding from $20 million included in the executive budget for oil and gas impact grants from the oil and gas impact grant fund to $10 million. Although $10 million is appropriated from the fund, based on provisions of House Bill No. 1304, it is anticipated that only $8 million will be available for distribution during the 2009-11 biennium.			(10,000,000)	(10,000,000)
Total	0.00	$0	($10,013,587)	($10,013,587)

FTE Changes

The 2009-11 biennium appropriation includes funding for 21.75 FTE positions, an increase of 3 FTE positions from the 2007-09 biennium authorized level of 18.75 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE audit technician position, 1 FTE auditor II position, and 1 FTE position pending classification.

Other Sections in Bill

Carryover of appropriations for oil and gas impact grants - Section 2 provides that North Dakota Century Code (NDCC) Section 54-44.1-11 does not apply to 2007-09 appropriations for oil and gas impact grants and, therefore, the 2007-09 appropriation authority may be continued into the 2009-11 biennium.

Contingencies line item/appropriation transfers - Section 3 provides that upon approval of the Board of University and School Lands, the commissioner of University and School Lands may transfer appropriation authority from the contingencies line item to all other line items, except the capital assets line item. The commissioner shall notify the Office of Management and Budget of each transfer made pursuant to this section.

Trust fund distributions to state entities - Section 4 provides the amounts to be distributed to various state entities from state trust funds managed by the Land Department and provides that NDCC Section 15-03-05.2 does not apply to distributions during the 2009-11 biennium. Section 15-03-05.2 provides the trust fund income may not be retained for future distributions to a trust fund beneficiary or added to a permanent fund if it would result in a decrease in distributions to the fund beneficiary from the amount distributed during the preceding fiscal year.

Transfer to general fund - Section 5 provides for a transfer of $35 million to the general fund from the lands and minerals trust fund during the 2009-11 biennium. This is an increase of $20 million from the transfer of $15 million anticipated for the 2007-09 biennium and $8.5 million less than the transfer of $43.5 million recommended in the executive budget.

FTE position - Budget Section approval - Section 6 provides that 1 FTE position relating to minerals management included in Section 1 of the bill may be filled only upon Budget Section approval.

Oil and gas impact grant fund - Additional appropriation authority - Section 7 provides that in addition to the funds appropriated in the grants line item in Section 1 of the bill, there is appropriated any additional funds that may be authorized by the 61st Legislative Assembly for deposit in the oil and gas impact grant fund to the Land Department for providing oil and gas impact grants for the 2009-11 biennium.

Related Legislation

Oil and gas impact grant fund - House Bill No. 1304 increases the maximum amount of oil and gas tax revenues that may be deposited in the oil and gas impact grant fund by $2 million per biennium, from $6 million to $8 million.

Branch Research Centers
Budget No. 628
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	95.56	$11,902,190	$14,266,816	$26,169,006
2009-11 legislative appropriations	**97.26**	**12,367,190**	**15,191,816**	**27,559,006**
Legislative increase (decrease) to executive budget	1.70	$465,000	$925,000	$1,390,000
Legislative increase (decrease) to 2007-09 appropriations	1.70	$963,225[1]	$1,446,612	$2,409,837[1]

[1]This amount reflects a 2007-09 deficiency appropriation totaling $35,654 from the general fund to the Central Grasslands Research Center ($13,560) and the North Central Research Center ($22,094) for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,668,311	$735,654	$11,403,965
2009-11 legislative appropriations	**12,367,190**	**0**	**12,367,190**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,698,879	($735,654)	$963,225
Percentage increase (decrease) to 2007-09 appropriations	15.9%	(100.0%)	8.4%
2009-11 legislative increase (decrease) to executive budget	$465,000	$0	$465,000
Percentage increase (decrease) to executive budget	3.9%	N/A	3.9%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the branch research centers is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added a .7 FTE plant pathologist position and related funding at the Carrington Research Center	.70	$180,000		$180,000
Added 1 FTE forage agronomist position at the Central Grasslands Research Center	1.00	220,000		220,000
Increased funding for an irrigation scientist FTE position at the Williston Research Center		65,000		65,000

Added **one-time funding** from the permanent oil tax trust fund to defray the operating expenses of the Dickinson Research Center			$925,000	925,000
Total	1.70	$465,000	$925,000	$1,390,000

FTE Changes

The 2007-09 appropriation is based on 97.86 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 2.3 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 95.56 FTE positions. The 2009-11 biennium appropriation includes funding for 97.26 FTE positions, an increase of 1.7 FTE positions from the executive recommendation and the 2007-09 authorized level of 95.56. The Legislative Assembly added a .7 FTE plant pathologist position at the Carrington Research Center and 1 FTE forage agronomist position at the Central Grasslands Research Center.

One-Time Funding

In Section 2 of Senate Bill 2020, the Legislative Assembly identified $1,275,000, of which $925,000 for operating expenses is from the permanent oil tax trust fund and $350,000 for capital projects is from Dickinson Research Center oil revenue, as one-time funding. The Legislative Assembly did not change the executive recommendation to provide $350,000 from oil revenue as one-time funding for the Dickinson Research Center headquarters facility parking lot and landscaping. In addition, the Legislative Assembly provided $925,000 from the permanent oil tax trust fund as one-time funding to the Dickinson Research Center for operating expenses. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the branch research centers are to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation for the Main Research Center that included an appropriation of $2,937,200 from the general fund for North Central Research Center renovations ($624,000), the Williston Research Center Ernie French Center addition ($1,680,000), Langdon Research Center renovations ($144,000), and Dickinson Research Center renovations ($489,200).

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Operating pool - Section 10 provides that the $925,000 from the permanent oil tax trust fund appropriated to the Dickinson Research Center be used for operating costs at the Dickinson Research Center.

Department of Career and Technical Education
Budget No. 270
Senate Bill No. 2019, House Bill No. 1475

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	28.50	$26,165,896	$10,762,882	$36,928,778
2009-11 legislative appropriations	**28.50**	**25,941,008**	**10,762,882**	**36,703,890**
Legislative increase (decrease) to executive budget	0.00	($224,888)	$0	($224,888)
Legislative increase (decrease) to 2007-09 appropriations	1.00	$4,117,568	($272,750)	$3,844,818

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$21,823,440	$0	$21,823,440
2009-11 legislative appropriations	**25,941,008**	**0**	**25,941,008**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$4,117,568	$0	$4,117,568
Percentage increase (decrease) to 2007-09 appropriations	18.9%	N/A	18.9%
2009-11 legislative increase (decrease) to executive budget	($224,888)	$0	($224,888)
Percentage increase (decrease) to executive budget	(.9%)	N/A	(.9%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($48,786)		($48,786)
Reduced funding for workforce training from $3.3 million to $3 million		(305,000)		(305,000)
Increased funding to continue virtual area centers to provide total funding of $2.2 million		200,000		200,000

Provided additional funding to increase program reimbursement rates		278,898		278,898
Removed funding added in the executive recommendation for grants to increase the number of career resource coordinators from four to eight		(400,000)		(400,000)
Provided funding in House Bill No. 1475 for additional innovation grants funding. A total of $120,000 from the general fund is provided for innovation grants.		50,000		50,000
Total	0.00	($224,888)	$0	($224,888)

FTE Changes

The 2009-11 biennium appropriation includes funding for 28.5 FTE positions, an increase of 1 FTE position from the 2007-09 biennium authorized level of 27.5 FTE positions. The legislative action did not change the executive recommendation to add 1 FTE career advisor trainer position.

Federal Fiscal Stimulus Funds

Section 3 of Senate Bill No. 2019 authorizes the Department of Career and Technical Education to seek Emergency Commission and Budget Section approval under North Dakota Century Code (NDCC) Chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 for the 2009-11 biennium. Any federal funds received and spent under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Other Sections in Senate Bill No. 2019

Workforce training - Section 2 provides that the State Board of Higher Education conduct a study before July 1, 2010, of the status of the training activities provided by the four institutions of higher education assigned primary responsibility for workforce training in the state. The study must include:

1. Effectiveness in meeting training needs of business and industry in the respective regions;
2. Responsiveness, results achieved, financial performance, and other performance measures; and
3. Review of an appropriate funding mechanism.

The study must involve representatives of the Legislative Assembly, higher education institutions, career and technical education, the workforce training boards established pursuant to NDCC Chapter 52-08, and other representatives of business and industry. The findings of the study must be reported to the interim Workforce Committee, which shall report the findings and its recommendations, together with any legislation required to implement the recommendations, to the 62nd Legislative Assembly.

Related Legislation

House Bill No. 1475 - This bill provides an appropriation of $50,000 from the general fund to the Department of Career and Technical Education for additional innovation grants funding for the 2009-11 biennium.

Branch Research Centers
Budget No. 628
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	95.56	$11,902,190	$14,266,816	$26,169,006
2009-11 legislative appropriations	**97.26**	**12,367,190**	**15,191,816**	**27,559,006**
Legislative increase (decrease) to executive budget	1.70	$465,000	$925,000	$1,390,000
Legislative increase (decrease) to 2007-09 appropriations	1.70	$963,225[1]	$1,446,612	$2,409,837[1]

[1]This amount reflects a 2007-09 deficiency appropriation totaling $35,654 from the general fund to the Central Grasslands Research Center ($13,560) and the North Central Research Center ($22,094) for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,668,311	$735,654	$11,403,965
2009-11 legislative appropriations	**12,367,190**	**0**	**12,367,190**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,698,879	($735,654)	$963,225
Percentage increase (decrease) to 2007-09 appropriations	15.9%	(100.0%)	8.4%
2009-11 legislative increase (decrease) to executive budget	$465,000	$0	$465,000
Percentage increase (decrease) to executive budget	3.9%	N/A	3.9%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the branch research centers is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added a .7 FTE plant pathologist position and related funding at the Carrington Research Center	.70	$180,000		$180,000
Added 1 FTE forage agronomist position at the Central Grasslands Research Center	1.00	220,000		220,000
Increased funding for an irrigation scientist FTE position at the Williston Research Center		65,000		65,000

Added **one-time funding** from the permanent oil tax trust fund to defray the operating expenses of the Dickinson Research Center			$925,000	925,000
Total	1.70	$465,000	$925,000	$1,390,000

FTE Changes

The 2007-09 appropriation is based on 97.86 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 2.3 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 95.56 FTE positions. The 2009-11 biennium appropriation includes funding for 97.26 FTE positions, an increase of 1.7 FTE positions from the executive recommendation and the 2007-09 authorized level of 95.56. The Legislative Assembly added a .7 FTE plant pathologist position at the Carrington Research Center and 1 FTE forage agronomist position at the Central Grasslands Research Center.

One-Time Funding

In Section 2 of Senate Bill 2020, the Legislative Assembly identified $1,275,000, of which $925,000 for operating expenses is from the permanent oil tax trust fund and $350,000 for capital projects is from Dickinson Research Center oil revenue, as one-time funding. The Legislative Assembly did not change the executive recommendation to provide $350,000 from oil revenue as one-time funding for the Dickinson Research Center headquarters facility parking lot and landscaping. In addition, the Legislative Assembly provided $925,000 from the permanent oil tax trust fund as one-time funding to the Dickinson Research Center for operating expenses. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the branch research centers are to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation for the Main Research Center that included an appropriation of $2,937,200 from the general fund for North Central Research Center renovations ($624,000), the Williston Research Center Ernie French Center addition ($1,680,000), Langdon Research Center renovations ($144,000), and Dickinson Research Center renovations ($489,200).

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Operating pool - Section 10 provides that the $925,000 from the permanent oil tax trust fund appropriated to the Dickinson Research Center be used for operating costs at the Dickinson Research Center.

Branch Research Centers
Budget No. 628
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	95.56	$11,902,190	$14,266,816	$26,169,006
2009-11 legislative appropriations	**97.26**	**12,367,190**	**15,191,816**	**27,559,006**
Legislative increase (decrease) to executive budget	1.70	$465,000	$925,000	$1,390,000
Legislative increase (decrease) to 2007-09 appropriations	1.70	$963,225[1]	$1,446,612	$2,409,837[1]

[1]This amount reflects a 2007-09 deficiency appropriation totaling $35,654 from the general fund to the Central Grasslands Research Center ($13,560) and the North Central Research Center ($22,094) for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,668,311	$735,654	$11,403,965
2009-11 legislative appropriations	**12,367,190**	**0**	**12,367,190**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,698,879	($735,654)	$963,225
Percentage increase (decrease) to 2007-09 appropriations	15.9%	(100.0%)	8.4%
2009-11 legislative increase (decrease) to executive budget	$465,000	$0	$465,000
Percentage increase (decrease) to executive budget	3.9%	N/A	3.9%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the branch research centers is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added a .7 FTE plant pathologist position and related funding at the Carrington Research Center	.70	$180,000		$180,000
Added 1 FTE forage agronomist position at the Central Grasslands Research Center	1.00	220,000		220,000
Increased funding for an irrigation scientist FTE position at the Williston Research Center		65,000		65,000

Added **one-time funding** from the permanent oil tax trust fund to defray the operating expenses of the Dickinson Research Center			$925,000	925,000
Total	1.70	$465,000	$925,000	$1,390,000

FTE Changes

The 2007-09 appropriation is based on 97.86 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 2.3 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 95.56 FTE positions. The 2009-11 biennium appropriation includes funding for 97.26 FTE positions, an increase of 1.7 FTE positions from the executive recommendation and the 2007-09 authorized level of 95.56. The Legislative Assembly added a .7 FTE plant pathologist position at the Carrington Research Center and 1 FTE forage agronomist position at the Central Grasslands Research Center.

One-Time Funding

In Section 2 of Senate Bill 2020, the Legislative Assembly identified $1,275,000, of which $925,000 for operating expenses is from the permanent oil tax trust fund and $350,000 for capital projects is from Dickinson Research Center oil revenue, as one-time funding. The Legislative Assembly did not change the executive recommendation to provide $350,000 from oil revenue as one-time funding for the Dickinson Research Center headquarters facility parking lot and landscaping. In addition, the Legislative Assembly provided $925,000 from the permanent oil tax trust fund as one-time funding to the Dickinson Research Center for operating expenses. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the branch research centers are to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation for the Main Research Center that included an appropriation of $2,937,200 from the general fund for North Central Research Center renovations ($624,000), the Williston Research Center Ernie French Center addition ($1,680,000), Langdon Research Center renovations ($144,000), and Dickinson Research Center renovations ($489,200).

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Operating pool - Section 10 provides that the $925,000 from the permanent oil tax trust fund appropriated to the Dickinson Research Center be used for operating costs at the Dickinson Research Center.

Judicial Branch
Budget No. 180
Senate Bill Nos. 2002, 2121

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	349.00	$82,362,546	$2,044,807	$84,407,353
2009-11 legislative appropriations	**342.00**	**82,590,015**	**2,044,807**	**84,634,822**
Legislative increase (decrease) to executive budget	(7.00)	$227,469	$0	$227,469
Legislative increase (decrease) to 2007-09 appropriations	4.00	$15,654,137	($154,833)	$15,499,304

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$65,445,128	$1,490,750	$66,935,878
2009-11 legislative appropriations	**74,282,634**	**8,307,381**	**82,590,015**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$8,837,506	$6,816,631	$15,654,137
Percentage increase (decrease) to 2007-09 appropriations	13.5%	457.3%	23.4%
2009-11 legislative increase (decrease) to executive budget	$175,429	$52,040	$227,469
Percentage increase (decrease) to executive budget	.2%	.6%	.3%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Supreme Court changes:				
Removed a staff attorney position and related operating expenses	(1.00)	($174,963)		($174,963)
Reduced funding required for judges' retirements		(18,243)		(18,243)
District court changes:				
Removed 4 technology coordinator positions but retained related funding of $473,484 for temporary employees or contract services	(4.00)			

Added funding for increasing juror compensation as provided for in Senate Bill No. 2118		76,000		76,000
Removed the following positions: • Family court coordinator (1 FTE) ($128,005) • Clerks of court (3 FTE) ($303,510) • Law clerks (2 FTE) ($277,994)	(6.00)	(709,509)		(709,509)
Removed operating expenses related to the removed FTE positions		(43,000)		(43,000)
Added **one-time funding** for the parenting coordinator program		52,040		52,040
Reduced funding required for judges' retirements		(29,950)		(29,950)
Added funding to allow district courts to contract for clerk of court services		200,000		200,000
Added funding in Senate Bill No. 2121 for 2 FTE judge positions and 2 FTE court reporter positions	4.00	875,094		875,094
Judicial Conduct Commission changes: The Legislative Assembly did not change the appropriation for the Judicial Conduct Commission				0
Total	(7.00)	$227,469	$0	$227,469

FTE Changes

The 2009-11 biennium appropriation includes funding for 342 FTE positions, an increase of 4 FTE positions from the 2007-09 biennium authorized level of 338 FTE positions. The Legislative Assembly removed 11 FTE positions included in the executive recommendation, including a staff attorney, a family court coordinator, 4 technology coordinators, 3 clerks of court, and 2 law clerks. The Legislative Assembly added 2 FTE judge positions and 2 FTE court reporter positions pursuant to the provisions of Senate Bill No. 2121.

One-Time Funding

In Section 6 of Senate Bill No. 2002 the Legislative Assembly identified $8,307,381 from the general fund as one-time funding, of which $7,258,129 is for the unified case management system replacement project, $600,000 is for a management reserve fund for the replacement project, $288,124 is for office equipment and furniture, $109,088 is for information technology equipment, and $52,040 is for parent coordinator training. This amount is not to be considered part of the agency's 2011-13 biennium base budget and the judicial branch is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in Senate Bill No. 2002

Appropriation of additional funding - Section 2 appropriates any funds received by the Supreme Court, district courts, and Judicial Conduct Commission and Disciplinary Board pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations.

Transfers - Section 3 provides that the director of the Office of Management and Budget and the State Treasurer make transfers of 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.

Salaries of Supreme Court justices - Section 4 provides statutory changes to North Dakota Century Code (NDCC) Section 27-02-02 relating to salaries of justices of the Supreme Court. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The Supreme Court justices' salaries are to be increased from the current level of $118,121 to $124,027 effective July 1, 2009, and to $130,228 effective July 1, 2010. The Chief Justice of the Supreme Court is entitled to receive an additional $3,562 per year effective July 1, 2009, and an additional $3,740 per year, effective July 1, 2010, which is an increase from the current level of an additional $3,392 per year.

Salaries and expenses of district court judges - Section 5 provides statutory changes to NDCC Section 27-05-03 relating to salaries and expenses of district court judges. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The district court judges' salaries are to be increased from the current level of $108,236 to $113,648 effective July 1, 2009, and to $119,330 effective July 1, 2010. The presiding judge of a judicial district is entitled to receive an additional $3,282 per year effective July 1, 2009, and an additional $3,447 per year effective July 1, 2008, which is an increase from the current level of an additional $3,126 per year.

Related Legislation

Senate Bill No. 2042 - This bill establishes a parenting coordinator program and requires that a parenting plan be developed and filed with the court. The Legislative Assembly provided one-time funding in Senate Bill No. 2002 of $52,040 from the general fund to provide parenting coordinator training.

Senate Bill No. 2118 - This bill increases compensation to jurors for the first day of required attendance at sessions of the district court. The Legislative Assembly provided funding in Senate Bill No. 2002 of $76,000 from the general fund for the increase in juror compensation.

Senate Bill No. 2121 - This bill provides an appropriation of $875,094 from the general fund to the judicial branch to establish two additional district court judgeships. The Legislative Assembly added 4 FTE positions in Senate Bill No. 2002 pursuant to the provisions of Senate Bill No. 2121.

Department of Commerce
Budget No. 601
Senate Bill Nos. 2018, 2225, 2260, House Bill Nos. 1015, 1350, 1496

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	68.00	$34,490,039	$53,708,861	$88,198,900
2009-11 legislative appropriations	**68.00**	**58,476,303**	**138,261,105**	**196,737,408**
Legislative increase (decrease) to executive budget	0.00	$23,986,264	$84,552,244	$108,538,508
Legislative increase (decrease) to 2007-09 appropriations	2.00	$29,894,338	$82,502,589	$112,396,927

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$25,481,965	$3,100,000	$28,581,965
2009-11 legislative appropriations	**30,056,303**	**28,420,000**	**58,476,303**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$4,574,338	$25,320,000	$29,894,338
Percentage increase (decrease) to 2007-09 appropriations	18.0%	816.8%	104.6%
2009-11 legislative increase (decrease) to executive budget	$3,166,264	$20,820,000	$23,986,264
Percentage increase (decrease) to executive budget	11.8%	273.9%	69.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($134,236)	($42,391)	($176,627)
Adjusted funding for cost-share programs for installation of biofuel blender pumps from $2 million from the general fund as provided for in the executive recommendation to $1 million from the general fund and $1 million from federal fiscal stimulus funds		(1,000,000)	1,000,000	0

Removed funding for grants to local communities to establish or expand child care options	(3,500,000)		(3,500,000)
Provided for a transfer from the general fund to the North Dakota Development Fund for providing financing to early childhood facilities ($1,250,000); provided funding for early childhood facility grants for technical assistance, a business plan, or infrastructure ($500,000); and provided funding for administration of the programs ($70,000) (Senate Bill No. 2225)	1,820,000		1,820,000
Increased funding for InnovateND program (see **InnovateND Program** section below)	100,000		100,000
Increased funding for tourism marketing. This funding is in addition to the $912,000 increase included in the executive budget.	250,000		250,000
Increased special funds spending authority by $15 million to reflect the estimated carryover of federal funds for the neighborhood stabilization program		15,000,000	15,000,000
Increased funding for the North Dakota Trade Office (see **North Dakota Trade Office** section below)	64,000		64,000
Decreased funding for a transfer to the workforce enhancement fund from $2 million to $1 million. The department may spend money in the fund pursuant to a continuing appropriation for workforce enhancement grants.	(1,000,000)		(1,000,000)
Decreased funding for Operation Intern (see **Operation Intern Program** section below)	(300,000)		(300,000)
Added funding for compiling information on tax-exempt property (see **Other Sections in Senate Bill No. 2018** section below)	11,500		11,500
Added funding for a technology-based entrepreneur grant program to be developed by the department	1,000,000		1,000,000
Added funding for a grant to the Lewis and Clark Foundation. The department may spend the funds only to the extent matching funds have been secured from nonstate sources on a dollar-for-dollar basis. The funds may be used only for construction costs.	1,500,000		1,500,000
Added funding for a grant to the Theodore Roosevelt Medora Foundation. The department may spend the funds only to the extent matching funds of $12 million from nonstate sources have been secured by the foundation. The funds may be used only for construction costs.	500,000		500,000

Added funding for a transfer to the centers of excellence fund for providing funding for centers of excellence grants for the 2009-11 biennium. The department may spend money in the fund pursuant to a continuing appropriation for the centers of excellence program (see centers of excellence sections below).		15,000,000		15,000,000
Added funding for a centers of excellence best practice review to be completed by the department and the Centers of Excellence Commission		50,000		50,000
Appropriated federal fiscal stimulus funds (see **Federal Fiscal Stimulus Funding** section below)			68,594,635	68,594,635
Added funding for a transfer to the centers of excellence fund for providing funding for 2007-09 centers of excellence awarded projects (House Bill No. 1015)		4,450,000		4,450,000
Added funding for providing matching funds for eligible individual development accounts (Senate Bill No. 2260)		125,000		125,000
Added funding for a grant for construction of a Great Plains Applied Energy Research Center on the Bismarck State College campus (House Bill No. 1350)		5,000,000		5,000,000
Added funding for conducting an equine processing facility feasibility study (House Bill No. 1496)		50,000		50,000
Total	0.00	$23,986,264	$84,552,244	$108,538,508

FTE Changes

The 2009-11 biennium appropriation includes funding for 68 FTE positions, an increase of 2 FTE positions from the 2007-09 biennium authorized level of 66 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE administrative assistant position and 1 FTE position for the State Commission on Community Service.

One-Time Funding

In Section 6 of Senate Bill No. 2018, the Legislative Assembly identified $2,100,000 from the general fund for the workforce enhancement fund ($1,000,000), biofuel blender pumps grants ($1,000,000), and promotion and marketing of the USS *North Dakota* ($100,000) as one-time funding items. Other one-time funding items for the Department of Commerce include:

- Senate Bill No. 2018 - $15,000,000 from the general fund for transfer to the centers of excellence fund for the 2009-11 biennium.
- Senate Bill No. 2225 - $1,820,000 from the general fund for grants and loans for child care providers.
- House Bill No. 1015 - $4,450,000 from the general fund for transfer to the centers of excellence fund for 2007-09 centers of excellence awarded projects.
- House Bill No. 1350 - $5,000,000 from the general fund for a grant for construction of a Great Plains Applied Energy Research Center on the Bismarck State College campus.
- House Bill No. 1496 - $50,000 from the general fund for conducting an equine processing facility feasibility study.

The total one-time funding for the Department of Commerce is $28,420,000. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the department is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 2 of Senate Bill No. 2018, the Legislative Assembly appropriated $68,594,635 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009. This funding, which is summarized below, is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Community development block grant program	$1,300,000
Community services block grant	4,853,305
State energy program	24,585,000
Energy efficiency and conservation block grants	10,000,000
Weatherization assistance program	25,266,330
Emergency shelter grants	2,590,000
Total	$68,594,635[1,2]

[1]Section 3 of Senate Bill No. 2018 provides that the Department of Commerce is to use $2 million of the federal fiscal stimulus funds for establishing a grant program to assist in the purchase and installation of electrical generators that consume at least 75 percent of the gas from oil and gas well sites which would otherwise be flared or wasted. The funding is contingent upon approval from the United States Department of Energy of use of funding for the grant program. Before making a grant from the program, the Department of Commerce is to obtain the recommendation of the oil and gas research program administered by the Industrial Commission regarding the application's technical accuracy and consistency with the oil and gas research program.

[2]Section 4 of Senate Bill No. 2018 provides that the Department of Commerce use $1 million of the federal fiscal stimulus funds for biofuel blender pump grants.

Centers of Excellence - Funding

The executive budget included a $15 million general fund appropriation to the Office of Management and Budget for providing grants to centers of excellence and authorized the Office of Management and Budget, as directed by the Centers of Excellence Commission with Emergency Commission and Budget Section approval, to borrow up to $5 million from the Bank of North Dakota for providing additional funding for centers of excellence if the $15 million appropriated is committed. The Legislative Assembly appropriated $15 million from the general fund for transfer to the centers of excellence fund for providing funding to centers of excellence for the 2009-11 biennium. The Legislative Assembly provided a contingent general fund appropriation of $5 million for transfer to the centers of excellence fund for providing additional centers of excellence funding for the 2009-11 biennium. The Office of Management and Budget may transfer this funding only if actual general fund revenues for the period July 1, 2009, through December 1, 2009, exceed estimated general fund revenues for that period by at least $5 million, as determined by the Office of Management and Budget, based on the legislative estimates made at the close of the 2009 legislative session.

Centers of Excellence Enhancement Grants

The Legislative Assembly provided, in Section 23 of Senate Bill No. 2018, that the Department of Commerce use $10 million of the funds transferred to the centers of excellence fund for centers of excellence enhancement grants. The centers of excellence enhancement grants may be made available to research universities under the control of the State Board of Higher Education or nonprofit university-related foundations for use in infrastructure or enhancement of economic development and employment opportunities. Appropriate use of funds include a base realignment grant 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; infrastructure and economic development projects or programs to accommodate growth in proximity to or at the Grand Forks Air Force Base; and infrastructure and economic development projects or programs to enhance the capacity of a research university to interface and collaborate with private industry on research, development, demonstration, and commercialization of technology. The Department of Commerce is to develop application criteria, including local support criteria for requests relating to the Grand Forks Air Force Base, review submitted applications, and recommend applications for approval to the Centers of Excellence Commission. Centers of excellence enhancement grants are exempt from North Dakota Century Code (NDCC) Section 15-69-02, Section 15-69-04(3) and (4), and Section 15-69-05(1), (3), and (4).

Centers of Excellence - State Tax Revenue Impact Study

The Legislative Assembly would have provided, in Section 24 of Senate Bill No. 2018, that during the 2009-11 biennium the State Auditor, in consultation with the Tax Commissioner and the Department of Commerce, was to conduct a study of the state tax revenue impact of the centers of excellence program and was to calculate the direct and indirect impact of the program on state tax revenues. The study was to include an analysis for each center of excellence of the actual matching funds received by source, actual number of private sector jobs created, and new private sector facilities opened as the result of the center. **This section was vetoed by the Governor.**

Centers of Excellence - Best Practice Review

The Legislative Assembly provided, in Section 25 of Senate Bill No. 2018, that the Department of Commerce and the Centers of Excellence Commission are to conduct a best practice review of the centers of excellence program by contracting with an appropriate entity with broad-based expertise in programs similar to North Dakota's centers of excellence program. The Legislative Assembly provided the department a $50,000 general fund appropriation for contracting with an entity to perform the review.

Centers of Excellence - Exemption

Section 27 of Senate Bill No. 2018 allows the Department of Commerce to continue any unspent funds appropriated for the centers of excellence program for the 2007-09 biennium to the 2009-11 biennium. The Office of Management and Budget is to transfer any unexpended funds from these appropriations to the centers of excellence fund at the end of the 2007-09 biennium.

Centers of Excellence - Reports

The Legislative Assembly provided, in Section 28 of Senate Bill No. 2018, that the Department of Commerce report on the status of the centers of excellence program and the status of the centers of excellence fund to the Budget Section during the third quarter of 2010 and to the Appropriations Committees during the 2011 legislative session.

Centers of Excellence - Statutory Changes

The Legislative Assembly provided, in Sections 29 through 33 of Senate Bill No. 2018, for the following statutory changes relating to the centers of excellence program:

- Establish 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 to be credited to the fund.
- A center of excellence may not use funds awarded for infrastructure.
- No more than two applications per higher education institution may be submitted for each round of center funding.
- Of the $2 of matching funds required for a center, at least $1 must be cash, of which at least 50 cents must be from the private sector.

InnovateND Program

The Legislative Assembly provided $500,000, of which $350,000 is from the general fund and $150,000 is from special funds, for the InnovateND program. The $500,000 is $100,000 more than the executive recommendation of $400,000, of which $250,000 is from the general fund and $150,000 is from special funds, and $200,000 more than the 2007-09 biennium appropriation of $300,000, of which $150,000 was from the general fund and $150,000 was from special funds.

North Dakota Trade Office

The Legislative Assembly provided $2,064,000 from the general fund for the North Dakota Trade Office. The $2,064,000 is $64,000 more than the executive recommendation of $2,000,000 from the general fund, and $564,000 more than the 2007-09 biennium appropriation of $1,500,000 from the general fund. 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

[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 authority for the 2003-05 biennium. Section 22 of 2003 House Bill No. 1019 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.

Operation Intern Program

The Legislative Assembly provided $900,000 from the general fund for the Operation Intern program. The $900,000 is $300,000 less than the executive recommendation of $1,200,000 from the general fund and $300,000 more than the 2007-09 biennium general fund appropriation of $600,000.

Other Sections in Senate Bill No. 2018

Agriculture fuel tax refunds - Section 7 provides that the department's 2009-11 biennium appropriation includes $575,500 from refunds of tax for fuel used for agricultural purposes for the Agricultural Products Utilization Commission.

Exemption - Agricultural Products Utilization Commission - Section 8 allows the department to continue any unspent funds appropriated for the Agricultural Products Utilization Commission for the 2007-09 biennium to the 2009-11 biennium.

Exemption - Discretionary funds - Section 9 allows the department to continue any unspent funds appropriated for discretionary funds for the 2007-09 biennium to the 2009-11 biennium.

Exemption - Operation Intern program - Section 10 allows the department to continue any unspent funds appropriated for the Operation Intern program for the 2007-09 biennium to the 2009-11 biennium.

Technology-based entrepreneurship grant program - Section 13 provides that the department report to the Budget Section in the third quarter of 2010 on the status of the technology-based entrepreneurship grant program, including an overview of the program and program expenditures.

Tax-exempt property - Section 14 provides that during the 2009-10 interim the department compile information identifying tax-exempt property by school district, including information on the related value of the property based on soil survey, insured value, or other means and a categorization of the property by whether or not it produces revenue based on its use. The department is to report the information compiled to the Budget Section during the third quarter of 2010.

Large tourism infrastructure grants - Section 15 provides legislative intent that the Division of Tourism develop criteria for large tourism infrastructure grants and a method for setting funding priorities for these grants in future bienniums.

Legislative Council study - Technology-based entrepreneurship and economic development best practices - Section 18 provides for a Legislative Council study of technology-based entrepreneurship and economic development best practices. The study is to include a review of best practices implemented by the department and the effectiveness of the department's foundation.

Legislative Council study - Workforce system initiative - Section 19 provides for a Legislative Council study of the state's system for addressing workforce needs through a workforce system initiative. The study is to include a review of the alignment of taxpayer investment with programs, coordination of programs, and the North Dakota workforce strategic plan.

Accountability - Section 20 provides legislative intent that the department establish and implement appropriate accountability requirements relating to grants provided to the Lewis and Clark Foundation and the Theodore Roosevelt Medora Foundation.

Centers of excellence - Sections 21 through 33 relate to centers of excellence (see centers of excellence sections above).

Agricultural fuel tax fund - Section 34 creates a new section to NDCC Chapter 54-18 to provide that within 30 days after the conclusion of each fiscal year, the Industrial Commission transfer 5 percent of the net income earned by the Mill and Elevator during that fiscal year to the agricultural fuel tax fund.

Searchable database of expenditures - Sections 5 and 35 relate to the establishment of a searchable database of expenditures by the Office of Management and Budget.

International Business and Trade Office - Section 36 amends NDCC Section 54-60-16(2) relating to the department's contract with a third party for the provision of services for the International Business and Trade Office.

Operation Intern - Section 37 amends NDCC Section 54-60-17 to limit the number of internship, apprenticeship, and work experience opportunities subsidized for an employer.

Workforce initiatives and activities - Section 38 creates a new section to NDCC Chapter 54-60 relating to reports to the Division of Workforce Development from Job Service North Dakota, the Department of Career and Technical Education, and the State Board of Higher Education regarding workforce initiatives and activities and presentation of workforce-related budget initiatives for upcoming bienniums to the North Dakota Workforce Development Council.

Related Legislation

Organizational structure and programs - Senate Bill No. 2110 relates to the Department of Commerce's organizational structure and programs.

Early childhood facilities - Senate Bill No. 2225:

- Allows early childhood facilities to be eligible for funding from the PACE fund.
- Provides for a transfer of $1,250,000 from the general fund to the North Dakota Development Fund for providing financing to early childhood facilities.
- Provides funding of $500,000 from the general fund to the Department of Commerce for early childhood facility grants for technical assistance, a business plan, or infrastructure.
- Provides funding of $70,000 from the general fund to the Department of Commerce for administration of the programs.
- Requires the Department of Commerce to report to the Budget Section during the second quarter of calendar year 2010 on the status of the financing and grants provided to the early childhood facilities.

Biofuel blender pumps - Senate Bill No. 2228 provides that the Department of Commerce establish a cost-share program to encourage the installation of biofuel blender pumps.

Individual development accounts - Senate Bill No. 2260 provides a $125,000 general fund appropriation to the Department of Commerce Division of Community Services for providing matching funds for individual development accounts.

Life science industries - Senate Bill No. 2372 provides that the Commissioner of Commerce promote the development of life science industries in the state.

Entrepreneurship award program - House Bill No. 1202 provides that the North Dakota Development Fund, Inc., administer an entrepreneurship award program that provides funding awards to entrepreneurial centers and to entrepreneurs.

Great Plains Applied Energy Research Center - House Bill No. 1350 provides a $5 million general fund appropriation to the Department of Commerce for a grant for construction of a Great Plains Applied Energy Research Center on the Bismarck State College campus.

Equine processing facility feasibility study - House Bill No. 1496 provides a $50,000 general fund appropriation to the Department of Commerce for providing a grant for an equine processing facility feasibility study.

Commission on Legal Counsel for Indigents
Budget No. 188
Senate Bill No. 2023

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	33.00	$9,475,383	$2,453,493	$11,928,876
2009-11 legislative appropriations	**30.00**	**9,470,148**	**1,950,217**	**11,420,365**
Legislative increase (decrease) to executive budget	(3.00)	($5,235)	($503,276)	($508,511)
Legislative increase (decrease) to 2007-09 appropriations	1.00	($47,374)	$249,512	$202,138

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$9,517,522	$0	$9,517,522
2009-11 legislative appropriations	**9,470,148**	**0**	**9,470,148**
2009-11 legislative increase (decrease) to 2007-09 appropriations	($47,374)	$0	($47,374)
Percentage increase (decrease) to 2007-09 appropriations	(.5%)	N/A	(.5%)
2009-11 legislative increase (decrease) to executive budget	($5,235)	$0	($5,235)
Percentage increase (decrease) to executive budget	(.1%)	N/A	(.1%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($5,235)		($5,235)
Removed funding for a public defender office in Devils Lake	(3.00)		($503,276)	(503,276)
Total	(3.00)	($5,235)	($503,276)	($508,511)

FTE Changes

The 2009-11 biennium appropriation includes funding for 30 FTE positions, an increase of 1 FTE position from the 2007-09 biennium authorized level of 29 FTE positions. The Legislative Assembly removed 3 FTE positions added in the executive recommendation for a public defender's office in Devils Lake. The Legislative Assembly did not change the executive recommendation to add 1 FTE finance position.

Other Sections in Bill

Contract services - Section 2 creates a new section to North Dakota Century Code Chapter 54-61 which requires the Commission on Legal Counsel for Indigents to contract for public defender services at a minimum level of 50 percent of its biennial caseload.

Related Legislation

Home rule county ordinance violations - House Bill No. 1107 addresses payment of attorney's fees for indigent persons prosecuted for home rule county ordinance violations and changes the method of determining attorney's fees for recoupment.

Indigency of children - House Bill No. 1108 provides for indigent defense for a child who is under the age of 18 and not represented by the child's parent, guardian, or custodian. The bill also provides that indigency for a child under 18 is determined by the parents' ability to pay.

Legislative Council study - Commitment of sexually dangerous individuals - House Bill No. 1497 provides for a Legislative Council study of the feasibility and desirability of transferring from the county to the state the responsibility for the cost of and responsibility for providing legal counsel in cases involving the commitment of sexually dangerous individuals.

Legislative Council study - Mental health commitment cases - Senate Bill No. 2370 provides for a Legislative Council study of the feasibility and desirability of transferring from the county to the state the responsibility for the cost of expert examinations and the responsibility for providing legal counsel in mental health commitment cases.

Department of Corrections and Rehabilitation
Budget No. 530
Senate Bill Nos. 2015, 2030, 2355

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	743.29	$173,232,683	$70,534,389	$243,767,072
2009-11 legislative appropriations	**735.29**	**164,090,829**	**71,511,745**	**235,602,574**
Legislative increase (decrease) to executive budget	(8.00)	($9,141,854)	$977,356	($8,164,498)
Legislative increase (decrease) to 2007-09 appropriations	24.00	($8,977,433)	$47,382,256	$38,404,823

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$128,508,871	$44,559,391	$173,068,262
2009-11 legislative appropriations	**142,657,006**	**21,433,823**	**164,090,829**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$14,148,135	($23,125,568)	($8,977,433)
Percentage increase (decrease) to 2007-09 appropriations	11.0%	(51.9%)	(5.2%)
2009-11 legislative increase (decrease) to executive budget	($5,948,873)	($3,192,981)	($9,141,854)
Percentage increase (decrease) to executive budget	(4.0%)	(13.0%)	(5.3%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adult Services Division				
Removed funding added in the executive budget for state employee salary equity adjustments		($3,052,665)		($3,052,665)
Removed the following new FTE positions recommended in the executive budget: • Correctional officers (5.00 FTE) ($541,650) • Storekeeper (1.00 FTE) ($83,120) • Training officer (1.00 FTE) ($124,549)	(8.00)	(827,300)		(827,300)

• Parole and probation officer (1.00 FTE) ($77,981 - This number is net of a reduction of $66,197 in contract services.)				
Reduced funding for community service supervision grants to provide a total of $62,500 from the community service supervision fund (see **Community Service Supervision** section below)		(200,000)	($62,500)	(262,500)
Increased funding for faith-based programming to provide a total of $800,000		92,000		92,000
Removed funding of $67 million in Senate Bill No. 2015 and added funding of $64 million in Senate Bill No. 2030 for the prison expansion project (see **Prison Facility Project** section below)		(3,000,000)		(3,000,000)
Added funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below)			1,039,856	1,039,856
Reduced funding for operating expenses		(800,000)		(800,000)
Reduced funding for capital projects		(152,481)		(152,481)
Reduced funding for equipment		(40,500)		(40,500)
Youth Services Division				
Removed funding added in the executive budget for state employee salary equity adjustments		(963,585)		(963,585)
Removed funding for additional salary increases for teachers at the Youth Correctional Center (The 2009-11 legislative appropriation includes funding for the teachers according to the 2009-11 salary schedule.)		(197,323)		(197,323)
Added funding in Senate Bill No. 2355 for a short-term shelter and assessment pilot project		200,000		200,000
Reduced funding for operating expenses		(200,000)		(200,000)
Total	(8.00)	($9,141,854)	$977,356	($8,164,498)

FTE Changes

The 2009-11 biennium appropriation includes funding for 735.29 FTE positions, an increase of 24 FTE positions from the 2007-09 biennium authorized level of 711.29 FTE positions and a decrease of 8 FTE positions from the 2009-11 executive recommendation of 743.29 FTE positions. The following table summarizes FTE position changes included in the 2009-11 executive budget and the legislative appropriation:

Position	Executive Budget Recommended FTE Changes	Legislative Appropriation FTE Changes	Legislative Appropriation Increase (Decrease) From Executive Budget
Youth Services Division			
Mental illness coordinator	1.00	1.00	
Addiction counselor	1.00	1.00	
Registered nurse (converted from temporary)	1.00	1.00	
Security officer (converted from temporary)	1.00	1.00	
Adult Services Division			
Parole and probation officer II	1.00		(1.00)
Storekeeper	1.00		(1.00)
Training officer	1.00		(1.00)
Correctional officer	6.00	1.00	(5.00)
Correctional officer (converted from temporary)	4.00	4.00	
Correctional trainee (converted from temporary)	10.00	10.00	
Instructor (converted from temporary)	2.00	2.00	
Administrative assistant (converted from temporary)	1.00	1.00	
Registered nurse (converted from temporary)	1.00	1.00	
Data processing coordinator (converted from temporary)	1.00	1.00	
Total	32.00	24.00	(8.00)

One-Time Funding

In Section 2 of Senate Bill No. 2015, the Legislative Assembly identified $1,969,019 from the general fund as one-time funding, of which $1,372,519 is for deferred maintenance and $595,500 is for equipment. In Senate Bill No. 2030, the Legislative Assembly appropriated $19,465,804 from the general fund and $44,534,196 from other funds for a prison expansion project which is considered to be one-time funding. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Department of Corrections and Rehabilitation is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 8 of Senate Bill No. 2015, the Legislative Assembly appropriated $1,039,856 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Department of Corrections and Rehabilitation for a summer replacement boiler ($225,041), energy management system conversion ($18,928), heating and cooling equipment replacement ($15,574), temporary housing of sexual offenders ($160,000), crime victims assistance ($542,000), and crime victims compensation ($78,313). The Department of Corrections and Rehabilitation may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Capital Projects

	2009-11 Executive Budget			2009-11 Legislative Appropriation			Legislative Appropriation Increase (Decrease)		
Project	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Youth Services Division									
Youth Correctional Center									
Street lighting	$58,509		$58,509	$58,509		$58,509			
Roof replacement	169,609		169,609	169,609		169,609			
Deaerator and powerhouse maintenance	71,882		71,882	71,882		71,882			
Total - Youth Services Division	$300,000		$300,000	$300,000		$300,000			

Project	2009-11 Executive Budget			2009-11 Legislative Appropriation			Legislative Appropriation Increase (Decrease)		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Adult Services Division									
Prisons Division									
State prison expansion	$22,465,804	$44,534,196	$67,000,000	$19,465,804	$44,534,196	$64,000,000	($3,000,000)		($3,000,000)
Penitentiary summer boiler replacement	225,041		225,041	225,041[1]	225,041	450,082		225,041	225,041
Penitentiary gymnasium/administration roof repairs	152,481		152,481				(152,481)		(152,481)
Penitentiary energy management system conversion	18,928		18,928	18,928[1]	18,928	37,856		18,928	18,928
Penitentiary heating and cooling equipment replacement	15,774		15,774	15,774[1]	15,574	31,348		15,574	15,574
Penitentiary other repairs and maintenance	142,281		142,281	142,281		142,281			
James River Correctional Center asbestos abatement	289,188		289,188	289,188		289,188			
James River Correctional Center other repairs	277,410		277,410	277,410		277,410			
Missouri River Correctional Center repairs	103,897		103,897	103,897		103,897			
Total - Adult Services Division	$23,690,804	$44,534,196	$68,225,000	$20,538,323	$44,793,739	$65,332,062	($3,152,481)	$259,543	($2,892,938)
Total Department of Corrections and Rehabilitation	$23,990,804	$44,534,196	$68,525,000	$20,838,323	$44,793,739	$65,632,062	($3,152,481)	$259,543	($2,892,938)

[1]Funding is contingent upon federal stimulus funds not being available.

Inmate Population

The following table summarizes the 2009-11 biennium inmate population projections used to develop the legislative appropriation; the same population estimates were used to develop the executive recommendation:

	Male	Female	Total
Fiscal year 2010			
July	1,329	161	1,490
August	1,331	161	1,492
September	1,333	161	1,494
October	1,336	161	1,497
November	1,338	162	1,500
December	1,340	162	1,502
January	1,342	162	1,504
February	1,344	163	1,507
March	1,347	163	1,510
April	1,349	163	1,512
May	1,351	163	1,514
June	1,353	164	1,517
Fiscal year 2011			
July	1,355	164	1,519
August	1,358	164	1,522
September	1,360	165	1,525
October	1,362	165	1,527
November	1,364	165	1,529

	Male	Female	Total
December	1,367	165	1,532
January	1,369	166	1,535
February	1,371	166	1,537
March	1,373	166	1,539
April	1,375	167	1,542
May	1,378	167	1,545
June	1,380	167	1,547

The following table shows the actual average male and female inmate populations for July 2007 through May 2009 as compared to the legislative population estimates for the 2007-09 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 2008						
July	1,263	1,286	23	190	146	(44)
August	1,267	1,286	19	192	149	(43)
September	1,271	1,298	27	193	150	(43)
October	1,275	1,294	19	194	149	(45)
November	1,279	1,293	14	196	150	(46)
December	1,283	1,300	17	197	148	(49)
January	1,286	1,287	1	199	147	(52)
February	1,290	1,281	(9)	201	146	(55)
March	1,294	1,276	(18)	202	150	(52)
April	1,298	1,268	(30)	204	147	(57)
May	1,302	1,283	(19)	205	148	(57)
June	1,306	1,300	(6)	207	158	(49)
Fiscal year 2009						
July	1,308	1,289	(19)	208	161	(47)
August	1,312	1,289	(23)	210	157	(53)
September	1,316	1,298	(18)	211	160	(51)
October	1,320	1,310	(10)	213	162	(51)
November	1,324	1,314	(10)	215	160	(55)
December	1,328	1,314	(14)	216	161	(55)
January	1,331	1,303	(28)	218	158	(60)
February	1,335	1,294	(41)	220	155	(65)
March	1,339	1,280	(59)	221	151	(70)
April	1,343	1,273	(70)	223	150	(73)
May	1,347	1,283	(64)	225	158	(67)
June	1,351			226		

Male Inmate Contract Housing

The Legislative Assembly did not change the executive recommendation to provide $27,928,227 for contract housing and transitional facilities for male inmates, an increase of $3,865,687 from the 2007-09 biennium appropriation. This amount represents $24,977,632 from the general fund and $2,950,595 of special funds. This funding is to be used to house male inmates at the Missouri River Correctional Center, county jails and private facilities.

Female Inmate Contract Housing

The Legislative Assembly did not change the executive recommendation to provide $8,638,154 from the general fund to house female inmates at the Dakota Women's Correctional and Rehabilitation Center in New England, an increase of $544,447 from the 2007-09 biennium appropriation.

Prison Facility Project

The Legislative Council was directed in Section 10 of 2007 House Bill No. 1015 to appoint a Correctional Facility Review Committee to address the immediate and future needs of the State Penitentiary. The committee was authorized to engage consulting and architectural services for development of three correctional facility concepts. The three concepts were to include construction of a new facility on the existing State Penitentiary site, constructing a new facility at a new site, or remodeling the existing State Penitentiary facility. Each of the three concepts was to:

- Include a master plan, staffing plan, cost-benefit analysis, and project cost estimate;
- Be based upon housing a population of approximately 900 to 1,000 inmates;
- Include options for expansion;
- Take into consideration the transfer of the inmates at the Missouri River Correctional Center to the new or remodeled facility; and
- Take into consideration the facility and staffing needs of the James River Correctional Center.

The Legislative Council selected and contracted with Criminal Justice Institute, Inc. (CJI), a private, not-for-profit, national correctional planning, programming, research, and evaluation firm based in Middletown, Connecticut. The institute began its work in September 2007 and concluded the study with the presentation of a final report to the Correctional Facility Review Committee in April 2008 and made the following recommendations regarding the correctional facility review study:

- Remodel and reuse the existing State Penitentiary;
- Replace the Missouri River Correctional Center with a minimum security unit adjacent to the State Penitentiary; and
- Use an expedited schedule to implement the process either as a single complete project or a three-phased project.

The committee considered a hybrid project plan, which was similar to Phase 1 of the CJI plan. The hybrid plan was estimated to cost $67 million. The executive budget included $67,000,000, of which $22,465,804 is from the general fund, for the hybrid project plan as recommended by the interim committee. In Senate Bill No. 2030, the Legislative Assembly provided an appropriation of $64,000,000, of which $19,465,804 is from the general fund and $44,534,196 is from the State Penitentiary land fund, to the Department of Corrections and Rehabilitation for completing the renovation and expansion project at the State Penitentiary, a decrease of $3,000,000 from the executive recommendation of $67,000,000. The decrease is primarily due to lower than anticipated soft costs and inflationary costs as compared to the amounts identified in the hybrid plan. Estimated construction and renovation costs for each component of Phase 1 of the hybrid plan and total project funding are summarized below:

	Hybrid Phase 1				
	Estimated Cost	**New Beds**	**Cost Per Bed**	**Square Feet**	**Cost Per Square Foot**
New construction					
Medical unit	$5,201,087	29	$179,348	17,935	$290
Segregation/detention[1]	7,408,482	102	$72,632	24,657	$300
Orientation/intake/classification[2]	8,891,960	175	$50,811	35,146	$253
General population[3]	5,181,957	125	$41,456	18,843	$275
Warehouse	1,147,826			10,435	$110
Visiting/entry	432,174			2,161	$200
New construction costs	$28,263,486				
Gross factor (15%)	4,239,523			16,377	
Subtotal	$32,503,009				
Construction contingency	3,250,301				
Total new construction	$35,753,310				

	Hybrid Phase 1				
	Estimated Cost	New Beds	Cost Per Bed	Square Feet	Cost Per Square Foot
Major renovation/remodel[4]	$3,805,360			18,295	$208
Relocate tower	305,760			130	$2,352
Renovation contingency[5]	411,112				
Site development[6]	4,100,000				
Site contingency	410,000				
Project soft costs[7]	8,957,108				
Total 2008 project costs	$53,742,650				
Inflationary costs[8]	13,258,311				
Total 2011 project component costs	$67,000,961	431	$155,455	143,979	$465
Legislative adjustments	(3,000,961)				
Total project appropriation	$64,000,000				

[1]The hybrid plan anticipates 102 segregation beds will be sufficient for the next 10 years. The hybrid plan allows for future expansion of the administrative segregation unit if necessary.

[2]The hybrid plan includes 50 flex beds in the orientation/intake/classification unit that could be used for general population housing if necessary.

[3]The hybrid plan uses existing areas for a dayroom area, a multipurpose program area, and storage areas.

[4]The hybrid plan includes renovation in Phase 1 for the first two floors of the facility administration building.

[5]The hybrid plan includes 10 percent for renovation contingencies.

[6]Site development for the hybrid plan includes $1.8 million for demolition of the East Cellhouse.

[7]The hybrid plan includes 20 percent for project soft costs.

[8]The hybrid plan includes an inflationary rate of approximately 24.67 percent (calculated from February 2008 to the midpoint of construction in September 2011 at 8 percent for 2008 and 2009 and 6 percent thereafter).

Community Service Supervision

The Legislative Assembly in Senate Bill No. 2028 amended North Dakota Century Code Section 29-26-22 to require courts to impose upon each defendant who receives a sentence that includes community service a community service supervision fee of $25 rather than $50. The community service supervision fee must be deposited in the community service supervision fund and be used for matching grants to community service supervision providers. The Legislative Assembly provided an appropriation of $62,500 from the community service supervision fund to the Department of Corrections and Rehabilitation in Senate Bill No. 2015. The Legislative Assembly also provided an appropriation of $375,000 from the general fund to the Office of Management and Budget in Senate Bill No. 2178 for community service supervision grants and directed the grant funds be distributed on an annual basis on August 1 of each year of the 2009-11 biennium.

Other Sections in Senate Bill No. 2015

Department of Corrections and Rehabilitation share of equity pool - Section 4 requires the Office of Management and Budget to provide at least 29 percent of any general fund salary equity pools that are appropriated for salary equity increases for state employees for the 2009-11 biennium to the Department of Corrections and Rehabilitation for employees in pay grades 1 through 14. The Legislative Assembly included language in Section 19 of House Bill No. 1015 which makes the provisions of this section not apply to salary equity pool allocations for the 2009-11 biennium.

Contingent funding - Missouri River Correctional Center - Section 5 provides that $93,592 from the general fund included in Section 1 of the bill for roof repairs for the dining and kitchen area at the Missouri River Correctional Center may be spent only if the center is not relocated to the State Penitentiary site as part of the prison expansion project.

Contingent funding - Programs and projects - Section 6 provides that $225,041 for a summer replacement boiler, $18,928 for conversion of the energy management system from analog to digital, $15,774 for heating and cooling equipment replacement, and $160,000 for temporary housing of sexual offenders from the general fund included in Section 1 of the bill may be spent only to the extent that funds appropriated from federal fiscal stimulus funds in Section 9 of the bill are not available for these purposes.

Heart of America Correction and Treatment Center - Section 7 authorizes the Department of Corrections and Rehabilitation to make 24 equal payments totaling $1,628,813 from the general fund for services provided at the Heart of America Correction and Treatment Center in Rugby for the 2009-11 biennium. If the Heart of America Correction and Treatment Center does not accept a sufficient number of inmates to occupy at least 96 percent of the average daily treatment program bed count provided for in the contract for the first 10 months of each year of the biennium, the Department of Corrections and Rehabilitation is to reduce the monthly payments for the remaining two months of each year. The total reduction for the two months is the sum of the monthly calculation of the number of beds at 96 percent occupancy less the number of beds filled multiplied by the daily rate multiplied by the number of days in the month. The Department of Corrections and Rehabilitation is to refer a sufficient number of inmates to the Heart of America Correction and Treatment Center to allow for the average daily treatment program bed count provided for in the contract to be fulfilled for the 2009-11 biennium.

Related Legislation

Senate Bill No. 2030 - This bill provides an appropriation of $19,465,804 from the general fund and $44,534,196 from the State Penitentiary land fund for Phase 1 of the renovation and expansion project at the State Penitentiary and declares an emergency.

Senate Bill No. 2187 - This bill provides an appropriation of $375,000 from the general fund to the Office of Management and Budget for community service supervision grants. The funds are to be distributed on an annual basis on August 1 of each year of the 2009-11 biennium.

Senate Bill No. 2355 - This bill provides an appropriation of $200,000 from the general fund to the Department of Corrections and Rehabilitation for a pilot project relating to providing a short-term shelter program for at-risk youth.

Council on the Arts
Budget No. 709
Senate Bill No. 2010

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	5.00	$1,318,173	$1,445,486	$2,763,659
2009-11 legislative appropriations	**5.00**	**1,368,734**	**1,735,486**	**3,104,220**
Legislative increase (decrease) to executive budget	0.00	$50,561	$290,000	$340,561
Legislative increase (decrease) to 2007-09 appropriations	0.00	$199,687	$447,168	$646,855

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,159,047	$10,000	$1,169,047
2009-11 legislative appropriations	**1,311,284**	**57,450**	**1,368,734**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$152,237	$47,450	$199,687
Percentage increase (decrease) to 2007-09 appropriations	13.1%	474.5%	17.1%
2009-11 legislative increase (decrease) to executive budget	($6,889)	$57,450	$50,561
Percentage increase (decrease) to executive budget	(0.5%)	N/A	3.8%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($6,889)		($6,889)
Added funding for arts museum grants		57,450		57,450
Appropriated federal fiscal stimulus funding (see **Federal Fiscal Stimulus Funding** section below)			$290,000	290,000
Total	0.00	$50,561	$290,000	$340,561

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 5 FTE positions, the same as the 2007-09 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2010, the Legislative Assembly identified $57,450 from the general fund as one-time funding for grants to arts museums. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Council on the Arts is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 4 of Senate Bill No. 2010, the Legislative Assembly appropriated $290,000 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Council on the Arts for grants to arts organizations and administrative support. The Council on the Arts may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

School for the Deaf
Budget No. 252
House Bill No. 1013, Senate Bill No. 2155

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	43.94	$6,094,621	$1,334,461	$7,429,082
2009-11 legislative appropriations	**43.94**	**7,099,896**	**2,166,450**	**9,266,346**
Legislative increase (decrease) to executive budget	0.00	$1,005,275	$831,989	$1,837,264
Legislative increase (decrease) to 2007-09 appropriations	0.00	$1,673,741	$1,124,949	$2,798,690

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$5,326,155	$100,000	$5,426,155
2009-11 legislative appropriations	**6,198,896**	**901,000**	**7,099,896**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$872,741	$801,000	$1,673,741
Percentage increase (decrease) to 2007-09 appropriations	16.4%	801.0%	30.8%
2009-11 legislative increase (decrease) to executive budget	$170,275	$835,000	$1,005,275
Percentage increase (decrease) to executive budget	2.8%	1,265.2%	16.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($57,224)	($3,011)	($60,235)
Removed funding for any salary increase for the superintendent		(13,501)		(13,501)
Added funding to remodel the Trades Building, including authority to borrow $835,000 from the Bank of North Dakota		835,000	835,000	1,670,000

Added funding for the removal of asbestos and demolition of the infirmary		41,000		41,000
Added funding for grants to public institutions of higher education which provide direct services to students who are hearing-impaired (Senate Bill No. 2155)		200,000		200,000
Total	0.00	$1,005,275	$831,989	$1,837,264

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 43.94 FTE positions, the same as the 2007-09 biennium.

One-Time Funding

In Section 2 of House Bill No. 1013, the Legislative Assembly identified $901,000 from the general fund, of which $41,000 is for the completion of a facility master plan, $25,000 is for a virtual services business plan, and $835,000 is to remodel the Trades Building, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the School for the Deaf is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in House Bill No. 1013

Superintendent's salary/line item transfer authority - Section 5 provides the monthly salary for the superintendent of the School for the Deaf for the 2009-11 biennium may not exceed the monthly salary level in effect for this position in January 2009. This section also allows the School for the Deaf to transfer up to $100,000 of funding from the salaries and wages line item to the operating expenses line item to provide for a future services plan and for plan implementation and to the capital assets line item for the remodel of the Trades Building.

Deferred maintenance line item transfer authority - Section 6 provides that the School for the Deaf may transfer from the deferred maintenance line item to the capital assets line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

Future services plan and implementation - Section 17 provides the Department of Public Instruction and School for the Deaf develop a plan for future services to be offered by the School for the Deaf and begin implementing the plan for the biennium beginning July 1, 2009, and ending June 30, 2011. As part of the plan, the Department of Public Instruction and School for the Deaf must:

1. Review the needs of all deaf and hearing-impaired persons throughout the state and develop a plan to provide comprehensive outreach services to all North Dakota citizens who are deaf or hearing-impaired.
2. Explore the development of partnerships with other states relating to the provision of residential and educational services to individuals who are deaf or hearing-impaired.
3. Review current research and national trends in the provision of services to students who are deaf or hearing-impaired.
4. Meet regularly with a transition team appointed by the Superintendent of Public Instruction consisting of representation from the Legislative Assembly, parents of School for the Deaf students, School for the Deaf employees, members of the Devils Lake community, School for the Deaf alumni, and others.
5. Explore the feasibility of implementing revenue-generating activities at the School for the Deaf.
6. Develop a long-range site and facility plan for the School for the Deaf campus.

Bank of North Dakota loan authorization - The Legislative Assembly provided total funding of $1.67 million, of which $835,000 is from the general fund and $835,000 from a Bank of North Dakota loan, to remodel the Trades Building on the campus of the School for the Deaf. Section 20 of House Bill No. 1013 provides the authorization for the School for the Deaf to borrow up to $835,000 from the Bank of North Dakota for the remodeling project. Section 21 of House Bill No. 1013 authorized the School for the Deaf to continue any unexpended funds from the 2007-09 biennium for the remodeling project.

Related Legislation

Grants to institutions of higher education - Senate Bill No. 2155 provides a $200,000 general fund appropriation to the School for the Deaf for grants to institutions of higher education that provide direct services to students who are deaf or hearing-impaired.

Branch Research Centers
Budget No. 628
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	95.56	$11,902,190	$14,266,816	$26,169,006
2009-11 legislative appropriations	**97.26**	**12,367,190**	**15,191,816**	**27,559,006**
Legislative increase (decrease) to executive budget	1.70	$465,000	$925,000	$1,390,000
Legislative increase (decrease) to 2007-09 appropriations	1.70	$963,225[1]	$1,446,612	$2,409,837[1]

[1]This amount reflects a 2007-09 deficiency appropriation totaling $35,654 from the general fund to the Central Grasslands Research Center ($13,560) and the North Central Research Center ($22,094) for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,668,311	$735,654	$11,403,965
2009-11 legislative appropriations	**12,367,190**	**0**	**12,367,190**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,698,879	($735,654)	$963,225
Percentage increase (decrease) to 2007-09 appropriations	15.9%	(100.0%)	8.4%
2009-11 legislative increase (decrease) to executive budget	$465,000	$0	$465,000
Percentage increase (decrease) to executive budget	3.9%	N/A	3.9%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the branch research centers is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added a .7 FTE plant pathologist position and related funding at the Carrington Research Center	.70	$180,000		$180,000
Added 1 FTE forage agronomist position at the Central Grasslands Research Center	1.00	220,000		220,000
Increased funding for an irrigation scientist FTE position at the Williston Research Center		65,000		65,000

Added **one-time funding** from the permanent oil tax trust fund to defray the operating expenses of the Dickinson Research Center			$925,000	925,000
Total	1.70	$465,000	$925,000	$1,390,000

FTE Changes

The 2007-09 appropriation is based on 97.86 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 2.3 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 95.56 FTE positions. The 2009-11 biennium appropriation includes funding for 97.26 FTE positions, an increase of 1.7 FTE positions from the executive recommendation and the 2007-09 authorized level of 95.56. The Legislative Assembly added a .7 FTE plant pathologist position at the Carrington Research Center and 1 FTE forage agronomist position at the Central Grasslands Research Center.

One-Time Funding

In Section 2 of Senate Bill 2020, the Legislative Assembly identified $1,275,000, of which $925,000 for operating expenses is from the permanent oil tax trust fund and $350,000 for capital projects is from Dickinson Research Center oil revenue, as one-time funding. The Legislative Assembly did not change the executive recommendation to provide $350,000 from oil revenue as one-time funding for the Dickinson Research Center headquarters facility parking lot and landscaping. In addition, the Legislative Assembly provided $925,000 from the permanent oil tax trust fund as one-time funding to the Dickinson Research Center for operating expenses. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the branch research centers are to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation for the Main Research Center that included an appropriation of $2,937,200 from the general fund for North Central Research Center renovations ($624,000), the Williston Research Center Ernie French Center addition ($1,680,000), Langdon Research Center renovations ($144,000), and Dickinson Research Center renovations ($489,200).

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Operating pool - Section 10 provides that the $925,000 from the permanent oil tax trust fund appropriated to the Dickinson Research Center be used for operating costs at the Dickinson Research Center.

Judicial Branch
Budget No. 180
Senate Bill Nos. 2002, 2121

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	349.00	$82,362,546	$2,044,807	$84,407,353
2009-11 legislative appropriations	**342.00**	**82,590,015**	**2,044,807**	**84,634,822**
Legislative increase (decrease) to executive budget	(7.00)	$227,469	$0	$227,469
Legislative increase (decrease) to 2007-09 appropriations	4.00	$15,654,137	($154,833)	$15,499,304

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$65,445,128	$1,490,750	$66,935,878
2009-11 legislative appropriations	**74,282,634**	**8,307,381**	**82,590,015**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$8,837,506	$6,816,631	$15,654,137
Percentage increase (decrease) to 2007-09 appropriations	13.5%	457.3%	23.4%
2009-11 legislative increase (decrease) to executive budget	$175,429	$52,040	$227,469
Percentage increase (decrease) to executive budget	.2%	.6%	.3%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Supreme Court changes:				
Removed a staff attorney position and related operating expenses	(1.00)	($174,963)		($174,963)
Reduced funding required for judges' retirements		(18,243)		(18,243)
District court changes:				
Removed 4 technology coordinator positions but retained related funding of $473,484 for temporary employees or contract services	(4.00)			

Added funding for increasing juror compensation as provided for in Senate Bill No. 2118		76,000		76,000
Removed the following positions: • Family court coordinator (1 FTE) ($128,005) • Clerks of court (3 FTE) ($303,510) • Law clerks (2 FTE) ($277,994)	(6.00)	(709,509)		(709,509)
Removed operating expenses related to the removed FTE positions		(43,000)		(43,000)
Added **one-time funding** for the parenting coordinator program		52,040		52,040
Reduced funding required for judges' retirements		(29,950)		(29,950)
Added funding to allow district courts to contract for clerk of court services		200,000		200,000
Added funding in Senate Bill No. 2121 for 2 FTE judge positions and 2 FTE court reporter positions	4.00	875,094		875,094
Judicial Conduct Commission changes: The Legislative Assembly did not change the appropriation for the Judicial Conduct Commission				0
Total	(7.00)	$227,469	$0	$227,469

FTE Changes

The 2009-11 biennium appropriation includes funding for 342 FTE positions, an increase of 4 FTE positions from the 2007-09 biennium authorized level of 338 FTE positions. The Legislative Assembly removed 11 FTE positions included in the executive recommendation, including a staff attorney, a family court coordinator, 4 technology coordinators, 3 clerks of court, and 2 law clerks. The Legislative Assembly added 2 FTE judge positions and 2 FTE court reporter positions pursuant to the provisions of Senate Bill No. 2121.

One-Time Funding

In Section 6 of Senate Bill No. 2002 the Legislative Assembly identified $8,307,381 from the general fund as one-time funding, of which $7,258,129 is for the unified case management system replacement project, $600,000 is for a management reserve fund for the replacement project, $288,124 is for office equipment and furniture, $109,088 is for information technology equipment, and $52,040 is for parent coordinator training. This amount is not to be considered part of the agency's 2011-13 biennium base budget and the judicial branch is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in Senate Bill No. 2002

Appropriation of additional funding - Section 2 appropriates any funds received by the Supreme Court, district courts, and Judicial Conduct Commission and Disciplinary Board pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations.

Transfers - Section 3 provides that the director of the Office of Management and Budget and the State Treasurer make transfers of 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.

Salaries of Supreme Court justices - Section 4 provides statutory changes to North Dakota Century Code (NDCC) Section 27-02-02 relating to salaries of justices of the Supreme Court. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The Supreme Court justices' salaries are to be increased from the current level of $118,121 to $124,027 effective July 1, 2009, and to $130,228 effective July 1, 2010. The Chief Justice of the Supreme Court is entitled to receive an additional $3,562 per year effective July 1, 2009, and an additional $3,740 per year, effective July 1, 2010, which is an increase from the current level of an additional $3,392 per year.

Salaries and expenses of district court judges - Section 5 provides statutory changes to NDCC Section 27-05-03 relating to salaries and expenses of district court judges. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The district court judges' salaries are to be increased from the current level of $108,236 to $113,648 effective July 1, 2009, and to $119,330 effective July 1, 2010. The presiding judge of a judicial district is entitled to receive an additional $3,282 per year effective July 1, 2009, and an additional $3,447 per year effective July 1, 2008, which is an increase from the current level of an additional $3,126 per year.

Related Legislation

Senate Bill No. 2042 - This bill establishes a parenting coordinator program and requires that a parenting plan be developed and filed with the court. The Legislative Assembly provided one-time funding in Senate Bill No. 2002 of $52,040 from the general fund to provide parenting coordinator training.

Senate Bill No. 2118 - This bill increases compensation to jurors for the first day of required attendance at sessions of the district court. The Legislative Assembly provided funding in Senate Bill No. 2002 of $76,000 from the general fund for the increase in juror compensation.

Senate Bill No. 2121 - This bill provides an appropriation of $875,094 from the general fund to the judicial branch to establish two additional district court judgeships. The Legislative Assembly added 4 FTE positions in Senate Bill No. 2002 pursuant to the provisions of Senate Bill No. 2121.

Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
House Bill Nos. 1016, 1015, Senate Bill Nos. 2012, 2444

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	232.00	$28,904,609	$120,025,948	$148,930,557
2009-11 legislative appropriations	**232.00**	**40,725,214**	**236,671,871**	**277,397,085**
Legislative increase (decrease) to executive budget	0.00	$11,820,605	$116,645,923	$128,466,528
Legislative increase (decrease) to 2007-09 appropriations	0.00	($29,941,646)[1]	$114,920,808	$84,979,162

[1]This amount reflects the 2007-09 deficiency appropriation of $5,822,553 from the general fund to the Adjutant General to repay the Bank of North Dakota for the state's share of disaster costs ($4,822,553) and for emergency snow removal grants ($1,000,000) and the transfer of $43,000,000 from the general fund to the state disaster relief fund in the 2007-09 biennium.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$19,062,337	$51,604,523[1]	$70,666,860
2009-11 legislative appropriations	**22,189,867**	**18,535,347**	**40,725,214**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$3,127,530	($33,069,176)	($29,941,646)
Percentage increase (decrease) to 2007-09 appropriations	16.4%	(64.1%)	(42.4%)
2009-11 legislative increase (decrease) to executive budget	$358,105	$11,462,500	$11,820,605
Percentage increase (decrease) to executive budget	1.6%	162.1%	40.9%

[1]This amount reflects the 2007-09 deficiency appropriation of $5,822,553 from the general fund and the transfer of $43,000,000 from the general fund to the state disaster relief fund noted above.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($67,895)	($137,847)	($205,742)

Changed the funding source for boiler replacement at the Minot Air Force Reserve Center and the Raymond J. Bohn Armory ($500,000), construction of an east operations center facility at the Air National Guard installation in Fargo ($450,000), and security enhancements for the state's system that serves as the designated control terminal agency for the National Crime Information Center ($311,500) from the general fund to federal fiscal stabilization - other government services funds from the Governor		(1,261,500)	1,261,500	0
Appropriated federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 for military energy-related maintenance and repairs			2,522,270	2,522,270
Added funding for a volunteer management grant program (see **Other Sections in House Bill No. 1016** section below)		400,000		400,000
Provided additional funding from federal funds for costs relating to the 2009 flood-related disasters. This funding is in addition to the funding appropriated in Senate Bill No. 2444.			50,000,000	50,000,000
Provided funding from the state disaster relief fund for emergency snow removal grants to counties, cities, and townships ($20 million) and for costs relating to the 2009 flood-related disasters, snow removal damage to roads, and other disasters ($23 million) (Senate Bill No. 2012)			43,000,000	43,000,000
Provided funding of $12.5 million from the general fund and $20 million of federal funds for costs relating to the 2009 flood-related disasters (Senate Bill No. 2444)		12,500,000	20,000,000	32,500,000
Provided funding for grants to political subdivisions for disaster, emergency response, and disaster recovery costs relating to 2007 tornado damage (House Bill No. 1015)		250,000		250,000
Total	0.00	$11,820,605	$116,645,923	$128,466,528

FTE Changes

The 2009-11 biennium appropriation includes funding for 232 FTE positions, the same as the 2007-09 biennium. The Legislative Assembly did not change the executive recommendation to delete 5 FTE protection service worker positions not requested by the agency and to add 1 FTE geographic information system specialist III position, 1 FTE systems mechanic III position, 1 FTE position for the reintegration program, 1 FTE computer and network specialist position, and 1 FTE emergency program specialist position.

One-Time Funding

In Section 6 of House Bill No. 1016, the Legislative Assembly identified $5,785,347 from the general fund for the Motorola lease purchase payment ($1,525,347), veterans' bonus multiple deployments ($500,000), technology projects ($3,600,000), and technology equipment and software purchases ($160,000) as one-time funding items. Other one-time funding items for the Adjutant General include:

- House Bill No. 1015 - $250,000 from the general fund for grants to eligible political subdivisions for emergency and disaster recovery relating to 2007 tornado damage.

- Senate Bill No. 2444 - $12.5 million from the general fund for 2009 flood disaster funding.

The total for one-time funding to the Adjutant General is $18,535,347. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Adjutant General is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Sections 2 and 3 of House Bill No. 1016, the Legislative Assembly appropriated $3,783,770 of federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009. This funding, summarized below, is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Military energy-related maintenance and repairs	$2,522,270
Boiler replacement at the Minot Air Force Reserve Center and the Raymond J. Bohn Armory (fiscal stabilization - other government services funds from the Governor)	500,000
Construction of an east operations center at the Air National Guard installation in Fargo (fiscal stabilization - other government services funds from the Governor)	450,000
Funding to enhance the security within the state's system that serves as the designated control terminal agency for the National Crime Information Center (fiscal stabilization - other government services funds from the Governor)	311,500
Total	$3,783,770

Capital Assets Line Item

The Legislative Assembly provided funding of $2,241,017, of which $1,749,017 is from the general fund and $492,000 is from other funds, for capital assets. The funding of $2,241,017 is a decrease of $450,000 from the executive recommendation of $2,691,017. The following is a summary of the capital assets line item funding:

	2009-11 Executive Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
National Guard						
Payment in lieu of taxes at Camp Grafton	$37,000		$37,000	$37,000		$37,000
Bond payment	70,627		70,627	70,627		70,627
Special assessments	64,043		64,043	64,043		64,043
Replacement of grounds equipment units	52,000		52,000	52,000		52,000
East operations center facility	450,000		450,000	[1]		[1]
Subtotal - National Guard	$673,670		$673,670	$223,670		$223,670
Department of Emergency Services						
Motorola lease purchase agreement payment	$1,525,347		$1,525,347	$1,525,347		$1,525,347
Replacement of two videoconference systems		$40,000	40,000		$40,000	40,000
Mobile joint information center		75,000	75,000		75,000	75,000
Mobile command vehicle		75,000	75,000		75,000	75,000
Camera-based security system and identification card system		132,000	132,000		132,000	132,000
Two global positioning systems		70,000	70,000		70,000	70,000

	2009-11 Executive Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Geospatial data software upgrade package for the WebEOC system		100,000	100,000		100,000	100,000
Subtotal - Department of Emergency Services	$1,525,347	$492,000	$2,017,347	$1,525,347	$492,000	$2,017,347
Total - Adjutant General	$2,199,017	$492,000	$2,691,017	$1,749,017[2]	$492,000[2]	$2,241,017[2]

[1]The Legislative Assembly appropriated $450,000 of federal fiscal stabilization funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to the Adjutant General for construction of an east operations center facility.

[2]In addition to the amounts reported for the capital assets line item, capital asset funding is also included in the Army Guard contract line item and in the appropriation of federal fiscal stimulus funding.

Tuition and Enlistment Compensation

The Legislative Assembly did not change the executive recommendation to provide $2,407,500 from the general fund for the tuition and enlistment compensation program, the same level of funding provided for the 2007-09 biennium. The tuition and enlistment compensation program is a scholarship program providing approximately $1,000 per semester for eligible students taking 12 or more credits. Students taking fewer than 12 credits receive lower payments. In addition, under North Dakota Century Code (NDCC) Section 37-07.1-03, the accredited postsecondary institution waives 25 percent of the total tuition cost for each eligible student.

Veterans' Cemetery

The Legislative Assembly did not change the executive recommendation to provide funding of $489,141, of which $301,659 is from the general fund and $187,482 is special funds from the Veterans' Cemetery maintenance fund, for the operation of the Veterans' Cemetery. This represents an increase in funding of $64,351 from the 2007-09 biennium appropriation of $354,922, of which $238,659 was from the general fund and $116,263 was special funds from the Veterans' Cemetery maintenance fund. Section 7 of House Bill No. 1016 provides that any additional funds received by the Adjutant General and deposited in the Veterans' Cemetery maintenance fund pursuant to NDCC Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery are appropriated to the Adjutant General.

Other Sections in House Bill No. 1016

Volunteer management grant program - Section 5 appropriates $400,000 from the general fund to the Department of Emergency Services to provide grants to political subdivisions for payments to entities that have provided volunteer management services within that political subdivision for a particular disaster in an amount that may not exceed $50,000 for each disaster.

Line item transfer authority - Section 8 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 2009-11 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Exemption - Section 9 provides that any unexpended general fund appropriation authority relating to the $980,000 appropriated for the computer-aided dispatch project during the 2007-09 biennium is not subject to the provisions of NDCC Section 54-44.1-11 and may be expended during the 2009-11 biennium.

Reintegration program - Section 10 provides legislative intent that the Adjutant General use all federal funds available for the reintegration program before using the $1,377,409 appropriated from the general fund for the program. The funding for the program is to be used for providing support for all service members and their families. Section 11 provides that the Adjutant General is to report to the Budget Section during the 2009-10 interim regarding reintegration program expenditures and the program's impact on service members.

State Radio communications coverage - Section 12 provides legislative intent that the funding of $500,000 from the general fund appropriated for improving State Radio communications coverage in the state is to be used for conducting a study of the effects of Next Generation 911 ($100,000), alternatives to constructing new State Radio towers ($75,000), and implementing a new State Radio tower site near Wales ($325,000).

Disaster funding - Section 13 provides legislative intent that 2009 flood disaster payments to political subdivisions be made allowing for a 6 percent local share. The difference between current federal funding and anticipated federal funding is to be made by the state until federal reimbursement funds are received.

Volunteer emergency responder - Section 14 amends NDCC Section 37-29-03 as created by House Bill No. 1181 (2009) to allow 20 regular working days of absence by an employee to serve as a volunteer emergency responder, instead of 10 regular business days as in House Bill No. 1181, before the employer may terminate or demote the employee. In addition, the requirement that the employee must continue to make reasonable notification efforts to the employer over the course of the absence is removed. Section 15 amends Section 54-06-27 as amended by House Bill No. 1181 to allow 20 regular working days of absence by an employee of a state agency or political subdivision to serve as a volunteer emergency responder, instead of 10 regular business days as in House Bill No. 1181.

Related Legislation

Disaster, emergency response, and recovery costs - Section 34 of House Bill No. 1015 provides a $250,000 general fund appropriation to the Department of Emergency Services for providing grants to eligible political subdivisions for up to 50 percent of the costs incurred by the political subdivisions in meeting the local cost-share required by the Federal Emergency Management Agency for disaster, emergency response, and recovery costs, and for up to 50 percent of the costs incurred by the political subdivisions for disaster, emergency response, and recovery costs not covered by the Federal Emergency Management Agency. An eligible political subdivision is one that experienced damage or destruction due to a tornado during the summer of 2007.

2007-09 deficiency appropriation - House Bill No. 1023 provides a $4,822,553 general fund deficiency appropriation for the 2007-09 biennium for the state's share of disaster costs.

Tuition and enlistment compensation program - House Bill No. 1138 amends statutory provisions relating to the National Guard tuition and enlistment compensation program to allow grants for student fees in addition to tuition.

Veterans' bonus program - House Bill No. 1482 amends NDCC Sections 37-28-02 and 37-28-03 to extend the veterans' bonus program through the 2009-11 biennium and to expand eligibility for the veterans' bonus program to include multiple deployments. The bill also amends Section 6 of Chapter 17 of the 2005 Session Laws to provide 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, and 2009-11 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 2011-13 biennium.

Hazardous chemicals preparedness and response program - House Bill No. 1484 amends NDCC Section 37-17.1-07.1(2)(c) to increase the maximum fee for a facility under the hazardous chemicals preparedness and response program from $150 to $475. This bill is estimated to generate approximately $35,775 of additional revenue, of which one-half is provided to local emergency planning commissions for local expenses and one-half is used by the Department of Emergency Services to manage the statewide hazardous chemicals preparedness and response program.

State disaster relief fund - Senate Bill No. 2012 includes the following sections relating to a state disaster relief fund:

- Section 4 establishes a state disaster relief fund. Money in the fund is to be used subject to legislative appropriations for providing funding for defraying the expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential declared disasters in the state.
- Section 5 provides that the Office of Management and Budget is to transfer $43 million from the general fund to the state disaster relief fund during the 2007-09 biennium.
- Section 6 appropriates $43 million from the state disaster relief fund to the Adjutant General for providing emergency relief funding during the 2009-11 biennium. The Adjutant General may use up to $20 million of the funds for providing emergency snow removal grants to counties, cities, and townships in accordance with Section 7 of Senate Bill No. 2012 and may use the remaining $23 million 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 7 provides that a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 50 percent of the costs incurred by the county, township, or city for the period January 2009 through March 2009 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. Each county, township, or city requesting reimbursement is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services is to distribute these grants prior to June 30, 2009, and shall report to the Budget Section regarding the grants awarded under this section.
- Section 8 provides that 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. Each political subdivision requesting reimbursement is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services may distribute up to $13 million of grants under this section. Any additional grant expenditures require Budget Section approval. The Department of Emergency Services is to report to the Budget Section on grants awarded under this section. Any funds provided for by the Department of Emergency Services in this section which are not distributed to political subdivisions may be used to match federal disaster relief funds received for state purposes, subject to Budget Section approval.

Income tax credit - Senate Bill No. 2388 provides for an income tax credit for an employer maintaining payment of salary and related retirement plan contributions for an employee called to active military duty as a member of a reserve or National Guard component.

Emergency snow removal grants - Senate Bill No. 2393 appropriates $1 million from the general fund to the Department of Emergency Services for emergency snow removal grants for the 2007-09 biennium.

Flood disaster relief - Senate Bill No. 2444 appropriates $12.5 million from the general fund and $20 million from special funds to the Adjutant General for expenses relating to 2009 flood disasters.

State Fair Association
Budget No. 665
Senate Bill No. 2009

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	0.00	$17,697,150	$0	$17,697,150
2009-11 legislative appropriations	**0.00**	**15,697,150**	**3,000,000**	**18,697,150**
Legislative increase (decrease) to executive budget	0.00	($2,000,000)	$3,000,000	$1,000,000
Legislative increase (decrease) to 2007-09 appropriations	0.00	$14,530,000	$3,000,000	$17,530,000

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,167,150	$0	$1,167,150
2009-11 legislative appropriations	**697,150**	**15,000,000**	**15,697,150**
2009-11 legislative increase (decrease) to 2007-09 appropriations	($470,000)	$15,000,000	$14,530,000
Percentage increase (decrease) to 2007-09 appropriations	(40.3%)	N/A	1,244.9%
2009-11 legislative increase (decrease) to executive budget	$0	($2,000,000)	($2,000,000)
Percentage increase (decrease) to executive budget	0.0%	(11.8%)	(11.3%)

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

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Increased the authorization for the grandstand construction project from $17 million to $18 million by reducing the general fund appropriation for the project from $17 million to $15 million and adding $3 million of special funds to be raised by the State Fair Association		($2,000,000)	$3,000,000	$1,000,000
Total	0.00	($2,000,000)	$3,000,000	$1,000,000

State Fair Premiums

The Legislative Assembly provided funding of $487,150 from the general fund for premiums, the same as the executive budget recommendation and $45,000 more than the 2007-09 biennium general fund appropriation of $442,150.

Capital Assets

The Legislative Assembly provided funding of $18,210,000, of which $15,210,000 is from the general fund, for capital assets, including $210,000 to continue the interest rate buydown on State Fair capital construction project payments and $15,000,000 for the construction of a new grandstand. The Legislative Assembly also increased authorization for the grandstand project by $1 million, from $17 million to $18 million, reduced the general fund share from $17 million to $15 million, and provided the State Fair Association raise the additional funding, of up to $3 million from special funds. The following is a summary of capital asset funding for the State Fair:

	2007-09 Legislative Appropriations	2009-11 Executive Recommendation	2009-11 Legislative Appropriations	2009-11 Legislative Appropriations Increase (Decrease) From 2007-09 Legislative Appropriations	2009-11 Legislative Appropriations Increase (Decrease) From 2009-11 Executive Recommendation
Debt payments	$210,000	$210,000	$210,000		
Asphalt overlay repairs	265,000			($265,000)	
New grandstand	250,000	17,000,000	18,000,000	17,750,000	$1,000,000
Total	$725,000	$17,210,000	$18,210,000	$17,485,000	$1,000,000
General fund	$725,000	$17,210,000	$15,210,000	$14,485,000	($2,000,000)
Special funds			3,000,000	3,000,000	3,000,000
Total	$725,000	$17,210,000	$18,210,000	$17,485,000	$1,000,000

One-Time Funding

In Section 2 of Senate Bill No. 2009, the Legislative Assembly identified $18 million, of which $15 million is from the general fund, for the construction of the new grandstand as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the State Fair Association is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Department of Financial Institutions
Budget No. 413
Senate Bill No. 2008

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	29.00	$0	$6,197,788	$6,197,788
2009-11 legislative appropriations	**29.00**	**0**	**6,086,488**	**6,086,488**
Legislative increase (decrease) to executive budget	0.00	$0	($111,300)	($111,300)
Legislative increase (decrease) to 2007-09 appropriations	2.00	$0	$901,786	$901,786

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($111,300)	($111,300)
Total	0.00	$0	($111,300)	($111,300)

FTE Changes

The 2009-11 biennium appropriation includes funding for 29 FTE positions, an increase of 2 FTE positions from the 2007-09 biennium authorized level of 27 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE bank examiner position and 1 FTE consumer investigator position.

One-Time Funding

The 2009-11 legislative appropriation includes $117,351 of one-time funding from other funds for the development of a software interface with the National Mortgage Licensing System.

Related Legislation

Senate Bill No. 2160 - This bill requires the Department of Financial Institutions to regulate real estate brokerage activity and register mortgage loan originators.

Game and Fish Department
Budget No. 720
House Bill No. 1017

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	157.00	$0	$59,566,703	$59,566,703
2009-11 legislative appropriations	**157.00**	**0**	**59,463,938**	**59,463,938**
Legislative increase (decrease) to executive budget	0.00	$0	($102,765)	($102,765)
Legislative increase (decrease) to 2007-09 appropriations	2.00	$0	$1,430,893	$1,430,893

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($302,765)	($302,765)
Added funding from the State Water Commission to provide grants to local law enforcement agencies to assist in Missouri River law enforcement activities			200,000	200,000
Total	0.00	$0	($102,765)	($102,765)

FTE Changes

The 2009-11 biennium appropriation includes funding for 157 FTE positions, an increase of 2 FTE positions from the 2007-09 biennium authorized level of 155 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE pilot game warden position and 1 FTE graphic artist position.

Funding for Department of Agriculture

Wildlife Services

The Legislative Assembly did not change the executive recommendation to provide $768,800 from the game and fish fund for Wildlife Services, an increase of $88,800 from the 2007-09 biennium appropriation of $680,000. The funding will be made available to the Agriculture Commissioner to contract with the United States Department of Agriculture Wildlife Services to alleviate wildlife depredation and damage in North Dakota.

State Board of Animal Health

The 2009-11 biennium appropriation includes $200,000 from the game and fish fund for a grant to the Department of Agriculture for the State Board of Animal Health, a decrease of $9,684 from the 2007-09 biennium appropriation of $209,684.

Funding for Parks and Recreation Department

The 2009-11 biennium appropriation includes $222,000 from the game and fish fund for a grant to the Parks and Recreation Department for state park boat ramp maintenance and improvements. Of this amount, $100,000 is designated for one-time improvements to the boat ramp and courtesy dock at Lewis and Clark State Park.

Capital Projects

The Legislative Assembly did not change the executive recommendation to provide $2,902,500 from the game and fish fund and $1,112,500 of federal funds for the following capital projects:

Project	Other Funds
Extraordinary repairs	$400,000
Wildlife management area improvements ($250,000 federal funds)	400,000
Fishing area projects ($350,000 federal funds)	450,000
Land acquisition	800,000
Equipment replacement ($312,500 federal funds)	540,000
Aircraft replacement	150,000
Payment in lieu of taxes ($200,000 federal funds)	1,200,000
Information technology equipment	75,000
Total	$4,015,000

Other Sections in Bill

Land acquisitions - Section 2 amends North Dakota Century Code (NDCC) Section 20.1-02-05.1 to require the Game and Fish Department to have land appraised prior to acquisition by the department. The section also provides that the department may not acquire land for more than its appraised value except for parcels or tracts of land consisting of less than 40 acres which may be acquired for up to 200 percent of the appraised value.

Gun dog training area - Section 3 creates a new section to NDCC Chapter 20.1-04 to allow a professional dog trainer to apply for and obtain a permit from the Game and Fish Department for a specific gun dog training area.

Aquatic nuisance species - Section 4 amends NDCC Section 20.1-17-01 to require the Game and Fish Department to conduct a cost-benefit analysis for any rule proposed that is designed to prevent the movement of aquatic nuisance species into or within the state.

Related Legislation

House Bill No. 1009 - Section 4 provides that $968,800 of the Department of Agriculture's estimated income line item is from the game and fish operating fund for various Department of Agriculture programs for the 2009-11 biennium.

House Bill No. 1020 - This bill provides that the State Water Commission provide a $200,000 grant to the Game and Fish Department for law enforcement activities on sovereign lands in the state.

State Department of Health
Budget No. 301
Senate Bill Nos. 2004, 2047, 2227, 2230, 2333, 2358, 2412, House Bill No. 1231

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	343.50	$21,735,138	$161,496,047	$183,231,185
2009-11 legislative appropriations	**343.50**	**27,081,665**	**177,856,531**	**204,938,196**
Legislative increase (decrease) to executive budget	0.00	$5,346,527	$16,360,484	$21,707,011
Legislative increase (decrease) to 2007-09 appropriations	12.00	$5,432,172	$27,007,686	$32,439,858

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$17,587,358	$4,062,135	$21,649,493
2009-11 legislative appropriations	**23,005,294**	**4,076,371**	**27,081,665**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$5,417,936	$14,236	$5,432,172
Percentage increase (decrease) to 2007-09 appropriations	30.8%	0.4%	25.1%
2009-11 legislative increase (decrease) to executive budget	$1,270,156	$4,076,371	$5,346,527
Percentage increase (decrease) to executive budget	5.8%	N/A	24.6%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($163,144)	($180,600)	($343,744)
Provided additional funding from the insurance tax distribution fund for emergency medical services grants to provide a total of $2.75 million			1,500,000	1,500,000
Added funding for suicide prevention grants		250,000		250,000
Decreased funding for operating expenses		(100,000)		(100,000)
Removed a general fund increase for Women's Way provided in the executive recommendation and added funding for		(150,000)	304,332	154,332

Women's Way from the community health trust fund to provide total funding of $404,332, of which $100,000 is from the general fund			
Decreased funding for Russell-Silver Syndrome grants to provide a total of $50,000 from the general fund	(50,000)		(50,000)
Decreased funding for the specialty care diagnostic and treatment program resulting from the rebasing of Medicaid to provide a total of $38,000 from the general fund	(50,000)		(50,000)
Added funding to provide newborn hearing screening results to a licensed medical professional	50,000		50,000
Added funding from the community health trust fund to continue the current colorectal cancer screening program and to provide a colorectal cancer screening pilot initiative for certain low-income underinsured and uninsured men and women, including $34,225 for the department to contract for program management, data management, and outreach oversight		300,000	300,000
Decreased funding for operating expenses in the Community Health Section		(150,000)	(150,000)
Increased funding for grants to local public health units to provide a total of $2.4 million	500,000		500,000
Added funding from the community health trust fund for a stroke registry and stroke prevention		472,700	472,700
Decreased funding from the general fund and increased funding from the community health trust fund for the medical loan repayment program as provided for in Senate Bill No. 2227	(67,500)	67,500	0
Decreased funding from the general fund and increased funding from the community health trust fund for the medical loan repayment program to provide $347,500 for the medical loan repayment program, of which $75,000 is from the general fund and $272,500 is from the community health trust fund	(132,500)	132,500	0
Decreased funding from the general fund and increased funding from the community health trust fund for the veterinarian loan repayment program to provide total funding of $350,000 from the community health trust fund for the veterinarian loan repayment program	(350,000)	350,000	0
Decreased funding from the general fund and increased funding from the community health trust fund for the dental loan repayment program to provide total funding of $483,448 from the community health trust fund for the dental loan repayment program	(195,000)	195,000	0

Added funding from the federal American Recovery and Reinvestment Act of 2009 for various programs (see **Federal Fiscal Stimulus Funding** section below)			11,047,325	11,047,325
Increased funding from the community health trust fund for community health tobacco programs to provide a total of $2,302,098			121,727	121,727
Added funding for grants for the administration of donated dental services		50,000		50,000
Provided **one-time funding** for a contingent transfer from the general fund to the community health trust fund if during the 2009-11 biennium the funds are not sufficient to provide for legislative appropriations		2,405,371		2,405,371
Added **one-time funding** for a grant to a nonprofit organization for establishing a mobile dental care service to provide dental treatment, prevention, and education services to low-income and underserved children in areas of the state with limited or unavailable dental services (House Bill No. 1231)		196,000		196,000
Added funding for emergency medical training grants to rural law enforcement agencies for licensed officers who choose to become licensed first responders (Senate Bill No. 2047)		128,400		128,400
Added funding from the general fund and funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below) for grants and related administrative costs to domestic violence sexual assault organizations (Senate Bill No. 2230)		1,000,000	1,000,000	2,000,000
Added **one-time funding** for a regional public health network pilot project (Senate Bill No. 2333)		275,000		275,000
Added **one-time funding** from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below) for immunization services and provided contingent funding for immunization services from the general fund if federal funds are not available to provide $1.2 million (Senate Bill No. 2333)		1,200,000	1,200,000	2,400,000
Added funding for providing grants to dentists who practice in a public health setting or a nonprofit dental clinic that uses a sliding fee schedule to bill patients (Senate Bill No. 2358)		180,000		180,000
Added funding for a grant to the North Dakota Fetal Alcohol Syndrome Center (Senate Bill No. 2412)		369,900		369,900
Total	0.00	$5,346,527	$16,360,484	$21,707,011

FTE Changes

The 2009-11 appropriation includes funding for 343.5 FTE positions, an increase of 12 FTE positions from the 2007-09 authorized level of 331.5 FTE positions. The following table summarizes the FTE position changes included in the 2009-11 executive budget and the legislative appropriation:

Position	Executive Budget Recommended FTE Changes	Legislative Appropriation FTE Changes	Legislative Appropriation Increase (Decrease) From Executive Budget
Administrative Support Section			
Fraud risk assessment auditor in contract compliance	1.00	1.00	
Community Health Section			
Administrative assistant to the oral health program	0.50	0.50	
Program administrator to the oral health program	0.50	0.50	
Epidemiologist to the cancer registry, diabetes, and oral health programs	1.00	1.00	
Public health nurse to the school health program	1.00	1.00	
Health Resources Section			
Life Safety Code construction surveyor	2.00	2.00	
Medical Services Section			
Data coordinator for the immunization program	1.00	1.00	
Data coordinator for the epidemiology and laboratory capacity program	1.00	1.00	
Administrative assistant to the epidemiology and laboratory capacity program	1.00	1.00	
Environmental Health Section			
Environmental scientist to the waste management program	0.50	0.50	
Microbiologist to the epidemiology and laboratory capacity program	1.00	1.00	
Emergency Preparedness and Response Section			
Administrative assistant to the bioterrorism program	1.00	1.00	
Special Populations Section			
Program administrator to the primary care program	0.50	0.50	
Total	12.00	12.00	0.00

One-Time Funding

In Section 4 of Senate Bill No. 2004, the Legislative Assembly identified a $2,405,371 contingent general fund transfer to the community health trust fund as a one-time funding item. Other one-time funding items for the State Department of Health include:

- House Bill No. 1231 - $196,000 from the general fund for a grant to a nonprofit organization to establish a mobile dental care service;
- Senate Bill No. 2333 - $275,000 from the general fund for a regional public health network pilot project; and
- Senate Bill No. 2333 - $1,200,000 contingent funding from the general fund for immunization services if funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below) is not available.

The total for one-time funding to the State Department of Health is $4,076,371. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the State Department of Health is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

The Legislative Assembly appropriated $13,247,325 of federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 to the State Department of Health summarized as follows:

Senate Bill No. 2004	
Water quality grants	$194,300
Superfund arsenic trioxide project grants	7,000,000
Clean diesel grants (provided to the Department of Public Instruction)	1,730,000
Clean water state revolving loan fund administration	769,564
Drinking water state revolving loan fund administration	780,000
Stop violence against women	511,661
Women, infants, and children	61,800
Total federal fiscal stimulus funds appropriated in Senate Bill No. 2004	$11,047,325
Senate Bill No. 2230	
Stop violence against women	1,000,000
Senate Bill No. 2333	
Prevention and wellness fund grants	1,200,000
Total federal fiscal stimulus funds	$13,247,325

The State Department of Health may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

In addition, the American Recovery and Reinvestment Act of 2009 provides $19,239,100 to the clean water state revolving loan fund and $19,500,000 to the drinking water state revolving loan fund. The State Department of Health administers these funds and will receive 4 percent for administrative costs. The funds received for administration are appropriated in Senate Bill No. 2004 and included in the table above. The Bank of North Dakota acts as fiscal agent for the revolving loan fund programs and will receive 96 percent of the funds available. These funds will be distributed through the Bank of North Dakota to eligible wastewater infrastructure projects (clean water state revolving loan fund) and eligible drinking water infrastructure projects (drinking water state revolving loan fund). Funds will be distributed pursuant to a continuing appropriation to the Bank of North Dakota and are expected to total $18,469,536 for the clean water state revolving loan fund program and $18,720,000 for the drinking water state revolving loan fund program.

Tobacco Prevention and Control Funding

Senate Bill No. 2004 provides a total tobacco prevention appropriation of $9,079,685, of which $3,510,495 is from the community health trust fund, $2,677,556 is from federal funds, and $2,891,634 is from other special funds. The other special funds appropriation provides spending authority if the Tobacco Prevention and Control Committee chooses to utilize the State Department of Health for some Centers for Disease Control and Prevention best practices programs. Funding from the community health trust fund provides $2,302,098 for community health tobacco programs, $1,069,000 for the Tobacco Quitline, and $139,397 for a tobacco prevention coordinator.

Other Sections in Senate Bill No. 2004

Environment and rangeland protection fund - Section 5 authorizes $272,310 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.

Emergency medical services - Section 6 authorizes $2.75 million from the insurance tax distribution fund for emergency medical services grants as follows:

1. Funding of $2.25 million for grants to emergency medical services operations as provided in North Dakota Century Code (NDCC) Chapter 23-40.
2. Funding of $500,000 for a grant to contract with an organization to:
   a. Develop, implement, and provide an access critical ambulance service operations assessment process for the purpose of improving emergency medical services delivery;
   b. Develop, implement, and provide leadership development training;
   c. Develop, implement, and provide a biennial emergency medical services recruitment drive; and
   d. Provide regional assistance to ambulance services to develop a quality review process for emergency medical services personnel and a mechanism to report to medical directors.

This section also provides the State Department of Health require recipients of grants to provide information on the use of funds received as necessary for the State Department of Health to provide a report to the Legislative Council on the use of the funding.

Federal 319 nonpoint program matching funds - Section 7 requires the State Water Commission to provide, from its 2009-11 biennium appropriation, a grant of $200,000 to the State Department of Health to be used as matching funds for the federal 319 nonpoint program.

Indirect cost recoveries - Section 8 allows the State Department of Health to deposit indirect cost recoveries from federal programs and special funds in its operating account.

Colorectal screening grants carryover authority - Section 9 provides that the $200,000, of which $150,000 is from the community health trust fund and $50,000 is from the general fund, appropriated for colorectal screening grants by the 2007 Legislative Assembly, is not subject to the provisions of NDCC Section 54-44.1-11, and any unexpended funds from these appropriations are available and may be expended during the 2009-11 biennium.

Immunization program study - Section 10 provides for a Legislative Council study of the state immunization program during the 2009-10 interim. The study is to identify pharmacists' or other providers' ability and interest in immunizing children and include a review of the effect of the program on public health units, including billing, billing services, fee collections, and uncollectible accounts.

Related Legislation

House Bill No. 1231 - This bill provides $196,000 from the general fund to the State Department of Health for a **mobile dental care service grant**.

House Bill No. 1327 - This bill appropriates $200,000 from the health care trust fund to the Department of Human Services to provide as a grant for the **remodeling of a nursing facility** to meet the requirements of assisted living and basic care and a pilot project on assisted living rent subsidies.

House Bill No. 1338 - This bill provides for a **study of solid waste management** with an emphasis on the siting and zoning of landfills.

House Bill No. 1339 - This bill provides the State Department of Health establish a Stroke System of Care Task Force and designate qualified hospitals as **primary stroke centers**. The State Department of Health appropriation bill includes federal funding authority of $180,000 to contract for the project.

House Bill No. 1371 - This bill relates to limits on the performance of abortion and **abortion reporting requirements**.

Senate Bill No. 2044 - This bill provides for the **continuation of the moratorium** on expansion of basic care bed capacity and long-term care bed capacity through July 31, 2011.

Senate Bill No. 2046 - This bill requires the State Department of Health to offer a **life safety survey process** for all health facilities licensed by the Division of Health Facilities of the State Department of Health during and at the conclusion of a construction, renovation, or construction and renovation project and provides that the department may charge a reasonable fee for a life safety survey performed. Senate Bill No. 2004 includes 2 FTE fire safety surveyor II positions and an appropriation of $346,530, of which $232,174 is from the general fund, to provide the services.

Senate Bill No. 2047 - This bill provides $128,400 from the general fund to the State Department of Health for providing **emergency medical training grants** to rural law enforcement officers.

Senate Bill No. 2048 - This bill requires **trauma designation** for all hospitals that offer emergency services and mandates licensure for quick response units.

Senate Bill No. 2050 - This bill provides the State Department of Health may regulate the **communications methods and protocols** for emergency medical services operations. The bill also provides for a Legislative Council study of the emergency medical services funding system within the state.

Senate Bill No. 2141 - This bill relates to damages to land surface caused by subsurface mineral extraction and related exploration and provides the State Department of Health, upon request, shall conduct a site visit and evaluate site-specific environmental data as necessary to ensure **compliance with applicable environmental protection articles** in the North Dakota Administrative Code which are under the jurisdiction of the State Department of Health.

Senate Bill No. 2161 - This bill requires the State Department of Health to identify the **records of an individual reported as lost, missing, or runaway** and notify the Bureau of Criminal Investigation and local law enforcement authority if a request for records is received from any source.

Senate Bill No. 2168 - This bill relates to the **confidentiality of autopsy reports**, the powers and duties of the coroner and State Forensic Examiner, county coroner, and the appointment of an assistant coroner.

Senate Bill No. 2174 - This bill provides for the participation of the State Health Officer or the officer's designee on the **Autism Spectrum Disorder Task Force**.

Senate Bill No. 2198 - This bill provides funding to the Department of Human Services for the purpose of providing services to individuals with **traumatic brain injury** and requires the State Department of Health participate at least annually in a joint meeting with certain agencies to discuss the provision of services to individuals with traumatic brain injury.

Senate Bill No. 2227 - This bill modifies the **medical loan repayment program** to remove the limit on the number of recipients and increase the maximum loan repayment from $10,000 to $30,000. The bill also includes an appropriation from the community health trust fund of $67,500 for the 2009-11 biennium.

Senate Bill No. 2230 - This bill provides $2 million, of which $1 million is from the general fund and $1 million is from federal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009, to the State Department of Health for **grants to domestic violence sexual assault organizations**.

Senate Bill No. 2332 - This bill creates a **Health Information Technology Office and an advisory committee** and provides the State Health Officer serve on the advisory committee. Funding for the Health Information Technology Office and the Health Information Technology Advisory Committee is provided to the Information Technology Department.

Senate Bill No. 2333 - This bill creates **regional public health networks** and provides $275,000 from the general fund to the State Department of Health for a regional public health network pilot project. The bill also provides $1.2 million from federal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 to the State Department of Health to provide funds to local public health units for **immunization services** and includes a contingent general fund appropriation for $1.2 million if the federal funds are not available to provide for this purpose.

Senate Bill No. 2344 - This bill provides the State Department of Health establish guidelines for employers concerning **workplace breastfeeding** and infant friendly designations.

Senate Bill No. 2358 - This bill creates a **dental loan repayment program** and provides $180,000 from the general fund to the State Department of Health for grants to dentists. A grant recipient must serve three years as a full-time practicing dentist in the public health setting or a nonprofit clinic that uses a sliding fee schedule to bill patients and is to be paid the grant funds during the first two years of this service. The maximum grant award is $60,000 per recipient.

Senate Bill No. 2412 - This bill provides $369,900 from the general fund to the State Department of Health for providing a grant to the **North Dakota Fetal Alcohol Syndrome Center**. The bill also requires the North Dakota Fetal Alcohol Syndrome Center report to the Legislative Council regarding the use of the funds.

Branch Research Centers
Budget No. 628
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	95.56	$11,902,190	$14,266,816	$26,169,006
2009-11 legislative appropriations	**97.26**	**12,367,190**	**15,191,816**	**27,559,006**
Legislative increase (decrease) to executive budget	1.70	$465,000	$925,000	$1,390,000
Legislative increase (decrease) to 2007-09 appropriations	1.70	$963,225[1]	$1,446,612	$2,409,837[1]

[1]This amount reflects a 2007-09 deficiency appropriation totaling $35,654 from the general fund to the Central Grasslands Research Center ($13,560) and the North Central Research Center ($22,094) for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,668,311	$735,654	$11,403,965
2009-11 legislative appropriations	**12,367,190**	**0**	**12,367,190**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,698,879	($735,654)	$963,225
Percentage increase (decrease) to 2007-09 appropriations	15.9%	(100.0%)	8.4%
2009-11 legislative increase (decrease) to executive budget	$465,000	$0	$465,000
Percentage increase (decrease) to executive budget	3.9%	N/A	3.9%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the branch research centers is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added a .7 FTE plant pathologist position and related funding at the Carrington Research Center	.70	$180,000		$180,000
Added 1 FTE forage agronomist position at the Central Grasslands Research Center	1.00	220,000		220,000
Increased funding for an irrigation scientist FTE position at the Williston Research Center		65,000		65,000

Added **one-time funding** from the permanent oil tax trust fund to defray the operating expenses of the Dickinson Research Center			$925,000	925,000
Total	1.70	$465,000	$925,000	$1,390,000

FTE Changes

The 2007-09 appropriation is based on 97.86 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 2.3 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 95.56 FTE positions. The 2009-11 biennium appropriation includes funding for 97.26 FTE positions, an increase of 1.7 FTE positions from the executive recommendation and the 2007-09 authorized level of 95.56. The Legislative Assembly added a .7 FTE plant pathologist position at the Carrington Research Center and 1 FTE forage agronomist position at the Central Grasslands Research Center.

One-Time Funding

In Section 2 of Senate Bill 2020, the Legislative Assembly identified $1,275,000, of which $925,000 for operating expenses is from the permanent oil tax trust fund and $350,000 for capital projects is from Dickinson Research Center oil revenue, as one-time funding. The Legislative Assembly did not change the executive recommendation to provide $350,000 from oil revenue as one-time funding for the Dickinson Research Center headquarters facility parking lot and landscaping. In addition, the Legislative Assembly provided $925,000 from the permanent oil tax trust fund as one-time funding to the Dickinson Research Center for operating expenses. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the branch research centers are to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation for the Main Research Center that included an appropriation of $2,937,200 from the general fund for North Central Research Center renovations ($624,000), the Williston Research Center Ernie French Center addition ($1,680,000), Langdon Research Center renovations ($144,000), and Dickinson Research Center renovations ($489,200).

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Operating pool - Section 10 provides that the $925,000 from the permanent oil tax trust fund appropriated to the Dickinson Research Center be used for operating costs at the Dickinson Research Center.

Highway Patrol
Budget No. 504
Senate Bill No. 2011

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	196.00	$32,273,403	$10,893,730	$43,167,133
2009-11 legislative appropriations	**194.00**	**31,007,985**	**10,893,730**	**41,901,715**
Legislative increase (decrease) to executive budget	(2.00)	($1,265,418)	$0	($1,265,418)
Legislative increase (decrease) to 2007-09 appropriations	1.00	$3,016,063	($368,904)	$2,647,159

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$27,149,922	$842,000	$27,991,922
2009-11 legislative appropriations	**30,727,985**	**280,000**	**31,007,985**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$3,578,063	($562,000)	$3,016,063
Percentage increase (decrease) to 2007-09 appropriations	13.2%	(66.7%)	10.8%
2009-11 legislative increase (decrease) to executive budget	($1,365,418)	$100,000	($1,265,418)
Percentage increase (decrease) to executive budget	(4.3%)	55.6%	(3.9%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($525,000)		($525,000)
Removed 2 new FTE Capitol security positions	(2.00)	(415,218)		(415,218)
Reduced funding for officer per diem from the $220 per month recommended in the executive budget to $200 per month, an increase of $30 compared to the 2007-09 biennium reimbursement level of $170 per month		(67,200)		(67,200)

Reduced funding for operating expenses		(448,000)		(448,000)
Added funding for the development of commercial vehicle information exchange window systems and networks		100,000		100,000
Added funding for Capitol security needs		90,000		90,000
Total	(2.00)	($1,265,418)	$0	($1,265,418)

FTE Changes

The 2009-11 biennium appropriation includes funding for 194 FTE positions, an increase of 1 FTE position from the 2007-09 authorized level of 193 FTE positions and a decrease of 2 FTE positions from the 2009-11 executive budget of 196 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE permit technician position, but the Legislative Assembly removed 2 FTE Capitol security positions included in the executive budget.

One-Time Funding

In Section 2 of Senate Bill No. 2011, the Legislative Assembly identified a total of $280,000 from the general fund, of which $100,000 is for commercial vehicle information exchange window systems and networks, $100,000 is for weigh station repairs, and $80,000 is for Capitol security upgrades, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Highway Patrol is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Funding From Highway Tax Distribution Fund

Section 4 of Senate Bill No. 2011 identifies $4,550,725 of the other funds appropriation as funding from the highway tax distribution fund, the same amount as provided in the executive budget recommendation and $350,725 more than the 2007-09 biennium amount of $4,200,000.

Other Sections in Bill

Line item transfers - Section 3 authorizes the Highway Patrol to transfer funds between the deferred maintenance line item and other line items to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

Officer per diem - Section 5 increases the monthly officer per diem amounts from $170 to $200 per month. The per diem payments are in lieu of reimbursement for meals and other expenses while in travel status within the state.

Commercial vehicle information exchange window systems and networks - Section 6 provides legislative intent that the Highway Patrol is to proceed with the implementation of the commercial vehicle information exchange window systems and networks. Section 7 provides that $100,000 of funding that is designated for the implementation of the program may not be used for any other purposes and the Highway Patrol is to report semiannually to the Budget Section regarding the status of implementation.

Related Legislation

House Bill No. 1233 - This bill amends North Dakota Century Code Section 39-03-18 to provide that funds received from federal shared forfeiture proceedings may not be deposited in the Highway Patrol assets forfeiture fund.

State Historical Society
Budget No. 701
House Bill Nos. 1018, 1481

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	62.00	$30,834,807	$15,692,510	$46,527,317
2009-11 legislative appropriations	**62.00**	**52,174,252**	**16,343,837**	**68,518,089**
Legislative increase (decrease) to executive budget	0.00	$21,339,445	$651,327	$21,990,772
Legislative increase (decrease) to 2007-09 appropriations	2.00	$41,799,840	$11,007,545	$52,807,385

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$8,716,412	$1,658,000	$10,374,412
2009-11 legislative appropriations	**11,052,752**	**41,121,500**	**52,174,252**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$2,336,340	$39,463,500	$41,799,840
Percentage increase (decrease) to 2007-09 appropriations	26.8%	2,380.2%	402.9%
2009-11 legislative increase (decrease) to executive budget	($232,055)	$21,571,500	$21,339,445
Percentage increase (decrease) to executive budget	(2.1%)	110.3%	69.2%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($361,555)	($33,673)	($395,228)
Added funding for a sprinkler system at the Chateau de Mores Interpretive Center		16,500		16,500
Added funding for repairs at the de Mores Memorial Park in Medora		5,000		5,000
Added funding for cultural heritage grants		129,500		129,500

Changed funding source from the general fund to federal fiscal stimulus funds for a shelter and conservation of the train at the Camp Hancock State Historic Site (federal fiscal stimulus funds included in federal fiscal stimulus appropriation below)		(150,000)		(150,000)
Appropriated federal fiscal stimulus funds (see **Federal Fiscal Stimulus Funding** section below)			685,000	685,000
Provided funding of $39.7 million from the general fund and $12 million from other funds in House Bill No. 1481 for the Heritage Center expansion project. This is an increase of $21.7 million from the general fund compared to the executive recommendation (see **Heritage Center expansion** under **Related Legislation** section below).		21,700,000		21,700,000
Total	0.00	$21,339,445	$651,327	$21,990,772

FTE Changes

The 2009-11 biennium appropriation includes funding for 62 FTE positions, an increase of 2 FTE positions from the 2007-09 biennium authorized level of 60 FTE positions. The legislative action did not change the executive recommendation to add 1 FTE archivist position and 1 FTE position for the Cold War missile site.

One-Time Funding

In Section 2 of House Bill No. 1018, the Legislative Assembly identified $1,421,500 from the general fund, of which $75,000 is for marketing, $350,000 is for compact shelving for archives, $330,000 is for new exhibit development, and $666,500 is for extraordinary repairs and small capital projects, as one-time funding items. The Legislative Assembly also provided funding of $39.7 million from the general fund for the Heritage Center expansion project which is considered to be one-time funding. These funds are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the State Historical Society is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 5 of House Bill No. 1018, the Legislative Assembly appropriated $685,000 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the State Historical Society for a protective structure for the locomotive at the Camp Hancock State Historic Site ($150,000), Fort Totten State Historic Site commissary storehouse exhibit and signage ($385,000), and geographic information system scanning and integration ($150,000). The State Historical Society may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Capital Projects

The Legislative Assembly added $21,721,500 from the general fund for capital projects, including $21.7 million for the Heritage Center expansion project, $16,500 for a sprinkler system at the Chateau de Mores Interpretive Center, and $5,000 for repairs at the de Mores Memorial Park in Medora. The Legislative Assembly also provided $685,000 from federal fiscal stimulus funds consisting of $150,000 for a shelter for the train at the Camp Hancock State Historic Site, $385,000 for the commissary storehouse exhibit and signage at the Fort Totten State Historic Site, and $150,000 for geographic information system scanning and integration. The following table shows the capital projects authorized for the 2009-11 biennium:

Project	General Fund	Other Funds	Total
Capital projects included in executive budget			
Exhibits	$330,000		$330,000
Security card reader at Heritage Center	145,000		145,000
Fort Totten State Historic Site building repairs and maintenance	250,000	$800,000	1,050,000
Chateau de Mores house repairs	150,000		150,000
Base budget funding for extraordinary repairs	251,319		251,319
Compact shelving for third floor of the state archives	350,000		350,000
Maintenance shop at Fort Buford State Historic Site	100,000	25,000	125,000
Shelter/conservation of train at Camp Hancock State Historic Site	150,000		150,000
Heritage Center expansion	18,000,000	12,000,000	30,000,000
Equipment over $5,000	81,000		81,000
Other capital payments[1]	1,359,060	33,333	1,392,393
Total - Executive recommendation	$21,166,379	$12,858,333	$34,024,712
Legislative action added (removed)			
Sprinkler system at Chateau de Mores Interpretive Center	16,500		16,500
de Mores Memorial Park repairs	5,000		5,000
Shelter/conservation of train at Camp Hancock State Historic Site	(150,000)	150,000	0
Fort Totten State Historic Site commissary storehouse exhibit and signage		385,000	385,000
Geographic information system scanning and integration		150,000	150,000
Heritage Center expansion	21,700,000		21,700,000
Total capital assets	$42,737,879	$13,543,333	$56,281,212

NOTE: The total amount of $56,281,212 consists of the capital assets line item ($3,896,212) and the federal fiscal stimulus appropriation ($685,000) in House Bill No. 1018 and the Heritage Center expansion project included in House Bill No. 1481 ($51.7 million).

[1]Other capital payments consist of bond payments for the archives and Chateau de Mores Interpretive Center projects authorized in the 2005-07 biennium.

Other Sections in House Bill No. 1018

Revolving fund appropriation - Section 3 provides that all fees collected by the State Historical Society and deposited in the revolving fund are appropriated to the State Historical Society for making investigations of permit applicants and for the management and analysis of records and artifacts submitted to the director.

Gifts, grants, and bequests appropriation - Section 4 provides that all gifts, grants, devises, bequests, donations, and assignments received by the State Historical Society and deposited with the State Treasurer are appropriated to the State Historical Society to be paid out for the purpose prescribed by the donor as authorized by the board.

Related Legislation

Heritage Center expansion - House Bill No. 1481 provides one-time funding of $39.7 million from the general fund and $12 million from other funds for the Heritage Center expansion project. Section 2 of the bill provides that construction may not begin until the State Historical Society certifies to the Office of Management and Budget that of the federal or special funds required to complete the project, cash or pledges with a discounted cash value of at least $6 million has been received by the State Historical Society. Section 4 of the bill requires the director of the Facility Management Division of the Office of Management and Budget to serve as the project construction manager. Section 5 of the bill provides that the State Historical Society is to seek federal funds under the federal American Recovery and Reinvestment Act of 2009 for the Heritage Center expansion and any funds received are appropriated for the project.

Sibley-Sully historic trails linking study - Senate Bill No. 2309 directs the Parks and Recreation Department, State Historical Society, Game and Fish Department, and the Tourism Division of the Department of Commerce to conduct a study of the feasibility and desirability of linking and improving a series of public sites along the Sibley and Sully historic trails for purposes of historical education, heritage tourism, and access for public hunting. The Parks and Recreation Department shall serve as the lead agency for the study and report the findings and recommendations of the study to the Legislative Council by September 1, 2010.

Housing Finance Agency
Budget No. 473
Senate Bill No. 2014

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	47.00	$0	$41,232,188	$41,232,188
2009-11 legislative appropriations	**46.00**	**0**	**71,344,343**	**71,344,343**
Legislative increase (decrease) to executive budget	(1.00)	$0	$30,112,155	$30,112,155
Legislative increase (decrease) to 2007-09 appropriations	3.00	$0	$29,780,167	$29,780,167

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($115,139)	($115,139)
Removed 1 FTE position added in the executive budget relating to program growth and outreach	(1.00)		(133,280)	(133,280)
Appropriated federal fiscal stimulus funds (see **Federal Fiscal Stimulus Funding** section below)			30,360,574	30,360,574
Total	(1.00)	$0	$30,112,155	$30,112,155

FTE Changes

The 2009-11 biennium appropriation includes funding for 46 FTE positions, an increase of 3 FTE positions from the 2007-09 biennium authorized level of 43 FTE positions. The Legislative Assembly authorized 3 of the 4 FTE positions added in the executive recommendation related to program growth and outreach.

Federal Fiscal Stimulus Funding

In Section 21 of Senate Bill No. 2014, the Legislative Assembly appropriated $30,360,574 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Housing Finance Agency for the HOME tax credit assistance program ($4,860,574) and the housing tax credit exchange program ($25,500,000). The Housing Finance Agency may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Other Sections in Bill

Financing pilot project - Section 17 authorizes the Housing Finance Agency to establish a pilot project to provide incentives for private sector investment in single-family residential dwelling units and multifamily housing facilities in difficult-to-develop areas of the state for the 2009-11 biennium. The Housing Finance Agency is to report on the status of the pilot project to the Budget Section at its last interim meeting prior to the 2010 legislative organizational session.

Indian Affairs Commission
Budget No. 316
Senate Bill No. 2005, House Bill No. 1399

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	4.00	$687,185	$0	$687,185
2009-11 legislative appropriations	**4.00**	**682,585**	**18,000**	**700,585**
Legislative increase (decrease) to executive budget	0.00	($4,600)	$18,000	$13,400
Legislative increase (decrease) to 2007-09 appropriations	0.00	$115,991	$13,000	$128,991

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$566,594	$0	$566,594
2009-11 legislative appropriations	**682,585**	**0**	**682,585**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$115,991	$0	$115,991
Percentage increase (decrease) to 2007-09 appropriations	20.5%	0.0%	20.5%
2009-11 legislative increase (decrease) to executive budget	($4,600)	0	($4,600)
Percentage increase (decrease) to executive budget	(0.7%)	0.0%	(0.7%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($4,600)		($4,600)
Added federal fiscal stabilization - other government services funds to provide matching funds for the American Indian Language Preservation Committee			$18,000	18,000
Total	0.00	($4,600)	$18,000	$13,400

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 4 FTE positions, the same as the 2007-09 biennium.

Federal Fiscal Stimulus Funding

Section 4 of House Bill No. 1399 appropriates $18,000 of federal fiscal stabilization - other government services funds available to the Governor from federal fiscal stimulus funds to the Indian Affairs Commission to be used to provide matching funds to the American Indian Language Preservation Committee at the rate of $3 of nonstate funds for each $1 provided to the committee through the appropriation. The Indian Affairs Commission may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Related Legislation

House Bill No. 1059 - This bill authorizes the Indian Affairs Commission to accept gifts, grants, donations, legacies, and devises from any source which are appropriated for the purposes of the commission.

Industrial Commission
Budget No. 405
Senate Bill No. 2014

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	60.06	$15,756,796	$49,321,084	$65,077,880
2009-11 legislative appropriations	**61.06**[1]	**13,800,254**	**49,308,484**	**63,108,738**
Legislative increase (decrease) to executive budget	1.00	($1,956,542)	($12,600)	($1,969,142)
Legislative increase (decrease) to 2007-09 appropriations	5.69	$2,001,618	($20,088,285)	($18,086,667)

[1]The 2009-11 authorized FTE positions do not include the 2 contingent FTE positions for the Oil and Gas Division and 1 FTE position for the Geological Survey Division that were authorized in Section 6 of Senate Bill No. 2014 by the 2009 Legislative Assembly for the 2009-11 biennium. Upon Emergency Commission approval, the Oil and Gas Division of the Industrial Commission may hire up to 2 additional FTE positions if the average drilling rig count exceeds 100 active rigs for each month in any consecutive three-month period. Upon Emergency Commission approval, the Geological Survey Division of the Industrial Commission may hire 1 additional FTE position if an application is received for solution mining of potash or uranium.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$11,268,636	$530,000	$11,798,636
2009-11 legislative appropriations	**10,122,102**	**3,678,152**	**13,800,254**
2009-11 legislative increase (decrease) to 2007-09 appropriations	($1,146,534)	$3,148,152	$2,001,618
Percentage increase (decrease) to 2007-09 appropriations	(10.2%)	594.0%	17.0%
2009-11 legislative increase (decrease) to executive budget	($541,542)	($1,415,000)	($1,956,542)
Percentage increase (decrease) to executive budget	(5.1%)	(27.8%)	(12.4%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($582,708)	($12,600)	($595,308)

Added 1 FTE geologist position	1.00	191,166		191,166
Added funding for a state facility lignite feasibility demonstration project		400,000		400,000
Reduced funding for travel expenses		(150,000)		(150,000)
Reduced funding for renewable energy development from $5 million to $3 million		(2,000,000)		(2,000,000)
Provided funding for recruitment and retention bonuses for Department of Mineral Resources nonclassified employees		185,000		185,000
Total	1.00	($1,956,542)	($12,600)	($1,969,142)

FTE Changes

The 2009-11 biennium appropriation includes funding for 61.06 FTE positions, an increase of 5.69 FTE positions from the 2007-09 biennium authorized level of 55.37 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE engineering technician position, 1 FTE petroleum engineer position, .5 FTE administrative assistant position, .19 FTE administrative assistant position, and to change the funding source from the lands and minerals trust fund to the general fund for the 2 FTE positions that were added, upon Emergency Commission approval, during the 2007-09 biennium. The Legislative Assembly added 1 FTE geologist position. The Legislative Assembly also provided a contingent appropriation and authorized up to 2 additional FTE positions for the Oil and Gas Division and 1 additional FTE position for the Geological Survey Division for the 2009-11 biennium. The 3 contingent FTE positions are not included in the total FTE count for the 2009-11 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2014, the Legislative Assembly identified $3,678,152 from the general fund as one-time funding, of which $3,000,000 is for renewable energy development programs, $400,000 is for a state facility lignite feasibility demonstration project, $185,000 is for recruitment and retention bonuses for Department of Mineral Resources nonclassified employees, and $93,152 is for fracturing sand and coalbed methane studies. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Industrial Commission is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

Section 20 of Senate Bill No. 2014 authorizes the Industrial Commission to seek Emergency Commission and Budget Section approval under North Dakota Century Code (NDCC) Chapter 54-16 for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 for the 2009-11 biennium. Any federal funds received and spent under this section are not a part of the agency's 2011-13 base budget. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Federal Fiscal Stimulus Bond Allocations

Section 22 of Senate Bill No. 2014 provides that any bond allocations made available to the state of North Dakota under the federal American Recovery and Reinvestment Act of 2009 for the national recovery zone economic development bond limitation, the national recovery zone facility bond limitation, and the qualified energy conservation bond limitation must be reallocated by the state and as may be provided in any guidance issued by the Secretary of the Treasury or the Internal Revenue Service. Any such reallocation must be made by the Governor or may be delegated by the Governor to the Industrial Commission or Public Finance Authority.

Lease Payments

The Legislative Assembly did not change the executive recommendation to provide $27,441,865 for lease payments on outstanding bonded indebtedness, a decrease of $2,033,151 from the 2007-09 biennium appropriation of $29,475,016. The following schedule lists the 2007-09 and 2009-11 biennium lease payments:

	2007-09 Biennium	2009-11 Biennium	Increase (Decrease)
Higher education institutions	$15,822,002	$12,014,048	($3,807,954)
Department of Corrections and Rehabilitation - State Penitentiary	3,090,022	2,203,515	(886,507)
State Department of Health	692,242	704,127	11,885
Job Service North Dakota	743,905	747,772	3,867
Department of Human Services - Southeast Human Service Center	56,431		(56,431)
Department of Human Services - State Hospital	466,391	437,729	(28,662)
Department of Human Services - Developmental Center at Westwood Park, Grafton	534,505	501,657	(32,848)
Adjutant General	70,667	70,627	(40)
Veterans' Home improvement fund	256,114		(256,114)
Information Technology Department - ConnectND	5,407,075	5,405,936	(1,139)
Office of Management and Budget	158,519	665,298	506,779
Attorney General	182,485	765,882	583,397
State Historical Society	331,762	1,392,393	1,060,631
Department of Parks and Recreation	17,544	73,630	56,086
Research and extension service	136,152	571,423	435,271
Subtotal	$27,965,816	$25,554,037	($2,411,779)
North Dakota University System energy conservation projects	1,491,242	1,869,248	378,006
Department of Corrections and Rehabilitation energy conservation projects	17,958	18,580	622
Total	$29,475,016	$27,441,865	($2,033,151)

Lignite Research Grants

The Legislative Assembly did not change the executive recommendation providing $22,971,300 for lignite research grants, an increase of $3,560,700 from the 2007-09 biennium appropriation of $19,410,600. Total funding anticipated to be available for the 2009-11 biennium of $23,175,820 for lignite research grants is generated from the following sources:

Anticipated carryover from the 2007-09 biennium	$10,557,380
Two cent per ton coal severance tax for research and development	1,200,000
Fifty percent of the coal severance taxes deposited in the coal development trust fund	3,375,000
Twenty percent of the coal severance taxes deposited in the coal development trust fund (clean coal projects)	1,350,000
Investment income on Dakota Gasification Company ammonia plant and Red Trail	2,893,440
Five percent of the general fund share of coal conversion tax	2,500,000
Revenue bonds/short-term loan	1,000,000
Interest income	300,000
Total	$23,175,820

Section 10 of Senate Bill No. 2014 provides that up to $1.5 million of the lignite research grants funding is for contracting 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 for the purpose of contracting 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 commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

Please refer to the **Trust Fund Analyses** section of this report for an analysis of the lignite research fund.

Other Sections in Bill

Contingent Oil and Gas Division and Geological Survey Division funding - Section 6 provides that $515,207 of special funds appropriated in the salaries and wages line item is from the lands and minerals trust fund. The Oil and Gas Division may use up to $319,041 to hire up to 2 FTE positions, upon Emergency Commission approval, if the average drilling rig count exceeds 100 active rigs for each month in any consecutive three-month period. The Geological Survey Division may use up to $196,166 to hire 1 FTE position, upon Emergency Commission approval, if an application is made for solution mining of potash or uranium.

Mill and Elevator study - Section 11 requires the Industrial Commission to obtain the services of a consultant to evaluate the Mill and Elevator during the 2009-10 interim. The evaluation must include a comparison to industry averages or standards of:

1. Financial data reflected on balance sheets and income statements;
2. Cashflow data;
3. Ratio analysis of working capital, operating efficiency, marketing, and other ratios;
4. Liquidity ratios to determine appropriate working capital needed for the mill;
5. Pretax income levels;
6. Business opportunities;
7. Capital investment and recommended net assets levels; and
8. Officer and employee compensation guidelines, including gain-sharing programs.

The Industrial Commission is to provide a summary report exclusive of proprietary information to the Budget Section on the results of the evaluation during the 2009-10 interim.

Transfer of Mill and Elevator profits - Section 12 creates a new section to NDCC Chapter 54-18 requiring the Industrial Commission to transfer to the state 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. The money must be transferred on an annual basis in the amounts and at the times requested by the director of the Office of Management and Budget.

Gain-sharing program - Section 12 creates a new section to NDCC Chapter 54-18 which defines a gain-sharing program as a program approved annually by the Industrial Commission with provisions that promote profitability, productivity, and safety. Any gain-sharing program approved by the Industrial Commission must include provisions that ensure that no payouts occur unless Mill and Elevator profits exceed $1 million and transfers will be made to the state general fund for that program year.

State facility lignite feasibility demonstration project - Section 14 provides that the state facility lignite feasibility demonstration project line item includes $400,000 from the general fund for a state facility lignite feasibility demonstration project for the purpose of demonstrating the feasibility of using lignite at a state-owned facility equipped with coal-fired boilers generating at least 200,000 pounds of steam at 125 pounds per square inch. The use of any funds provided for in this project must be approved by the Lignite Research Council and the Industrial Commission after following the standard lignite research development program review and approval process.

Department of Mineral Resources - Share of equity pool - Section 23 provides that the Office of Management and Budget shall provide at least 4 percent of all general fund salary equity pools that are appropriated for salary equity increases for state employees for the 2009-11 biennium to the Department of Mineral Resources for its nonclassified employees. The Legislative Assembly included language in Section 19 of House Bill No. 1015 which makes the provisions of this section not apply to salary equity pool allocations for the 2009-11 biennium.

Repeal - Mill and Elevator transfer for 2007-09 biennium - Section 24 repeals Section 16 of Chapter 14 of the 2007 Session Laws relating to the Mill and Elevator transfer of $5 million to the general fund for the 2007-09 biennium.

Related Legislation

Department of Mineral Resources nonclassified employees - House Bill No. 1067 exempts engineers and geologists employed by the Department of Mineral Resources from the state employee classification system.

Agricultural fuel tax fund - Section 34 of Senate Bill No. 2018 creates a new section to NDCC Chapter 54-18 to provide that within 30 days after the conclusion of each fiscal year, the Industrial Commission is to transfer 5 percent of the net income earned by the Mill and Elevator during that fiscal year to the agricultural fuel tax fund.

Carbon dioxide storage - Senate Bill No. 2095 establishes regulation for the long-term geologic storage of carbon dioxide and creates two funds with continuing appropriations--the carbon dioxide storage administrative fund and the carbon dioxide trust fund.

Renewable energy program - Senate Bill No. 2129 combines the renewable energy program and biomass incentive and research program into one program under the Renewable Energy Council. The biomass incentive and research fund is repealed.

Information Technology Department
Budget No. 112
Senate Bill Nos. 2021 and 2332

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	330.20	$21,084,859	$118,514,574	$139,599,433
2009-11 legislative appropriations	**328.20**	**19,105,785**	**209,171,054**	**228,276,839**
Legislative increase (decrease) to executive budget	(2.00)	($1,979,074)	$90,656,480	$88,677,406
Legislative increase (decrease) to 2007-09 appropriations	22.00	$7,446,374	$95,922,689	$103,369,063

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,047,921	$1,611,490	$11,659,411
2009-11 legislative appropriations	**14,918,554**	**4,187,231**	**19,105,785**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$4,870,633	$2,575,741	$7,446,374
Percentage increase (decrease) to 2007-09 appropriations	48.5%	159.8%	63.9%
2009-11 legislative increase (decrease) to executive budget	($1,521,883)	($457,191)	($1,979,074)
Percentage increase (decrease) to executive budget	(9.3%)	(9.8%)	(9.4%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($81,094)	($1,498,745)	($1,579,839)
Changed the funding source for a portion of the funding for the Statewide Longitudinal Data System Initiative from the general fund to federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009		(2,263,883)	2,263,883	0
Provided a contingent general fund appropriation for the Statewide Longitudinal Data System Initiative		2,263,883		2,263,883

Removed 2 FTE positions for the statewide deployment of the PowerSchool application in kindergarten through grade 12 schools	(2.00)	(256,638)		(256,638)
Changed the funding source for a portion of the funding for the statewide deployment of the PowerSchool application in kindergarten through grade 12 schools		(1,891,342)	1,891,342	0
Decreased one-time funding for Criminal Justice Information Sharing Initiative projects from $369,748 to $269,748		(100,000)		(100,000)
Added funding relating to health information technology (Senate Bill No. 2332)		350,000	88,000,000	88,350,000
Total	(2.00)	($1,979,074)	$90,656,480	$88,677,406

FTE Changes

The 2009-11 biennium appropriation includes funding for 328.20 FTE positions, an increase of 22 FTE positions from the 2007-09 biennium authorized level of 306.20 FTE positions. The following table summarizes FTE position changes included in the 2009-11 executive budget and the legislative appropriation:

Position	Executive Budget FTE Changes	Legislative Appropriation FTE Changes	Legislative Appropriation Increase (Decrease) From Executive Budget
EduTech, including statewide deployment of the PowerSchool application			
Transfer of 22 FTE positions from North Dakota State University	22.00	22.00	
New positions (pending classification)	7.00	5.00	(2.00)
Subtotal - EduTech, including statewide deployment of the PowerSchool application	29.00	27.00	(2.00)
Criminal Justice Information Sharing Initiative			
New position (pending classification) relating to the statewide automated victim information notification system	1.00	1.00	
Statewide Longitudinal Data System Initiative			
New position (pending classification)	1.00	1.00	
Other			
Positions not requested by the agency	(7.00)	(7.00)	
Grand total	24.00	22.00	(2.00)

One-Time Funding

In Section 4 of Senate Bill No. 2021, the Legislative Assembly identified $1,923,348 from the general fund for one-time funding items. The Legislative Assembly also provided a $2,263,883 contingent general fund appropriation to the Information Technology Department for the Statewide Longitudinal Data System Initiative which is considered to be one-time funding. This funding, summarized as follows, is not to be considered part of the agency's base budget for preparing

the 2011-13 executive budget and the Information Technology Department is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Criminal Justice Information Sharing Initiative projects	$269,748
Kindergarten through grade 12 schools increased bandwidth	1,200,000
Statewide deployment of PowerSchool application in kindergarten through grade 12 schools	353,600
Center for Distance Education software update	100,000
Statewide Longitudinal Data System Initiative	2,263,883
Total	$4,187,231

Federal Fiscal Stimulus Funding

The Legislative Assembly appropriated $82,263,883 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Information Technology Department, including $2,263,883 for the Statewide Longitudinal Data System Initiative (Senate Bill No. 2021) and $80,000,000 for health information technology (Senate Bill No. 2332). The Information Technology Department may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Statewide Information Technology Network Funding

The Legislative Assembly did not change the executive recommendation to provide an appropriation of $5,976,970, of which $5,568,970 is from the general fund and $408,000 is from special funds, for continued funding for the kindergarten through grade 12 portion of the statewide information technology network. The funding of $5,976,970 is an increase of $1,910,451 from the 2007-09 biennium appropriation of $4,066,519, of which $3,413,972 was from the general fund and $652,547 was from special funds. The 1999 Legislative Assembly in Senate Bill No. 2043 required the Information Technology Department to provide to each state agency, institution, county, city, and school district access to wide area network services to transmit voice, data, or video. As a result, the Information Technology Department implemented a statewide information technology network infrastructure that connects approximately 194 cities and 500 physical locations across the state.

Geographic Information System Initiative

The Legislative Assembly did not change the executive recommendation to provide an appropriation of $789,678, of which $714,678 is from the general fund and $75,000 is from special funds, for continued support of the centralized geographic information system. The $789,678 is a decrease of $8,471 from the 2007-09 biennium general fund appropriation of $798,149.

Criminal Justice Information Sharing Initiative

The Legislative Assembly provided an appropriation of $3,609,239, of which $2,068,598 is from the general fund and $1,540,641 is from special funds, for the Criminal Justice Information Sharing Initiative. The funding of $3,609,239 is a decrease of $100,000 from the executive recommendation of $3,709,239 and an increase of $1,257,043 from the 2007-09 biennium appropriation of $2,352,196, of which $1,872,196 was from the general fund and $480,000 was from special funds. In addition, Senate Bill No. 2041 expands the membership of the Criminal Justice Information Sharing Board and provides that board members who are not state employees are entitled to compensation and expense reimbursement.

Statewide Longitudinal Data System Initiative

The Legislative Assembly provided an appropriation of $2,466,325, of which $202,442 is from the general fund and $2,263,883 is from federal fiscal stimulus funds, for the Statewide Longitudinal Data System Initiative. In addition, the Legislative Assembly provided a $2,263,883 contingent general fund appropriation to the Information Technology Department for costs associated with the Statewide Longitudinal Data System Initiative. The Information Technology Department may spend the general fund money only to the extent that federal funds are not available to provide the $2,263,883 appropriated from federal fiscal stimulus funds and subject to Budget Section approval. The executive budget included funding of $2,466,325 from the general fund for the Statewide Longitudinal Data System Initiative. The funding of $2,466,325 is an increase of $2,238,371 from the 2007-09 biennium general fund appropriation of $227,954.

Center for Distance Education

The Legislative Assembly did not change the executive recommendation to provide an appropriation of $6,347,917, of which $1,229,232 is from the general fund and $5,118,685 is from special funds. The funding of $6,347,917 is a decrease of $234,679 from the 2007-09 biennium appropriation of $6,582,596, of which $931,321 was from the general fund and $5,651,275 was from special funds.

Educational Technology Council Funding

The Legislative Assembly did not change the executive recommendation to provide a general fund appropriation of $974,986 for the Educational Technology Council. The funding of $974,986 is a decrease of $161,281 from the 2007-09 biennium general fund appropriation of $1,136,267. The funding of $974,986 consists of $328,567 for salaries and wages, $41,669 for operating expenses, and $604,750 for grants to schools.

EduTech Funding, Including PowerSchool Funding

The Legislative Assembly provided an appropriation of $7,753,602, of which $5,104,699 is from the general fund and $2,648,903 is from special funds, for EduTech. The funding of $7,753,602 is a decrease of $256,638 from the executive recommendation of $8,010,240, of which $7,252,679 was from the general fund and $757,561 was from special funds, and an increase of $5,031,254 from the 2007-09 biennium general fund appropriation of $2,722,348. Of the $7,753,602, $4,697,857, of which $2,048,954 is from the general fund and $2,648,903 is from special funds, is for the statewide deployment of the PowerSchool application in kindergarten through grade 12 schools. The Legislative Assembly provided for the transfer of 22 FTE positions from North Dakota State University to the Information Technology Department and for 5 new FTE positions for EduTech.

Other Sections in Senate Bill No. 2021

Deferred maintenance - Section 5 authorizes the Information Technology Department to transfer from the deferred maintenance line item to the Center for Distance Education line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the director of the Office of Management and Budget.

Transfers - Section 6 authorizes the Office of Management and Budget to make transfers of funds between the salaries and wages, operating expenses, and capital assets 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.

Department of Public Instruction statewide longitudinal data system expenditures - Section 7 provides that the Department of Public Instruction may only spend the federal funds appropriated in House Bill No. 1013 for costs associated with the statewide longitudinal data system upon approval of the expenditures by the Information Technology Department.

Legislative Council study - Section 8 provides that the Legislative Council consider studying during the 2009-10 interim the value of the Information Technology Department's Criminal Justice Information Sharing Initiative.

Information Technology Department outsourcing - Section 9 provides that the Information Technology Department report to the Information Technology Committee on:

- The department's current level of outsourcing of its information technology services.
- Nonessential information technology services that could be considered for outsourcing.
- The number of the department's employees who have resigned from the department to provide information technology consulting services in the private sector and the number of which have been rehired by the department.
- The department's efforts to assist in the creation of North Dakota technology-based companies.

Statewide Longitudinal Data System Committee - Section 10 amends North Dakota Century Code Section 15.1-02-18 to expand the membership of the Statewide Longitudinal Data System Committee, provide that the committee may solicit and receive money from public and private sources and those funds are appropriated on a continuing basis for the support of the longitudinal data system, and provide that the Information Technology Department is to provide staff and other necessary support to the committee.

Related Legislation

Criminal Justice Information Sharing Board - Senate Bill No. 2041 expands the membership of the Criminal Justice Information Sharing Board and provides that board members who are not state employees are entitled to compensation and expense reimbursement.

Information technology plans - Senate Bill No. 2142:

- Allows the Chief Information Officer to exempt state agencies from having to submit an information technology plan;
- Changes the date information technology plans are due from July 15 to August 15 of each even-numbered year;
- Allows the Chief Information Officer to grant state agencies an extension relating to the due date for information technology plans; and
- Deletes the state agency information technology plan and statewide information technology plan requirements.

Health information technology - Senate Bill No. 2332:

- Establishes a Health Information Technology Advisory Committee consisting of the Chief Information Officer, the State Health Officer, the Governor, the executive director of the Department of Human Services, and individuals appointed by the Governor and the State Health Officer to represent a broad range of public and private health information technology stakeholders.
- Establishes a Health Information Technology Office in the Information Technology Department. The Health Information Technology Advisory Committee is to make recommendations to the Health Information Technology Office for implementing a statewide interoperable health information infrastructure that is consistent with emerging national standards, promote the adoption and use of electronic health records and other health information technologies, and promote interoperability of health information systems.
- Establishes an electronic health information exchange fund consisting 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 electronic health information exchange.
- Provides that the Health Information Technology Office and the Health Information Technology Advisory Committee shall provide periodic reports to the Legislative Council and the Budget Section on the status of the health information technology activities.
- 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 exchange, and for other purposes as established by the Health Information Technology Office. 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.
- 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. 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.
- Provides a $350,000 general fund appropriation to the Information Technology Department for costs of the Health Information Technology Advisory Committee and the Health Information Technology Office.
- Provides that the Industrial Commission transfer, during the 2009-11 biennium, as requested by the Health Information Technology Office director, 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. The Health Information Technology Office director is to request fund transfers from the Bank only as necessary to comply with federal requirements and to meet cashflow needs of the funds.
- Provides that if the actual general fund revenues for the period July 1, 2009, through September 30, 2009, exceed estimated general fund revenues for that period by at least $22.5 million, as determined by the Office of Management and Budget, based on the legislative estimates made at the close of the 2009 legislative session and upon certification by the Health Information Technology Office director to the director of the Office of Management and Budget of a demonstrated need for health information technology planning loans, the Industrial Commission transfer up to $5 million from the current earnings and the accumulated undivided profits of the Bank of North Dakota to the health information technology planning loan fund. The Health Information Technology Office director is to request transfers from the Bank only as necessary to meet cashflow needs of the fund.
- Provides an $88 million special funds appropriation out of money in the electronic health information exchange fund, including up to $80 million of federal funds from the federal American Recovery and Reinvestment Act of 2009, to the Information Technology Department for facilitating and expanding electronic health information exchange.

Parks and Recreation Department
Budget No. 750
House Bill No. 1019

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	53.00	$14,215,868	$11,868,054	$26,083,922
2009-11 legislative appropriations	**53.00**	**15,333,959**	**12,948,054**	**28,282,013**
Legislative increase (decrease) to executive budget	0.00	$1,118,091	$1,080,000	$2,198,091
Legislative increase (decrease) to 2007-09 appropriations	2.50	$745,404	($603,193)	$142,211

NOTE: Appropriation amounts include funding for the International Peace Garden.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$9,200,555	$5,388,000	$14,588,555
2009-11 legislative appropriations	**10,562,591**	**4,771,368**	**15,333,959**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,362,036	($616,632)	$745,404
Percentage increase (decrease) to 2007-09 appropriations	14.8%	(11.4%)	5.1%
2009-11 legislative increase (decrease) to executive budget	($538,509)	$1,656,600	$1,118,091
Percentage increase (decrease) to executive budget	(4.9%)	53.2%	7.9%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($538,509)		($538,509)
Added funding for signage and maps at Icelandic State Park and trails and attractions in northeastern North Dakota		20,000		20,000
Reduced funding for community grants from $700,000 to $400,000		(300,000)		(300,000)

Increased funding for recreation programs to reflect additional anticipated revenue collections from provisions of Senate Bill Nos. 2367 ($20,000) and 2378 ($260,000) (see **Related Legislation** section below)			280,000	280,000
Appropriated federal fiscal stimulus funds (see **Federal Fiscal Stimulus Funding** section below)			800,000	800,000
Provided funding to repay the balance of the loan for the new interpretive center and conservatory at the International Peace Garden		1,850,000		1,850,000
Provided funding for landscaping, walking path resurfacing, and road construction and resurfacing at the International Music Camp		86,600		86,600
Total	0.00	$1,118,091	$1,080,000	$2,198,091

FTE Changes

The 2009-11 biennium appropriation includes funding for 53 FTE positions, an increase of 2.5 FTE positions from the 2007-09 authorized level of 50.5 FTE positions. The legislative action did not change the executive recommendation to add 2.5 FTE park maintenance positions.

One-Time Funding

In Section 2 of House Bill No. 1019, the Legislative Assembly identified $4,771,368 from the general fund as one-time funding for parks capital projects and deferred maintenance ($2,359,768), park signage and maps ($20,000), parks community grant program ($400,000), International Peace Garden loan repayment ($1,850,000), International Peace Garden equipment ($55,000), and International Peace Garden capital projects and deferred maintenance ($86,600). This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Parks and Recreation Department is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 9 of House Bill No. 1019, the Legislative Assembly appropriated $800,000 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Parks and Recreation Department for a pedestrian bridge at Turtle Mountain State Park ($300,000), Turtle Mountain scenic byway acquisition and trails ($200,000), and Fort Abraham Lincoln State Park Civilian Conservation Corps building rehabilitation ($300,000). The Parks and Recreation Department may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Capital Projects

The Legislative Assembly provided funding for the following capital projects at state parks:

	2009-11 Executive Recommendation			2009 Legislative Action			2009-11 Legislative Appropriation		
Project	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Beaver Lake State Park repair and maintenance projects	$95,000	$30,000	$125,000				$95,000	$30,000	$125,000
Cross Ranch State Park repair and maintenance projects		87,500	87,500					87,500	87,500

Project	2009-11 Executive Recommendation			2009 Legislative Action			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Devils Lake State Park repair and maintenance projects	17,500		17,500				17,500		17,500
Fort Abraham Lincoln State Park repair and maintenance projects	86,200	30,000	116,200				86,200	30,000	116,200
Fort Ransom State Park repair and maintenance projects	81,000		81,000				81,000		81,000
Fort Stevenson State Park repair and maintenance projects	30,500	40,000	70,500				30,500	40,000	70,500
Icelandic State Park repair and maintenance projects	88,500	30,000	118,500				88,500	30,000	118,500
Lewis and Clark State Park repair and maintenance projects		110,000	110,000					110,000	110,000
Little Missouri State Park repair and maintenance projects	30,000		30,000				30,000		30,000
Lake Metigoshe State Park repair and maintenance projects	238,200	77,000	315,200				238,200	77,000	315,200
Lake Sakakawea State Park repair and maintenance projects	44,000	45,000	89,000				44,000	45,000	89,000
Turtle River State Park repair and maintenance projects	35,000	33,000	68,000				35,000	33,000	68,000
Fuel tank containment at Fort Abraham Lincoln, Devils Lake, and Fort Stevenson State Parks	7,500		7,500				7,500		7,500
Signage and maps at Icelandic State Park				$20,000		$20,000	20,000		20,000
Fort Ransom State Park peninsula acquisition	50,000		50,000				50,000		50,000
Fort Stevenson State Park campground upgrade	468,000		468,000				468,000		468,000
Road repair and chip seal projects	1,412,468		1,412,468				1,412,468		1,412,468
Sully Creek State Park recreational vehicle dump and comfort station	160,000		160,000				160,000		160,000
Turtle Mountain trails		250,000	250,000					250,000	250,000
Turtle River State Park campground upgrade	269,300		269,300				269,300		269,300
Turtle River State Park pedestrian bridge					$300,000	300,000		300,000	300,000
Turtle Mountain scenic byway acquisition and trails					200,000	200,000		200,000	200,000
Fort Abraham Lincoln State Park Civilian Conservation Corps building rehabilitation					300,000	300,000		300,000	300,000
Total	$3,113,168	$732,500	$3,845,668	$20,000	$800,000	$820,000	$3,133,168	$1,532,500	$4,665,668

International Peace Garden

The 2009-11 biennium appropriation includes $2,728,454 from the general fund for the International Peace Garden, a decrease of $641,400 from the 2007-09 biennium appropriation amount of $3,369,854 and an increase of $1,936,600 from the 2009-11 executive recommendation. The Legislative Assembly did not change the executive recommendation to provide $736,854 for the operating grant for the International Peace Garden and $55,000 for equipment. The Legislative Assembly provided one-time funding of $1,936,600 from the general fund to repay the balance of the loan for the new interpretive center and conservatory at the International Peace Garden ($1,850,000) and for landscaping, walking path resurfacing, and road construction and resurfacing at the International Music Camp ($86,600).

Other Sections in Bill

Deferred maintenance line item transfer authority - Section 3 provides that the Parks and Recreation Department may transfer from the deferred maintenance line item to the capital assets line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

Game and fish operating fund - Section 4 provides that $222,000 of the estimated income line item appropriated in Section 1 of the bill is from the game and fish operating fund, or federal or other funds available to the Game and Fish Department, and must be transferred to the Parks and Recreation Department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at various state parks.

Concession agreements - Section 6 amends North Dakota Century Code (NDCC) Section 55-08-05(5) to provide that concession agreements entered into by the Parks and Recreation Department may not exceed 20 years.

Leadership and facilities grants - Section 7 amends NDCC Section 55-08-14.1 to provide that up to 5 percent of all money made available to the Parks and Recreation Department biennially for the recreational and facilities grants program may be used by the department for administration of leadership and facilities grants and to ensure completion of the projects funded.

Related Legislation

Sibley-Sully historic trails linking study - Senate Bill No. 2309 directs the Parks and Recreation Department, State Historical Society, Game and Fish Department, and the Tourism Division of the Department of Commerce to conduct a study of the feasibility and desirability of linking and improving a series of public sites along the Sibley and Sully historic trails for purposes of historical education, heritage tourism, and access for public hunting. The Parks and Recreation Department shall serve as the lead agency for the study and report the findings and recommendations of the study to the Legislative Council by September 1, 2010.

Snowmobile safety fee - Senate Bill No. 2367 creates a new snowmobile safety fee. The snowmobile safety fee is anticipated to generate $20,000 in additional revenue for the Parks and Recreation Department during the 2009-11 biennium.

Off-highway vehicle tax - Senate Bill No. 2378 increases the off-highway vehicle tax from $5 to $15 per vehicle per biennium. The additional tax is anticipated to generate additional revenue of $260,000 for the Parks and Recreation Department during the 2009-11 biennium.

Job Service North Dakota
Budget No. 380
Senate Bill No. 2016

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	284.05	$1,765,442	$61,931,140	$63,696,582
2009-11 legislative appropriations	**284.05**	**1,565,442**	**69,804,844**	**71,370,286**
Legislative increase (decrease) to executive budget	0.00	($200,000)	$7,873,704	$7,673,704
Legislative increase (decrease) to 2007-09 appropriations	(23.95)	($181,518)	$7,561,718	$7,380,200

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,746,960	$0	$1,746,960
2009-11 legislative appropriations	**1,565,442**	**0**	**1,565,442**
2009-11 legislative increase (decrease) to 2007-09 appropriations	($181,518)	$0	($181,518)
Percentage increase (decrease) to 2007-09 appropriations	(10.4%)	N/A	(10.4%)
2009-11 legislative increase (decrease) to executive budget	($200,000)	$0	($200,000)
Percentage increase (decrease) to executive budget	(11.3%)	N/A	(11.3%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($1,219,235)	($1,219,235)
Changed the funding source for costs associated with the website job spidering program from the general fund to federal fiscal stimulus funds		($200,000)		(200,000)
Appropriated federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009, including $200,000 for costs associated with the website job spidering program			9,092,939	9,092,939
Total	0.00	($200,000)	$7,873,704	$7,673,704

FTE Changes

The 2009-11 biennium appropriation includes funding for 284.05 FTE positions, a decrease of 23.95 FTE positions from the 2007-09 biennium authorized level of 308 FTE positions. The legislative action did not change the executive recommendation to delete 23.95 FTE positions not requested by the agency.

Federal Fiscal Stimulus Funding

In Section 2 of Senate Bill No. 2016, the Legislative Assembly appropriated $9,092,939 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to Job Service North Dakota for Workforce Investment Act programs ($5,068,883), state unemployment insurance and employment services ($2,984,613), and administrative expenses relating to the unemployment compensation benefit increase ($1,039,443). Job Service North Dakota may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Workforce 20/20

The Legislative Assembly did not change the executive recommendation to provide funding of $1,512,491 from the general fund for the Workforce 20/20 program. The funding of $1,512,491 represents an increase in funding from the general fund of $12,491 compared to the 2007-09 general fund appropriation for the Workforce 20/20 program of $1,500,000. Section 5 of Senate Bill No. 2016 requires that 50 percent of the Workforce 20/20 program funding for the 2009-11 biennium is to be used for projects for new or expanding businesses in North Dakota.

Unemployment Insurance Computer Modernization Project - Reed Act

The Legislative Assembly did not change the executive recommendation to provide a $5,515,586 special 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. The funding of $5,515,586 represents a decrease in funding of $1,784,414 compared to the 2007-09 special funds appropriation for modernizing the unemployment insurance computer system of $7,300,000.

Related Legislation

Sale of land and building - Jamestown - House Bill No. 1117 authorizes the sale of the land and building housing the Job Service North Dakota office in Jamestown.

Sale of land and buildings - Fargo and Grafton - House Bill No. 1118 authorizes the sale of the land and buildings housing the Job Service North Dakota offices in Fargo and Grafton.

Federal advance interest repayment fund - Senate Bill No. 2130 amends the continuing appropriation for the federal advance interest repayment fund to allow Job Service North Dakota to use money deposited in the fund for office building lease costs.

Judicial Branch
Budget No. 180
Senate Bill Nos. 2002, 2121

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	349.00	$82,362,546	$2,044,807	$84,407,353
2009-11 legislative appropriations	**342.00**	**82,590,015**	**2,044,807**	**84,634,822**
Legislative increase (decrease) to executive budget	(7.00)	$227,469	$0	$227,469
Legislative increase (decrease) to 2007-09 appropriations	4.00	$15,654,137	($154,833)	$15,499,304

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$65,445,128	$1,490,750	$66,935,878
2009-11 legislative appropriations	**74,282,634**	**8,307,381**	**82,590,015**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$8,837,506	$6,816,631	$15,654,137
Percentage increase (decrease) to 2007-09 appropriations	13.5%	457.3%	23.4%
2009-11 legislative increase (decrease) to executive budget	$175,429	$52,040	$227,469
Percentage increase (decrease) to executive budget	.2%	.6%	.3%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Supreme Court changes:				
Removed a staff attorney position and related operating expenses	(1.00)	($174,963)		($174,963)
Reduced funding required for judges' retirements		(18,243)		(18,243)
District court changes:				
Removed 4 technology coordinator positions but retained related funding of $473,484 for temporary employees or contract services	(4.00)			

Added funding for increasing juror compensation as provided for in Senate Bill No. 2118		76,000		76,000
Removed the following positions: • Family court coordinator (1 FTE) ($128,005) • Clerks of court (3 FTE) ($303,510) • Law clerks (2 FTE) ($277,994)	(6.00)	(709,509)		(709,509)
Removed operating expenses related to the removed FTE positions		(43,000)		(43,000)
Added **one-time funding** for the parenting coordinator program		52,040		52,040
Reduced funding required for judges' retirements		(29,950)		(29,950)
Added funding to allow district courts to contract for clerk of court services		200,000		200,000
Added funding in Senate Bill No. 2121 for 2 FTE judge positions and 2 FTE court reporter positions	4.00	875,094		875,094
Judicial Conduct Commission changes: The Legislative Assembly did not change the appropriation for the Judicial Conduct Commission				0
Total	(7.00)	$227,469	$0	$227,469

FTE Changes

The 2009-11 biennium appropriation includes funding for 342 FTE positions, an increase of 4 FTE positions from the 2007-09 biennium authorized level of 338 FTE positions. The Legislative Assembly removed 11 FTE positions included in the executive recommendation, including a staff attorney, a family court coordinator, 4 technology coordinators, 3 clerks of court, and 2 law clerks. The Legislative Assembly added 2 FTE judge positions and 2 FTE court reporter positions pursuant to the provisions of Senate Bill No. 2121.

One-Time Funding

In Section 6 of Senate Bill No. 2002 the Legislative Assembly identified $8,307,381 from the general fund as one-time funding, of which $7,258,129 is for the unified case management system replacement project, $600,000 is for a management reserve fund for the replacement project, $288,124 is for office equipment and furniture, $109,088 is for information technology equipment, and $52,040 is for parent coordinator training. This amount is not to be considered part of the agency's 2011-13 biennium base budget and the judicial branch is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in Senate Bill No. 2002

Appropriation of additional funding - Section 2 appropriates any funds received by the Supreme Court, district courts, and Judicial Conduct Commission and Disciplinary Board pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations.

Transfers - Section 3 provides that the director of the Office of Management and Budget and the State Treasurer make transfers of 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.

Salaries of Supreme Court justices - Section 4 provides statutory changes to North Dakota Century Code (NDCC) Section 27-02-02 relating to salaries of justices of the Supreme Court. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The Supreme Court justices' salaries are to be increased from the current level of $118,121 to $124,027 effective July 1, 2009, and to $130,228 effective July 1, 2010. The Chief Justice of the Supreme Court is entitled to receive an additional $3,562 per year effective July 1, 2009, and an additional $3,740 per year, effective July 1, 2010, which is an increase from the current level of an additional $3,392 per year.

Salaries and expenses of district court judges - Section 5 provides statutory changes to NDCC Section 27-05-03 relating to salaries and expenses of district court judges. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The district court judges' salaries are to be increased from the current level of $108,236 to $113,648 effective July 1, 2009, and to $119,330 effective July 1, 2010. The presiding judge of a judicial district is entitled to receive an additional $3,282 per year effective July 1, 2009, and an additional $3,447 per year effective July 1, 2008, which is an increase from the current level of an additional $3,126 per year.

Related Legislation

Senate Bill No. 2042 - This bill establishes a parenting coordinator program and requires that a parenting plan be developed and filed with the court. The Legislative Assembly provided one-time funding in Senate Bill No. 2002 of $52,040 from the general fund to provide parenting coordinator training.

Senate Bill No. 2118 - This bill increases compensation to jurors for the first day of required attendance at sessions of the district court. The Legislative Assembly provided funding in Senate Bill No. 2002 of $76,000 from the general fund for the increase in juror compensation.

Senate Bill No. 2121 - This bill provides an appropriation of $875,094 from the general fund to the judicial branch to establish two additional district court judgeships. The Legislative Assembly added 4 FTE positions in Senate Bill No. 2002 pursuant to the provisions of Senate Bill No. 2121.

Judicial Branch
Budget No. 180
Senate Bill Nos. 2002, 2121

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	349.00	$82,362,546	$2,044,807	$84,407,353
2009-11 legislative appropriations	**342.00**	**82,590,015**	**2,044,807**	**84,634,822**
Legislative increase (decrease) to executive budget	(7.00)	$227,469	$0	$227,469
Legislative increase (decrease) to 2007-09 appropriations	4.00	$15,654,137	($154,833)	$15,499,304

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$65,445,128	$1,490,750	$66,935,878
2009-11 legislative appropriations	**74,282,634**	**8,307,381**	**82,590,015**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$8,837,506	$6,816,631	$15,654,137
Percentage increase (decrease) to 2007-09 appropriations	13.5%	457.3%	23.4%
2009-11 legislative increase (decrease) to executive budget	$175,429	$52,040	$227,469
Percentage increase (decrease) to executive budget	.2%	.6%	.3%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Supreme Court changes:				
Removed a staff attorney position and related operating expenses	(1.00)	($174,963)		($174,963)
Reduced funding required for judges' retirements		(18,243)		(18,243)
District court changes:				
Removed 4 technology coordinator positions but retained related funding of $473,484 for temporary employees or contract services	(4.00)			

Added funding for increasing juror compensation as provided for in Senate Bill No. 2118		76,000		76,000
Removed the following positions: • Family court coordinator (1 FTE) ($128,005) • Clerks of court (3 FTE) ($303,510) • Law clerks (2 FTE) ($277,994)	(6.00)	(709,509)		(709,509)
Removed operating expenses related to the removed FTE positions		(43,000)		(43,000)
Added **one-time funding** for the parenting coordinator program		52,040		52,040
Reduced funding required for judges' retirements		(29,950)		(29,950)
Added funding to allow district courts to contract for clerk of court services		200,000		200,000
Added funding in Senate Bill No. 2121 for 2 FTE judge positions and 2 FTE court reporter positions	4.00	875,094		875,094
Judicial Conduct Commission changes: The Legislative Assembly did not change the appropriation for the Judicial Conduct Commission				0
Total	(7.00)	$227,469	$0	$227,469

FTE Changes

The 2009-11 biennium appropriation includes funding for 342 FTE positions, an increase of 4 FTE positions from the 2007-09 biennium authorized level of 338 FTE positions. The Legislative Assembly removed 11 FTE positions included in the executive recommendation, including a staff attorney, a family court coordinator, 4 technology coordinators, 3 clerks of court, and 2 law clerks. The Legislative Assembly added 2 FTE judge positions and 2 FTE court reporter positions pursuant to the provisions of Senate Bill No. 2121.

One-Time Funding

In Section 6 of Senate Bill No. 2002 the Legislative Assembly identified $8,307,381 from the general fund as one-time funding, of which $7,258,129 is for the unified case management system replacement project, $600,000 is for a management reserve fund for the replacement project, $288,124 is for office equipment and furniture, $109,088 is for information technology equipment, and $52,040 is for parent coordinator training. This amount is not to be considered part of the agency's 2011-13 biennium base budget and the judicial branch is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in Senate Bill No. 2002

Appropriation of additional funding - Section 2 appropriates any funds received by the Supreme Court, district courts, and Judicial Conduct Commission and Disciplinary Board pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations.

Transfers - Section 3 provides that the director of the Office of Management and Budget and the State Treasurer make transfers of 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.

Salaries of Supreme Court justices - Section 4 provides statutory changes to North Dakota Century Code (NDCC) Section 27-02-02 relating to salaries of justices of the Supreme Court. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The Supreme Court justices' salaries are to be increased from the current level of $118,121 to $124,027 effective July 1, 2009, and to $130,228 effective July 1, 2010. The Chief Justice of the Supreme Court is entitled to receive an additional $3,562 per year effective July 1, 2009, and an additional $3,740 per year, effective July 1, 2010, which is an increase from the current level of an additional $3,392 per year.

Salaries and expenses of district court judges - Section 5 provides statutory changes to NDCC Section 27-05-03 relating to salaries and expenses of district court judges. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The district court judges' salaries are to be increased from the current level of $108,236 to $113,648 effective July 1, 2009, and to $119,330 effective July 1, 2010. The presiding judge of a judicial district is entitled to receive an additional $3,282 per year effective July 1, 2009, and an additional $3,447 per year effective July 1, 2008, which is an increase from the current level of an additional $3,126 per year.

Related Legislation

Senate Bill No. 2042 - This bill establishes a parenting coordinator program and requires that a parenting plan be developed and filed with the court. The Legislative Assembly provided one-time funding in Senate Bill No. 2002 of $52,040 from the general fund to provide parenting coordinator training.

Senate Bill No. 2118 - This bill increases compensation to jurors for the first day of required attendance at sessions of the district court. The Legislative Assembly provided funding in Senate Bill No. 2002 of $76,000 from the general fund for the increase in juror compensation.

Senate Bill No. 2121 - This bill provides an appropriation of $875,094 from the general fund to the judicial branch to establish two additional district court judgeships. The Legislative Assembly added 4 FTE positions in Senate Bill No. 2002 pursuant to the provisions of Senate Bill No. 2121.

Labor Commissioner
Budget No. 406
House Bill No. 1007

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	12.00	$1,485,451	$412,751	$1,898,202
2009-11 legislative appropriations	**12.00**	**1,401,583**	**412,751**	**1,814,334**
Legislative increase (decrease) to executive budget	0.00	($83,868)	$0	($83,868)
Legislative increase (decrease) to 2007-09 appropriations	1.00	$241,301	$11,410	$252,711

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,160,282	$0	$1,160,282
2009-11 legislative appropriations	**1,401,583**	**0**	**1,401,583**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$241,301	$0	$241,301
Percentage increase (decrease) to 2007-09 appropriations	20.8%	N/A	20.8%
2009-11 legislative increase (decrease) to executive budget	($23,868)	($60,000)	($83,868)
Percentage increase (decrease) to executive budget	(1.7%)	(100.0%)	(5.6%)

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Labor Commissioner is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($13,868)		($13,868)
Removed one-time funding added in the executive budget for a discrimination study		(60,000)		(60,000)
Decreased funding for operating expenses		(10,000)		(10,000)
Total	0.00	($83,868)	$0	($83,868)

FTE Changes

The 2009-11 biennium appropriation includes funding for 12 FTE positions, an increase of 1 FTE position from the 2007-09 biennium authorized level of 11 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE compliance investigator position.

One-Time Funding

The Legislative Assembly removed one-time funding of $60,000 from the general fund included in the executive recommendation for a discrimination study.

Related Legislation

Whistleblower protection - Senate Bill No. 2267 provides that the Labor Commissioner is to receive complaints of violations of the state's whistleblower protection laws and may attempt to obtain voluntary compliance through informal advice, negotiation, or conciliation.

Land Department
Budget No. 226
Senate Bill No. 2013

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	21.75	$0	$23,806,148	$23,806,148
2009-11 legislative appropriations	**21.75**	**0**	**13,792,561**	**13,792,561**
Legislative increase (decrease) to executive budget	0.00	$0	($10,013,587)	($10,013,587)
Legislative increase (decrease) to 2007-09 appropriations	3.00	$0	$4,658,553	$4,658,553

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Land Department is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($13,587)	($13,587)
Reduced funding from $20 million included in the executive budget for oil and gas impact grants from the oil and gas impact grant fund to $10 million. Although $10 million is appropriated from the fund, based on provisions of House Bill No. 1304, it is anticipated that only $8 million will be available for distribution during the 2009-11 biennium.			(10,000,000)	(10,000,000)
Total	0.00	$0	($10,013,587)	($10,013,587)

FTE Changes

The 2009-11 biennium appropriation includes funding for 21.75 FTE positions, an increase of 3 FTE positions from the 2007-09 biennium authorized level of 18.75 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE audit technician position, 1 FTE auditor II position, and 1 FTE position pending classification.

Other Sections in Bill

Carryover of appropriations for oil and gas impact grants - Section 2 provides that North Dakota Century Code (NDCC) Section 54-44.1-11 does not apply to 2007-09 appropriations for oil and gas impact grants and, therefore, the 2007-09 appropriation authority may be continued into the 2009-11 biennium.

Contingencies line item/appropriation transfers - Section 3 provides that upon approval of the Board of University and School Lands, the commissioner of University and School Lands may transfer appropriation authority from the contingencies line item to all other line items, except the capital assets line item. The commissioner shall notify the Office of Management and Budget of each transfer made pursuant to this section.

Trust fund distributions to state entities - Section 4 provides the amounts to be distributed to various state entities from state trust funds managed by the Land Department and provides that NDCC Section 15-03-05.2 does not apply to distributions during the 2009-11 biennium. Section 15-03-05.2 provides the trust fund income may not be retained for future distributions to a trust fund beneficiary or added to a permanent fund if it would result in a decrease in distributions to the fund beneficiary from the amount distributed during the preceding fiscal year.

Transfer to general fund - Section 5 provides for a transfer of $35 million to the general fund from the lands and minerals trust fund during the 2009-11 biennium. This is an increase of $20 million from the transfer of $15 million anticipated for the 2007-09 biennium and $8.5 million less than the transfer of $43.5 million recommended in the executive budget.

FTE position - Budget Section approval - Section 6 provides that 1 FTE position relating to minerals management included in Section 1 of the bill may be filled only upon Budget Section approval.

Oil and gas impact grant fund - Additional appropriation authority - Section 7 provides that in addition to the funds appropriated in the grants line item in Section 1 of the bill, there is appropriated any additional funds that may be authorized by the 61st Legislative Assembly for deposit in the oil and gas impact grant fund to the Land Department for providing oil and gas impact grants for the 2009-11 biennium.

Related Legislation

Oil and gas impact grant fund - House Bill No. 1304 increases the maximum amount of oil and gas tax revenues that may be deposited in the oil and gas impact grant fund by $2 million per biennium, from $6 million to $8 million.

Branch Research Centers
Budget No. 628
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	95.56	$11,902,190	$14,266,816	$26,169,006
2009-11 legislative appropriations	**97.26**	**12,367,190**	**15,191,816**	**27,559,006**
Legislative increase (decrease) to executive budget	1.70	$465,000	$925,000	$1,390,000
Legislative increase (decrease) to 2007-09 appropriations	1.70	$963,225[1]	$1,446,612	$2,409,837[1]

[1]This amount reflects a 2007-09 deficiency appropriation totaling $35,654 from the general fund to the Central Grasslands Research Center ($13,560) and the North Central Research Center ($22,094) for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,668,311	$735,654	$11,403,965
2009-11 legislative appropriations	**12,367,190**	**0**	**12,367,190**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,698,879	($735,654)	$963,225
Percentage increase (decrease) to 2007-09 appropriations	15.9%	(100.0%)	8.4%
2009-11 legislative increase (decrease) to executive budget	$465,000	$0	$465,000
Percentage increase (decrease) to executive budget	3.9%	N/A	3.9%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the branch research centers is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added a .7 FTE plant pathologist position and related funding at the Carrington Research Center	.70	$180,000		$180,000
Added 1 FTE forage agronomist position at the Central Grasslands Research Center	1.00	220,000		220,000
Increased funding for an irrigation scientist FTE position at the Williston Research Center		65,000		65,000

Added **one-time funding** from the permanent oil tax trust fund to defray the operating expenses of the Dickinson Research Center			$925,000	925,000
Total	1.70	$465,000	$925,000	$1,390,000

FTE Changes

The 2007-09 appropriation is based on 97.86 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 2.3 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 95.56 FTE positions. The 2009-11 biennium appropriation includes funding for 97.26 FTE positions, an increase of 1.7 FTE positions from the executive recommendation and the 2007-09 authorized level of 95.56. The Legislative Assembly added a .7 FTE plant pathologist position at the Carrington Research Center and 1 FTE forage agronomist position at the Central Grasslands Research Center.

One-Time Funding

In Section 2 of Senate Bill 2020, the Legislative Assembly identified $1,275,000, of which $925,000 for operating expenses is from the permanent oil tax trust fund and $350,000 for capital projects is from Dickinson Research Center oil revenue, as one-time funding. The Legislative Assembly did not change the executive recommendation to provide $350,000 from oil revenue as one-time funding for the Dickinson Research Center headquarters facility parking lot and landscaping. In addition, the Legislative Assembly provided $925,000 from the permanent oil tax trust fund as one-time funding to the Dickinson Research Center for operating expenses. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the branch research centers are to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation for the Main Research Center that included an appropriation of $2,937,200 from the general fund for North Central Research Center renovations ($624,000), the Williston Research Center Ernie French Center addition ($1,680,000), Langdon Research Center renovations ($144,000), and Dickinson Research Center renovations ($489,200).

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Operating pool - Section 10 provides that the $925,000 from the permanent oil tax trust fund appropriated to the Dickinson Research Center be used for operating costs at the Dickinson Research Center.

Legislative Assembly
Budget No. 150
Senate Bill No. 2001

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	0.00	$16,338,537	$0	$16,338,537
2009-11 legislative appropriations	**0.00**	**16,014,554**	**0**	**16,014,554**
Legislative increase (decrease) to executive budget	0.00	($323,983)	$0	($323,983)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$1,837,425	$0	$1,837,425

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$9,916,302	$4,260,827	$14,177,129
2009-11 legislative appropriations	**11,011,227**	**5,003,327**	**16,014,554**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,094,925	$742,500	$1,837,425
Percentage increase (decrease) to 2007-09 appropriations	11.0%	17.4%	13.0%
2009-11 legislative increase (decrease) to executive budget	$385,564	($709,547)	($323,983)
Percentage increase (decrease) to executive budget	3.6%	(12.4%)	(2.0%)

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

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for increasing legislators' monthly pay in accordance with provisions of Senate Bill No. 2064. The bill as introduced included funding to increase legislators' monthly pay to $393 effective July 1, 2009. (see **Legislative Pay Increases** section below)		$45,536		$45,536
Added funding for increasing legislators' session pay in accordance with provisions of Senate Bill No. 2064. The bill as introduced included funding to increase legislators' session pay to $140 per calendar day effective July 1, 2009. (see **Legislative Pay Increases** section below)		140,858		140,858

Added funding for increasing legislative leaders' additional monthly compensation (see **Legislative Pay Increases** section below)		2,170		2,170
Decreased funding for operating expenses to remove funding for the cost of purchasing hand-held communications devices for legislators and other estimated cost reductions relating to operating fees associated with these devices. Funding of $194,000 remains for paying the initial connection fee, monthly fees for legislators to access the state's BlackBerry server, and to pay for a monthly data plan.		(82,547)		(82,547)
Reduced funding for legislative wing equipment and improvements from $1,430,000 to $1,000,000 (see **Other Sections in Bill** section below)		(430,000)		(430,000)
Total	0.00	($323,983)	$0	($323,983)

One-Time Funding

In Section 2 of Senate Bill No. 2001, the Legislative Assembly identified a total of $5,003,327 from the general fund, of which $3,910,827 relates to the legislative applications replacement system computer project, $92,500 to computer equipment replacement, and $1,000,000 to legislative wing equipment and improvements. This amount is not to be considered part of the agency's 2011-13 biennium base budget and the Legislative Assembly is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Legislative Pay Increases

The Legislative Assembly approved Senate Bill Nos. 2001 and 2064 providing for legislative pay increases. Sections 9 and 10 of Senate Bill No. 2001 increase legislative leaders' additional monthly compensation by approximately 5 percent for each year of the 2009-11 biennium. Senate Bill No. 2064 increases legislators' monthly compensation, daily pay during legislative sessions, and interim meeting pay by 5 percent for each year of the 2009-11 biennium. The compensation adjustments relating to the Legislative Assembly budget are:

		Rate Effective		
	Current Compensation Rate	**July 1, 2009**	**August 1, 2009**	**Rate Effective July 1, 2010**
Monthly compensation	$378		$396	$415
Leaders' additional monthly compensation	$270	$284		$298
Daily session pay	$135		$141	$148
Interim meeting pay	$135		$141	$148

Other Sections in Bill

Legislative wing equipment and improvement funding - Section 5 provides that a majority of the Senate members of the Legislative Management Committee, or its successor, determine the expenditures of $400,000 of the $1,000,000 provided for legislative wing equipment and improvements, a majority of the House members of the committee determine the expenditures of $400,000 of these funds, and a majority of all of the committee members determine the expenditures of the remaining $200,000 of these funds.

Carryover authority - Section 6 allows the Legislative Assembly to continue beyond June 30, 2009, any unspent funds appropriated for the Legislative Assembly for the 2007-09 biennium.

Additional lodging reimbursement - Section 8 provides that notwithstanding the per calendar month lodging maximum provided in North Dakota Century Code Section 54-03-20 for members of the Legislative Assembly during a legislative session, members of the 2009 Legislative Assembly are entitled to lodging reimbursement as provided in Section 44-08-04 for each calendar day the 2009 Legislative Assembly is in session during the month of April 2009 if the member submits a voucher indicating the actual amount expended for lodging during the month of April.

Related Legislation

Legislative compensation and expense reimbursement - Senate Bill No. 2064 provides for the following legislative compensation changes:

- Increase legislators' monthly compensation by 5 percent per year, from $378 to $396 effective August 1, 2009, and to $415 effective July 1, 2010.
- Increase the compensation for regular, special, or organizational sessions by 5 percent per year from $135 to $141 per calendar day effective August 1, 2009, and to $148 per calendar day effective July 1, 2010.
- Increase the interim compensation rate by 5 percent per year from $135 to $141 per day effective August 1, 2009, and to $148 per day effective July 1, 2010.
- Increase the maximum monthly lodging expense reimbursement allowed during legislative sessions from $900 per month to 30 times 55 percent of the state daily lodging expense reimbursement rate. This increase is effective August 1, 2009. (Based on the current estimated state daily lodging reimbursement rate of $63 per night, the maximum monthly lodging expense reimbursement is estimated to be $1,040 per month.)
- Increase the state daily lodging expense reimbursement rate from $55 plus tax per night to 90 percent of the rate established by the United States General Services Administration for lodging reimbursement in the state plus tax effective August 1, 2009. (The current federal lodging reimbursement rate is $70 per night plus tax; therefore, 90 percent of the federal lodging reimbursement rate would be $63 per night plus tax.)
- Provide that the state mileage expense reimbursement rate be equal to the federal mileage expense reimbursement rate effective August 1, 2009. (The current state mileage expense reimbursement rate is 45 cents per mile. The current federal mileage expense reimbursement rate is 55 cents per mile.)
- Increase the reimbursement for travel by private airplane from 70 cents per mile to the sum of 1.5 times the mileage reimbursement by motor vehicle effective August 1, 2009.

Personal computers - House Bill No. 1178 allows the purchase of used personal computers at market value by members of the Legislative Assembly if the members have paid a computer usage fee.

Legislative Council
Budget No. 160
Senate Bill No. 2001

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	33.00	$10,075,195	$70,000	$10,145,195
2009-11 legislative appropriations	**34.00**	**10,439,503**	**70,000**	**10,509,503**
Legislative increase (decrease) to executive budget	1.00	$364,308	$0	$364,308
Legislative increase (decrease) to 2007-09 appropriations	1.00	$1,691,061	$0	$1,691,061

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$8,618,863	$129,579	$8,748,442
2009-11 legislative appropriations	**10,269,503**	**170,000**	**10,439,503**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,650,640	$40,421	$1,691,061
Percentage increase (decrease) to 2007-09 appropriations	19.2%	31.2%	19.3%
2009-11 legislative increase (decrease) to executive budget	$264,308	$100,000	$364,308
Percentage increase (decrease) to executive budget	2.6%	142.9%	3.6%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for increasing legislators' interim pay to $141 per day effective July 1, 2009, and to $148 per day effective July 1, 2010, in accordance with provisions of Senate Bill No. 2064. The bill, as introduced, included funding to increase legislators' interim pay to $140 per day effective July 1, 2009.		$18,108		$18,108
Added one new fiscal staff position and related operating expenses	1.00	154,000		154,000

Added funding for membership dues of joining an energy council organization, subject to Legislative Management's determination of the benefits to the state of membership		64,000		64,000
Added funding to allow each legislator to claim reimbursement of up to $100 per year for membership fees or dues relating to one legislative-related organization similar to the National Conference of State Legislatures or the Council of State Governments as determined by each legislator in accordance with Legislative Management guidelines		28,200		28,200
Added one-time funding for hiring a consultant, if necessary, to assist with a state employee compensation study provided for in Section 7 of the bill		100,000		100,000
Total	0.00	$364,308	$0	$364,308

FTE Changes

The 2009-11 biennium appropriation includes funding for 34 FTE positions, an increase of 1 FTE from the 2007-09 biennium authorized level of 33 FTE positions. The Legislative Assembly added 1 FTE fiscal staff position.

One-Time Funding

In Section 3 of Senate Bill No. 2001, the Legislative Assembly identified general fund appropriations of $170,000 for one-time items, including $100,000 for the state employee compensation study, $50,000 for office improvements, and $20,000 for office equipment replacement.

Legislative Budget Committee

Sections 11, 12, 13, 14, and 15 of Senate Bill No. 2001, which were **vetoed by the Governor**, would have established a legislative budget committee to coordinate and direct activities involved in the development of budget recommendations to assist the Legislative Assembly as it develops policy and provides appropriations for the operations of state government. The sections vetoed also would have:

- Provided that the Office of Management and Budget consider including Legislative Council recommendations in agency budget request guidelines.
- Required the Office of Management and Budget to receive Legislative Council approval to grant an agency an extension beyond July 15 for submission of an agency's budget request.
- Required the legislative budget committee to present a report at each Legislative Assembly's organizational session.
- Provided that the agency appropriation bills be prepared for introduction to each Legislative Assembly by the legislative budget committee providing funding at the same base level approved by the most recently adjourned Legislative Assembly and that any budget recommendations of the Governor or the legislative budget committee be made as amendments to these appropriation bills.

Other Sections in Bill

Section 6 allows the Legislative Council to continue its unspent 2007-09 biennium appropriation authority beyond the 2007-09 biennium.

Section 7 provides for a Legislative Council study of the classified state employee compensation system.

Related Legislation

Senate Bill No. 2064 - This bill changes legislators' compensation and travel expense reimbursement levels. Changes relating to the Legislative Council budget include:

- Increasing legislators' interim compensation rate by 5 percent, from $135 to $141 per day effective August 1, 2009, and to $148 per day effective July 1, 2010.

- Providing, effective August 1, 2009, the maximum daily lodging expense reimbursement rate be equal to 90 percent of the federal maximum daily lodging expense reimbursement rate. Under current law, the maximum daily lodging expense reimbursement rate is $55 per night plus tax. The rate is anticipated to increase to $63 per night plus tax on August 1, 2009.
- Providing, effective August 1, 2009, the state mileage expense reimbursement rate be equal to the federal mileage expense reimbursement rate. The current state mileage expense reimbursement rate is 45 cents per mile. The rate is anticipated to increase to 55 cents per mile on August 1, 2009.

House Bill No. 1178 - This bill changes the name of the Legislative Council (committee) to Legislative Management and provides that the staff remain the Legislative Council.

House Concurrent Resolution No. 3036 - This bill directs the Legislative Council to prepare and publish an annual pocket brochure of pertinent state economic indicators and state government statistics.

State Library
Budget No. 250
House Bill No. 1013

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	29.75	$4,680,390	$1,939,695	$6,620,085
2009-11 legislative appropriations	**29.75**	**4,601,028**	**1,927,836**	**6,528,864**
Legislative increase (decrease) to executive budget	0.00	($79,362)	($11,859)	($91,221)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$522,841	$29,511	$552,352

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$4,078,187	$0	$4,078,187
2009-11 legislative appropriations	**4,601,028**	**0**	**4,601,028**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$522,841	$0	$522,841
Percentage increase (decrease) to 2007-09 appropriations	12.8%	N/A	12.8%
2009-11 legislative increase (decrease) to executive budget	($79,362)	$0	($79,362)
Percentage increase (decrease) to executive budget	(1.7%)	N/A	(1.7%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($79,362)	($11,859)	($91,221)
Total	0.00	($79,362)	($11,859)	($91,221)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 29.75 FTE positions, the same as the 2007-09 biennium.

Other Sections in Bill

State aid to public libraries - Section 14 provides that the grants line item for the State Library includes $1,300,000 from the general fund for aid to public libraries, an increase of $100,000 from the $1,200,000 appropriated for the 2007-09 biennium.

NDSU Main Research Center
Budget No. 640
Senate Bill Nos. 2020, 2373

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	353.39	$60,188,875	$44,813,267	$105,002,142
2009-11 legislative appropriations	**352.39**	**60,217,151**	**45,713,267**	**105,930,418**
Legislative increase (decrease) to executive budget	(1.00)	$28,276	$900,000	$928,276
Legislative increase (decrease) to 2007-09 appropriations	5.00	$16,065,454[1]	$2,811,100	$18,876,554[1]

[1]This amount reflects a 2007-09 deficiency appropriation of $100,499 from the general fund to the Main Research Center for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$36,043,448	$8,108,249	$44,151,697
2009-11 legislative appropriations	**42,767,151**	**17,450,000**	**60,217,151**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$6,723,703	$9,341,751	$16,065,454
Percentage increase (decrease) to 2007-09 appropriations	18.7%	115.2%	36.4%
2009-11 legislative increase (decrease) to executive budget	$78,276	($50,000)	$28,276
Percentage increase (decrease) to executive budget	0.2%	(0.3%)	0.05%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Main Research Center is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Reduced **one-time funding** included in the executive budget for deferred maintenance to provide a total of $450,000		($50,000)		($50,000)
Added, as an emergency measure, funding for industrial hemp research			$200,000	200,000

Added funding for 1 FTE wheat rust pathologist position, including salaries and wages ($210,000) and operating expenses ($40,000)	1.00	250,000		250,000
Removed funding for 1 FTE scientist position for pulse, oilseed, and wheat quality, including salaries and wages ($223,750) and operating expenses ($33,000)	(1.00)	(256,750)		(256,750)
Removed funding for 1 FTE technician position for pulse, oilseed, and wheat quality, including salaries and wages ($131,974) and operating expenses ($33,000)	(1.00)	(164,974)		(164,974)
Appropriated funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below)			700,000	700,000
Added funding in Senate Bill No. 2373 to provide matching funds for grape research		250,000		250,000
Total	(1.00)	$28,276	$900,000	$928,276

FTE Changes

The 2007-09 appropriation is based on 348.88 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 1.49 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 347.39 FTE positions. The 2009-11 biennium appropriation includes funding for 352.39 FTE positions, a decrease of 1 FTE position from the executive recommendation of 353.39 and an increase of 5 FTE positions from the 2007-09 authorized level of 347.39. The Legislative Assembly removed 1 FTE scientist position and 1 FTE technician position for pulse, oilseed, and wheat quality included in the executive recommendation, but did not change the addition of 1 FTE scientist position and 3 FTE technician positions for pulse, oilseed, and wheat quality included in the executive recommendation. In addition, the Legislative Assembly authorized 1 FTE wheat rust pathologist.

One-Time Funding

In Section 2 of Senate Bill No. 2020, the Legislative Assembly identified $17,450,000 from the general fund for the Main Research Center greenhouse project ($11,450,400); the beef research facility ($2,612,400); the North Central, Williston, Langdon, and Dickinson Research Centers office addition and renovation projects ($2,937,200); and the deferred maintenance pool ($450,000) as one-time funding items. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Main Research Center is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

The Legislative Assembly, in Section 4 of Senate Bill No. 2020, appropriated, if funds are available, $700,000 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Main Research Center for the installation of a geothermal heating system in the Main Research Center greenhouse project. In Section 5 of the bill, the Legislative Assembly authorized the Main Research Center to seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Grape and Wine Program Committee

Senate Bill No. 2373 establishes a Grape and Wine Program Committee and appropriates $250,000 from the general fund to the Grape and Wine Program Committee for the purpose of providing matching funds for grape research during the 2009-11 biennium.

Capital Construction

Main Research Center greenhouse project - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation to provide $11,450,400 from the general fund to continue the Main Research Center greenhouse project. In addition, the Main Research Center, pursuant to Section 12 of Senate Bill No. 2020 (2007), may continue any unspent 2007-09 appropriation authority for the project to the 2009-11 biennium. Funding for the Main Research Center greenhouse project is summarized as follows:

Biennium	General Fund	Federal Fiscal Stimulus Funds	Gifts, Grants, Contracts, and Donations	Bond Proceeds	Total
2005-07			$5,000,000	$2,000,000	$7,000,000
2007-09[1]	$7,000,000				7,000,000
2009-11[2]	$11,450,400	$700,000			12,150,400
Total					$26,150,400

[1]The 2007 Legislative Assembly removed references to Phases 1 and 2 of the greenhouse project and provided that the Main Research Center may use any funding available within the total appropriation authority for the Main Research Center greenhouse project, including the continuation of unspent authority from the 2005-07 biennium, for the Main Research Center greenhouse project to begin construction.

[2]The Main Research Center requested $16.8 million for the 2009-11 biennium to complete the Main Research Center greenhouse project. The 2009 Legislative Assembly, as recommended in the executive budget, provided an appropriation of $11.5 from the general fund. In Section 4 of Senate Bill No. 2020, the Legislative Assembly appropriated an additional $700,000 of federal funds, if available, under the federal American Recovery and Reinvestment Act of 2009 to install a geothermal heating system in the Main Research Center greenhouse. The Main Research Center anticipates requesting an additional $5.3 million to complete the project during the 2011-13 biennium.

In addition, the Legislative Assembly did not change the executive recommendation to provide $480,000 from the general fund for the increased cost of greenhouse utilities.

Beef research facility - The 2007 Legislative Assembly appropriated $1 million from special funds and $80,000 from the general fund for a beef research facility at the Main Research Center. The Main Research Center was able to secure $621,900 of federal and special funds to begin the project. The 2009 Legislative Assembly did not change the executive recommendation to provide $2,612,400 from the general fund to complete the research complex in the 2009-11 biennium.

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the executive recommendation to provide $2,937,200 from the general fund for the following projects:

- North Central Research Center renovation and addition ($624,000);
- Williston Research Center Ernie French Center addition ($1,680,000);
- Langdon Research Center geothermal heating and cooling pump system ($144,000); and
- Dickinson Research Center renovation of the former headquarters building ($489,200).

Deferred maintenance pool - The Legislative Assembly provided one-time funding of $450,000 from the general fund for a deferred maintenance pool to address needs at the Main Research Center and branch research centers, a reduction of $50,000 from the executive recommendation of $500,000.

Extraordinary repairs - The Legislative Assembly did not change the executive recommendation to increase base funding for extraordinary repairs and deferred maintenance by $600,000 to provide total base funding of $1,340,465 from the general fund for extraordinary repairs and deferred maintenance.

Other Sections in Senate Bill No. 2020

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Deferred maintenance transfer authority - Section 6 authorizes the Main Research Center to transfer from the deferred maintenance line to the Main Research Center line amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Beef Systems Center of Excellence - Section 11 provides legislative intent that the Beef Systems Center of Excellence authorized by the 58th (2003) Legislative Assembly has met the funding requirements as outlined in Section 9 of Chapter 20 of the 2003 Session Laws for collection of both federal and special funds by private contributions through the creation of the North Dakota Agricultural Innovation Center and the capitalization for the creation of North Dakota Natural Beef, LLC, which was approved by the Office of Management and Budget when it released $800,000 to the North Dakota State University Agricultural Experiment Station in 2006 pursuant to Section 8 of Chapter 20 of the 2003 Session Laws. The section also provides legislative intent that this center is subject to requirements outlined in Chapter 136 of the 2003 Session Laws and not those enacted later as a part of the center of excellence program administered by the Department of Commerce pursuant to North Dakota Century Code (NDCC) Chapter 15-69.

Capital project carryover authority - Section 12 provides that the 2007-09 appropriation for the Main Research Center greenhouse project is not subject to the provisions of NDCC Section 54-44.1-11, and any unspent appropriation authority or related revenues are available and may be spent during the 2009-11 biennium.

Emergency - Section 13 provides the appropriations for industrial hemp research of $200,000 from special funds, for deferred maintenance of $450,000 from the general fund, and for capital projects of $17,000,000 from the general fund and $350,000 from special funds are declared to be an emergency measure.

Related Legislation

Grape and Wine Program Committee - Senate Bill No. 2373 establishes a Grape and Wine Program Committee and appropriates $250,000 from the general fund to the Grape and Wine Program Committee for the purpose of providing matching funds for grape research during the 2009-11 biennium. The Grape and Wine Program Committee may spend funds appropriated under this section for grants only after consultation with the Main Research Center and only to the extent of $4 for each $1 provided from other sources. The Grape and Wine Program Committee may spend additional funds from gifts, grants, or donations and those additional funds are appropriated to the Grape and Wine Program Committee.

Mill and Elevator Association
Budget No. 475
Senate Bill No. 2014

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	131.00	$0	$40,057,242	$40,057,242
2009-11 legislative appropriations	**131.00**	**0**	**40,057,242**	**40,057,242**
Legislative increase (decrease) to executive budget	0.00	$0	$0	$0
Legislative increase (decrease) to 2007-09 appropriations	0.00	$0	$3,291,633	$3,291,633

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
The Legislative Assembly did not change the executive recommendation for the Mill and Elevator Association.				
Total	0.00	$0	$0	$0

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 131 FTE positions, the same as the 2007-09 biennium.

Other Sections in Bill

Mill and Elevator study - Section 11 requires the Industrial Commission to obtain the services of a consultant to evaluate the Mill and Elevator during the 2009-10 interim. The evaluation must include a comparison to industry averages or standards of:

1. Financial data reflected on balance sheets and income statements;
2. Cashflow data;
3. Ratio analysis of working capital, operating efficiency, marketing, and other ratios;
4. Liquidity ratios to determine appropriate working capital needed for the mill;
5. Pretax income levels;
6. Business opportunities;
7. Capital investment and recommended net assets levels; and
8. Officer and employee compensation guidelines, including gain-sharing programs.

The Industrial Commission is to provide a summary report exclusive of proprietary information to the Budget Section on the results of the evaluation during the 2009-10 interim.

Transfer of Mill and Elevator profits - Section 12 creates a new section to North Dakota Century Code (NDCC) Chapter 54-18 requiring the Industrial Commission to transfer to the state 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. The money must be transferred on an annual basis in the amounts and at the times requested by the director of the Office of Management and Budget.

Gain-sharing program - Section 12 creates a new section to NDCC Chapter 54-18 which defines a gain-sharing program as a program approved annually by the Industrial Commission with provisions that promote profitability, productivity, and safety. Any gain-sharing program approved by the Industrial Commission must include provisions that ensure that no payouts occur unless Mill and Elevator profits exceed $1 million and transfers will be made to the state general fund for that program year.

Related Legislation

Agricultural fuel tax fund - Section 34 of Senate Bill No. 2018 creates a new section to NDCC Chapter 54-18 to provide that within 30 days after the conclusion of each fiscal year, the Industrial Commission is to transfer 5 percent of the net income earned by the Mill and Elevator during that fiscal year to the agricultural fuel tax fund. The 2009 Legislative Assembly appropriated funds from the agricultural fuel tax fund for the Agricultural Products Utilization Commission.

NDSU Extension Service
Budget No. 630
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	267.33	$21,475,080	$25,928,877	$47,403,957
2009-11 legislative appropriations	**268.63**	**22,000,412**	**25,928,877**	**47,929,289**
Legislative increase (decrease) to executive budget	1.30	$525,332	$0	$525,332
Legislative increase (decrease) to 2007-09 appropriations	2.30	$3,488,222	$1,904,336	$5,392,558

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$18,512,190	$0	$18,512,190
2009-11 legislative appropriations	**22,000,412**	**0**	**22,000,412**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$3,488,222	$0	$3,488,222
Percentage increase (decrease) to 2007-09 appropriations	18.8%	N/A	18.8%
2009-11 legislative increase (decrease) to executive budget	$657,332	($132,000)	$525,332
Percentage increase (decrease) to executive budget	3.1%	(100.0%)	2.4%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the NDSU Extension Service is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

The legislative action:	FTE Positions	General Fund	Other Funds	Total
Removed **one-time funding** added in the executive budget for interactive video equipment upgrades		($132,000)		($132,000)
Removed a .7 FTE area specialist position and related funding for crop disease management at the Langdon Research Center, including salaries and wages ($139,668) and operating expenses ($28,000)	(0.70)	(167,668)		(167,668)

Added funding for the Soil Conservation Committee to provide a total of $837,800		100,000		100,000
Added funding for 1 FTE state specialist position for the 4-H leadership education and camping program, including salaries and wages ($180,000) and operating expenses ($40,000)	1.00	220,000		220,000
Added funding for agents in training and interns		100,000		100,000
Added funding for 1 FTE state specialist position in agribusiness enterprise and rural development, including salaries and wages ($200,000) and operating expenses ($40,000)	1.00	240,000		240,000
Increased funding for the junior master gardener program to provide a total of $60,000		40,000		40,000
Increased funding for the parenting resource centers to provide a total of $250,000		125,000		125,000
Total	1.30	$525,332	$0	$525,332

FTE Changes

The 2007-09 appropriation is based on 260.46 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 5.87 FTE positions were added pursuant to this section and reported to the Office of Management and Budget for a total of 266.33 FTE positions. The 2009-11 biennium appropriation includes funding for 268.63 FTE positions, an increase of 1.3 FTE positions from the executive recommendation of 267.33 and 2.3 FTE positions from the 2007-09 authorized level of 266.33. The Legislative Assembly removed a .7 FTE area specialist position for crop disease management included in the executive recommendation at the Langdon Research Center leaving a .3 FTE area specialist position for crop disease management at the Carrington Research Center. The Legislative Assembly authorized 1 FTE state specialist position for the 4-H leadership education and camping program and 1 FTE state specialist position in agribusiness enterprise and rural development.

One-Time Funding

The Legislative Assembly removed one-time funding of $132,000 from the general fund included in the executive recommendation for interactive video equipment upgrades.

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Branch Research Centers
Budget No. 628
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	95.56	$11,902,190	$14,266,816	$26,169,006
2009-11 legislative appropriations	**97.26**	**12,367,190**	**15,191,816**	**27,559,006**
Legislative increase (decrease) to executive budget	1.70	$465,000	$925,000	$1,390,000
Legislative increase (decrease) to 2007-09 appropriations	1.70	$963,225[1]	$1,446,612	$2,409,837[1]

[1]This amount reflects a 2007-09 deficiency appropriation totaling $35,654 from the general fund to the Central Grasslands Research Center ($13,560) and the North Central Research Center ($22,094) for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,668,311	$735,654	$11,403,965
2009-11 legislative appropriations	**12,367,190**	**0**	**12,367,190**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,698,879	($735,654)	$963,225
Percentage increase (decrease) to 2007-09 appropriations	15.9%	(100.0%)	8.4%
2009-11 legislative increase (decrease) to executive budget	$465,000	$0	$465,000
Percentage increase (decrease) to executive budget	3.9%	N/A	3.9%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the branch research centers is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added a .7 FTE plant pathologist position and related funding at the Carrington Research Center	.70	$180,000		$180,000
Added 1 FTE forage agronomist position at the Central Grasslands Research Center	1.00	220,000		220,000
Increased funding for an irrigation scientist FTE position at the Williston Research Center		65,000		65,000

Added **one-time funding** from the permanent oil tax trust fund to defray the operating expenses of the Dickinson Research Center			$925,000	925,000
Total	1.70	$465,000	$925,000	$1,390,000

FTE Changes

The 2007-09 appropriation is based on 97.86 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 2.3 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 95.56 FTE positions. The 2009-11 biennium appropriation includes funding for 97.26 FTE positions, an increase of 1.7 FTE positions from the executive recommendation and the 2007-09 authorized level of 95.56. The Legislative Assembly added a .7 FTE plant pathologist position at the Carrington Research Center and 1 FTE forage agronomist position at the Central Grasslands Research Center.

One-Time Funding

In Section 2 of Senate Bill 2020, the Legislative Assembly identified $1,275,000, of which $925,000 for operating expenses is from the permanent oil tax trust fund and $350,000 for capital projects is from Dickinson Research Center oil revenue, as one-time funding. The Legislative Assembly did not change the executive recommendation to provide $350,000 from oil revenue as one-time funding for the Dickinson Research Center headquarters facility parking lot and landscaping. In addition, the Legislative Assembly provided $925,000 from the permanent oil tax trust fund as one-time funding to the Dickinson Research Center for operating expenses. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the branch research centers are to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation for the Main Research Center that included an appropriation of $2,937,200 from the general fund for North Central Research Center renovations ($624,000), the Williston Research Center Ernie French Center addition ($1,680,000), Langdon Research Center renovations ($144,000), and Dickinson Research Center renovations ($489,200).

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Operating pool - Section 10 provides that the $925,000 from the permanent oil tax trust fund appropriated to the Dickinson Research Center be used for operating costs at the Dickinson Research Center.

Northern Crops Institute
Budget No. 638
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	11.20	$1,439,221	$1,598,265	$3,037,486
2009-11 legislative appropriations	**11.20**	**1,439,221**	**1,598,265**	**3,037,486**
Legislative increase (decrease) to executive budget	0.00	$0	$0	$0
Legislative increase (decrease) to 2007-09 appropriations	1.00	$288,403	$113,937	$402,340

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,125,818	$25,000	$1,150,818
2009-11 legislative appropriations	**1,439,221**	**0**	**1,439,221**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$313,403	($25,000)	$288,403
Percentage increase (decrease) to 2007-09 appropriations	27.8%	(100.0%)	25.1%
2009-11 legislative increase (decrease) to executive budget	$0	$0	$0
Percentage increase (decrease) to executive budget	0.0%	N/A	0.0%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Northern Crops Institute is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
The Legislative Assembly did not change the executive recommendation for the Northern Crops Institute.				
Total	0.00	$0	$0	$0

FTE Changes

The 2007-09 appropriation is based on 11.2 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. The State Board of Higher Education removed 1 FTE position pursuant to this section and reported it to the Office of Management and Budget for a total of 10.2 FTE positions. The 2009-11 biennium appropriation includes funding for

11.2 FTE positions, the same as the executive recommendation and an increase of 1 FTE position from the 2007-09 authorized level of 10.2. The Legislative Assembly authorized 1 FTE milling specialist position included in the executive recommendation.

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations, received by the Upper Great Plains Transportation Institute, North Dakota State University (NDSU) Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Office of Management and Budget
Budget No. 110
House Bill No. 1015, Senate Bill Nos. 2018, 2178

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	133.50	$46,709,182	$13,775,833	$60,485,015
2009-11 legislative appropriations	**132.50**	**41,107,196[1]**	**16,512,414[1]**	**57,619,610**
Legislative increase (decrease) to executive budget	(1.00)	($5,601,986)	$2,736,581	($2,865,405)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$15,823,943	($20,205,170)	($4,381,227)

[1]This amount includes funding of $15,984,000, of which $9,000,000 is from the general fund and $6,984,000 is from other funds, for a statewide salary equity pool for executive branch state employees.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$21,595,396	$3,687,857	$25,283,253
2009-11 legislative appropriations	**36,123,055**	**4,984,141**	**41,107,196**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$14,527,659	$1,296,284	$15,823,943
Percentage increase (decrease) to 2007-09 appropriations	67.3%	35.2%	62.6%
2009-11 legislative increase (decrease) to executive budget	$11,256,114	($16,858,100)	($5,601,986)
Percentage increase (decrease) to executive budget	45.3%	(77.2%)	(12.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($168,886)	($69,167)	($238,053)
Removed a vacant FTE Central Services position	(1.00)		(75,846)	(75,846)
Removed centers of excellence funding for the 2009-11 biennium (centers of excellence funding was appropriated under the Department of Commerce)		(15,000,000)	(5,000,000)	(20,000,000)
Changed a portion of the funding source for Prairie Public Broadcasting digital upgrades from the general fund to the		(1,008,100)	1,008,100	0

permanent oil tax trust fund. A total of $2,016,200 is provided for these upgrades				
Added funding for a salary equity pool for executive branch state employees		9,000,000	6,984,000	15,984,000
Added funding for Capitol grounds building projects		1,200,000	(800,000)	400,000
Added funding in Senate Bill No. 2178 for community service supervision grants		375,000		375,000
Appropriated federal stimulus fiscal stabilization funding, including $289,494 in House Bill No. 1015 for administrative expenses associated with federal fiscal stimulus funds and $400,000 in Senate Bill No. 2018 for establishment of a searchable database of state expenditures			689,494	689,494
Total	(1.00)	($5,601,986)	$2,736,581	($2,865,405)

FTE Changes

The 2009-11 biennium appropriation includes funding for 132.5 FTE positions, the same as provided during the 2007-09 biennium. The Legislative Assembly removed a vacant FTE Central Services position and did not change the executive recommendation to add 1 FTE human resources officer position.

One-Time Funding

In Section 6 of House Bill No. 1015, the Legislative Assembly identified total one-time funding of $5,992,241, of which $4,984,141 is from the general fund and $1,008,100 is from the permanent oil tax trust fund. Items identified as one-time funding from the general fund include ConnectND projects ($1,000,000), Prairie Public Broadcasting upgrades ($1,008,100), Facility Management repairs and equipment ($2,850,000), and administration projects ($126,041). Funding of $1,008,100 from the permanent oil tax trust fund for Prairie Public Broadcasting upgrades was also identified as one-time.

Federal Fiscal Stimulus Funding

In Section 2 of House Bill No. 1015 and Section 5 of Senate Bill No. 2018, the Legislative Assembly appropriated $689,494 of federal fiscal stabilization - other government services funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to the Office of Management and Budget for information technology, accounting, and verification costs ($289,494) and for establishing a searchable database of state expenditures ($400,000). The Office of Management and Budget may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

State Memberships

The Legislative Assembly provided $611,000 from the general fund for state dues and memberships as follows:

	General Fund
Commission on Uniform State Laws (This budget includes travel costs, conference registration, and annual dues.)	$146,000
Council of State Governments	168,000
Government Accounting Standards Board	6,000
Western Governors Association	74,300
National Governors Association	81,500
Midwest Governors Association	20,000

National Lieutenant Governors Association	1,200
Education Commission of the States	114,000
Total dues and memberships	$611,000

Capital Improvements

The Legislative Assembly provided a total of $4,487,000 from the general fund for the following extraordinary repairs:

	General Fund
Veterans' memorial repairs	$187,000
Capitol grounds building repairs	675,000
Capitol grounds parking lot repairs	1,475,000
Capitol restoration	1,200,000
Cooling tower and heat pump replacements	500,000
Exterior Capitol limestone study	150,000
Parking lot repair	300,000
Total	$4,487,000

General Fund Transfers

Special funds transfers - The Legislative Assembly provided for the following special funds transfers to the general fund:

Lands and minerals trust fund (Section 5 of Senate Bill No. 2013)	$35,000,000
Permanent oil tax trust fund (Section 5 of House Bill No. 1015)	140,000,000
Permanent oil tax trust fund (Section 10 of Senate Bill No. 2199)	295,000,000
Total	$470,000,000

Bank of North Dakota transfers - Section 16 of Senate Bill No. 2014 provides for a transfer of up to $1 million from the current earnings and the accumulated and undivided profits of the Bank of North Dakota to the general fund. The section provides that the transfer may only be made to the extent that funding from the general fund is deposited in the Ag PACE fund and obligated for the disaster program. The executive budget recommendation had provided for a $60 million transfer from the Bank of North Dakota to the general fund.

Mill and Elevator Association transfers - Section 12 of Senate Bill No. 2014 adds a new section to North Dakota Century Code (NDCC) Chapter 54-18 to provide that the Industrial Commission transfer 50 percent of the annual earnings and undivided profits of the Mill and Elevator Association, after any transfer to agriculture-related programs, to the general fund. The 2009-11 biennium transfers are anticipated to be $4,735,836, $2,235,836 more than the executive budget recommendation of $2,500,000.

Budget Stabilization Fund

Pursuant to NDCC Chapter 54-27.2, the State Treasurer is to transfer any amount exceeding $65 million at the end of the biennium, up to a maximum of an amount equal to 10 percent of the total biennial general fund budget as approved by the most recently adjourned session of the Legislative Assembly, to the budget stabilization fund. The 2009 Legislative Assembly approved a total 2009-11 general fund budget of $3,249,365,481. Therefore, the maximum balance in the fund is limited to $324,936,548 which will allow for a $124,936,548 transfer from the general fund to the budget stabilization fund at the end of the 2007-09 bennium.

Weather-Related Livestock Disaster Assistance

Section 3 of House Bill No. 1015 provides a deficiency appropriation of $250,000 from the permanent oil tax trust fund to match federal United States Department of Agriculture funds received to assist ranchers affected by severe winter weather and flooding.

State Employee Compensation Adjustments and Salary Equity Pool

State employee compensation adjustments - Section 11 of House Bill No. 1015 provides legislative intent for 2009-11 compensation adjustments for regular state employees. The compensation adjustments are to vary based on documented performance and equity and are not necessarily to be 5 percent annual increases for each employee. Increases are to be given beginning with the months of July 2009 and July 2010. Each employee whose overall documented performance level meets all standards is to receive a minimum annual increase of $100. An employee whose documented performance does not meet standards is not eligible to receive any salary increase. No salary increase, other than the $100 minimum increase or other temporary increase, may be given to an employee whose salary exceeds or would exceed the salary range maximum.

Salary equity pool for executive branch employees - Section 18 of House Bill No. 1015 provides an appropriation of $15,984,000, of which $9,000,000 is from the general fund, to the Office of Management and Budget for an executive branch state employee salary equity pool to provide market equity adjustments. The adjustments are to begin in July 2009 and must be given after any other general compensation adjustments. The market equity adjustments are to be prioritized based on a statewide plan to address market disparities, 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 must give priority to employees who have been employed by the state for the greatest length of time and are furthest below their salary range midpoint. Institutions under the control of the State Board of Higher Education are not eligible to receive funding from the salary equity pool.

Other Sections in House Bill No. 1015

Transfer to centers of excellence fund - Section 4 provides that the Office of Management and Budget transfer $4,450,000 from the general fund to the centers of excellence fund during the 2009-11 biennium. This appropriation is reflected under the Department of Commerce.

Fiscal Management Division unexpended funds - Section 8 provides an exemption to NDCC Section 54-44.1-11 for unexpended funds of the Fiscal Management Division for the 2007-09 biennium and provides that any unexpended funds may be used for the development and operating costs of the accounting, management, and payroll systems during the 2009-11 biennium.

Payments to deceased firefighter's survivor - Sections 12, 13, and 14 amend NDCC Sections 18-05.1-01, 18-05.1-02, and 18-05.1-03 relating to payments from the firefighters death benefit fund.

State employee motor vehicle rental liability - Section 15 amends NDCC Section 32-12.2-02(3)(s) relating to the liability of a state employee while renting a motor vehicle on state business.

Care facilities personal needs allowance - Section 16 amends Section 21 of House Bill No. 1012 to provide a personal needs allowance of $85 for individuals in basic care facilities and ICF/MR facilities.

Payments received by state agencies - Section 17 amends NDCC Section 54-06-08.2 to allow state agencies to accept payment by debit cards or electronic funds transfer.

Lease of additional office space - Sections 20 and 21 amend NDCC Sections 54-21-24 and 54-21-24.1 relating to the leasing of office space by state agencies, departments, offices, officers, boards, and institutions.

Legislative Council study - Capitol grounds - Section 22 provides for a Legislative Council study of the Capitol complex master plan and parking needs on the Capitol grounds.

Vacant state employee positions - Section 23 creates a new section to NDCC Chapter 54-27 to provide for reporting requirements for vacant state employee positions and requires certain approval requirements to expend funds resulting from vacant position savings. **The Governor vetoed this section.**

Coal development fund allocations - Section 24 amends NDCC Section 57-62-02 relating to the allocation of money from the coal development fund.

Concealed weapons testing - Section 25 amends a section of Senate Bill No. 2415 to allow a person conducting a concealed weapons test to assess a charge of up to $50 for conducting the testing.

Transportation distributions - Section 26 amends a section of Senate Bill No. 2012 relating to the distribution of weather-related cost-sharing funds to townships.

Electronic budget presentation - Section 27 requires the Office of Management and Budget to select two agencies to present their proposed 2011-13 budget and related information electronically to the Appropriations Committees of the 62nd Legislative Assembly.

Great Plains Applied Energy Research Center - Sections 28 and 29 amend sections of House Bill No. 1350 regarding the Great Plains Applied Energy Research Center. **The Governor vetoed these sections.**

Tribal college assistance grants - Section 30 amends Chapter 160 of the 2007 Session Laws to provide that excess funding for tribal college assistance grants may be distributed to colleges based on a prorated amount per FTE nonbeneficiary student.

State employee accrued leave payments - Section 31 required the Office of Management and Budget to report to the Budget Section on alternative methods for budgeting for the compensation of state employee accrued annual leave and sick leave. **The Governor vetoed this section.**

2011-13 biennium FTE position requests - Section 32 requires the 2011-13 executive budget recommendation to limit the total number of FTE positions to the same amount as authorized by the Legislative Assembly for the 2009-11 biennium. **The Governor vetoed this section**.

Personal finance schoolbook - Section 33 provides a $25,000 general fund appropriation to the Department of Public Instruction for the development and customization of a North Dakota personal finance schoolbook.

Disaster matching funds - Section 34 provides a $250,000 general fund appropriation to the Department of Emergency Services to provide up to 50 percent of the local match required to receive federal disaster relief funds for damage that occurred due to tornadoes during the summer of 2007.

Tobacco Control and Prevention Executive Committee - Sections 35 through 41 provide an appropriation for the Tobacco Control and Prevention Executive Committee and requires certain reports to be submitted to the Budget Section.

Related Legislation

House Bill No. 1122 - This bill allows the Office of Management and Budget to include a provision in economic forecasting contracts limiting the state's ability to seek and recover indirect consequential damages.

House Bill No. 1460 - This bill provides for the development of an alternative use grant program for state institutions.

Senate Bill No. 2018 - Section 35 of this bill requires the Office of Management and Budget director to develop a searchable database of state expenditures by June 30, 2011.

Senate Bill No. 2061 - This bill provides for Human Resource Management Services to conduct a study on the retention of state employees and to report its findings to the Legislative Council.

Senate Bill No. 2064 - This bill provides for the director of the Office of Management and Budget to establish a state employee lodging reimbursement rate equal to 90 percent of the rate established by the United States General Services Administration and requires the director of the Office of Management and Budget to adopt rules establishing mileage reimbursement for state employees based on the federal rate.

Senate Bill No. 2353 - This bill provides for the director of the Office of Management and Budget to establish a state employee lodging reimbursement rate equal to 90 percent of the rate established by the United States General Services Administration.

Senate Bill No. 2425 - This bill requires the director of the Office of Management and Budget to develop and present a report to the Legislative Council of all facilities occupied by state agencies and recommendations for increasing efficiency.

Parks and Recreation Department
Budget No. 750
House Bill No. 1019

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	53.00	$14,215,868	$11,868,054	$26,083,922
2009-11 legislative appropriations	**53.00**	**15,333,959**	**12,948,054**	**28,282,013**
Legislative increase (decrease) to executive budget	0.00	$1,118,091	$1,080,000	$2,198,091
Legislative increase (decrease) to 2007-09 appropriations	2.50	$745,404	($603,193)	$142,211

NOTE: Appropriation amounts include funding for the International Peace Garden.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$9,200,555	$5,388,000	$14,588,555
2009-11 legislative appropriations	**10,562,591**	**4,771,368**	**15,333,959**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,362,036	($616,632)	$745,404
Percentage increase (decrease) to 2007-09 appropriations	14.8%	(11.4%)	5.1%
2009-11 legislative increase (decrease) to executive budget	($538,509)	$1,656,600	$1,118,091
Percentage increase (decrease) to executive budget	(4.9%)	53.2%	7.9%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($538,509)		($538,509)
Added funding for signage and maps at Icelandic State Park and trails and attractions in northeastern North Dakota		20,000		20,000
Reduced funding for community grants from $700,000 to $400,000		(300,000)		(300,000)

Increased funding for recreation programs to reflect additional anticipated revenue collections from provisions of Senate Bill Nos. 2367 ($20,000) and 2378 ($260,000) (see **Related Legislation** section below)			280,000	280,000
Appropriated federal fiscal stimulus funds (see **Federal Fiscal Stimulus Funding** section below)			800,000	800,000
Provided funding to repay the balance of the loan for the new interpretive center and conservatory at the International Peace Garden		1,850,000		1,850,000
Provided funding for landscaping, walking path resurfacing, and road construction and resurfacing at the International Music Camp		86,600		86,600
Total	0.00	$1,118,091	$1,080,000	$2,198,091

FTE Changes

The 2009-11 biennium appropriation includes funding for 53 FTE positions, an increase of 2.5 FTE positions from the 2007-09 authorized level of 50.5 FTE positions. The legislative action did not change the executive recommendation to add 2.5 FTE park maintenance positions.

One-Time Funding

In Section 2 of House Bill No. 1019, the Legislative Assembly identified $4,771,368 from the general fund as one-time funding for parks capital projects and deferred maintenance ($2,359,768), park signage and maps ($20,000), parks community grant program ($400,000), International Peace Garden loan repayment ($1,850,000), International Peace Garden equipment ($55,000), and International Peace Garden capital projects and deferred maintenance ($86,600). This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Parks and Recreation Department is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 9 of House Bill No. 1019, the Legislative Assembly appropriated $800,000 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Parks and Recreation Department for a pedestrian bridge at Turtle Mountain State Park ($300,000), Turtle Mountain scenic byway acquisition and trails ($200,000), and Fort Abraham Lincoln State Park Civilian Conservation Corps building rehabilitation ($300,000). The Parks and Recreation Department may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Capital Projects

The Legislative Assembly provided funding for the following capital projects at state parks:

	2009-11 Executive Recommendation			2009 Legislative Action			2009-11 Legislative Appropriation		
Project	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Beaver Lake State Park repair and maintenance projects	$95,000	$30,000	$125,000				$95,000	$30,000	$125,000
Cross Ranch State Park repair and maintenance projects		87,500	87,500					87,500	87,500

Project	2009-11 Executive Recommendation			2009 Legislative Action			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Devils Lake State Park repair and maintenance projects	17,500		17,500				17,500		17,500
Fort Abraham Lincoln State Park repair and maintenance projects	86,200	30,000	116,200				86,200	30,000	116,200
Fort Ransom State Park repair and maintenance projects	81,000		81,000				81,000		81,000
Fort Stevenson State Park repair and maintenance projects	30,500	40,000	70,500				30,500	40,000	70,500
Icelandic State Park repair and maintenance projects	88,500	30,000	118,500				88,500	30,000	118,500
Lewis and Clark State Park repair and maintenance projects		110,000	110,000					110,000	110,000
Little Missouri State Park repair and maintenance projects	30,000		30,000				30,000		30,000
Lake Metigoshe State Park repair and maintenance projects	238,200	77,000	315,200				238,200	77,000	315,200
Lake Sakakawea State Park repair and maintenance projects	44,000	45,000	89,000				44,000	45,000	89,000
Turtle River State Park repair and maintenance projects	35,000	33,000	68,000				35,000	33,000	68,000
Fuel tank containment at Fort Abraham Lincoln, Devils Lake, and Fort Stevenson State Parks	7,500		7,500				7,500		7,500
Signage and maps at Icelandic State Park				$20,000		$20,000	20,000		20,000
Fort Ransom State Park peninsula acquisition	50,000		50,000				50,000		50,000
Fort Stevenson State Park campground upgrade	468,000		468,000				468,000		468,000
Road repair and chip seal projects	1,412,468		1,412,468				1,412,468		1,412,468
Sully Creek State Park recreational vehicle dump and comfort station	160,000		160,000				160,000		160,000
Turtle Mountain trails		250,000	250,000					250,000	250,000
Turtle River State Park campground upgrade	269,300		269,300				269,300		269,300
Turtle River State Park pedestrian bridge					$300,000	300,000		300,000	300,000
Turtle Mountain scenic byway acquisition and trails					200,000	200,000		200,000	200,000
Fort Abraham Lincoln State Park Civilian Conservation Corps building rehabilitation					300,000	300,000		300,000	300,000
Total	$3,113,168	$732,500	$3,845,668	$20,000	$800,000	$820,000	$3,133,168	$1,532,500	$4,665,668

International Peace Garden

The 2009-11 biennium appropriation includes $2,728,454 from the general fund for the International Peace Garden, a decrease of $641,400 from the 2007-09 biennium appropriation amount of $3,369,854 and an increase of $1,936,600 from the 2009-11 executive recommendation. The Legislative Assembly did not change the executive recommendation to provide $736,854 for the operating grant for the International Peace Garden and $55,000 for equipment. The Legislative Assembly provided one-time funding of $1,936,600 from the general fund to repay the balance of the loan for the new interpretive center and conservatory at the International Peace Garden ($1,850,000) and for landscaping, walking path resurfacing, and road construction and resurfacing at the International Music Camp ($86,600).

Other Sections in Bill

Deferred maintenance line item transfer authority - Section 3 provides that the Parks and Recreation Department may transfer from the deferred maintenance line item to the capital assets line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

Game and fish operating fund - Section 4 provides that $222,000 of the estimated income line item appropriated in Section 1 of the bill is from the game and fish operating fund, or federal or other funds available to the Game and Fish Department, and must be transferred to the Parks and Recreation Department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at various state parks.

Concession agreements - Section 6 amends North Dakota Century Code (NDCC) Section 55-08-05(5) to provide that concession agreements entered into by the Parks and Recreation Department may not exceed 20 years.

Leadership and facilities grants - Section 7 amends NDCC Section 55-08-14.1 to provide that up to 5 percent of all money made available to the Parks and Recreation Department biennially for the recreational and facilities grants program may be used by the department for administration of leadership and facilities grants and to ensure completion of the projects funded.

Related Legislation

Sibley-Sully historic trails linking study - Senate Bill No. 2309 directs the Parks and Recreation Department, State Historical Society, Game and Fish Department, and the Tourism Division of the Department of Commerce to conduct a study of the feasibility and desirability of linking and improving a series of public sites along the Sibley and Sully historic trails for purposes of historical education, heritage tourism, and access for public hunting. The Parks and Recreation Department shall serve as the lead agency for the study and report the findings and recommendations of the study to the Legislative Council by September 1, 2010.

Snowmobile safety fee - Senate Bill No. 2367 creates a new snowmobile safety fee. The snowmobile safety fee is anticipated to generate $20,000 in additional revenue for the Parks and Recreation Department during the 2009-11 biennium.

Off-highway vehicle tax - Senate Bill No. 2378 increases the off-highway vehicle tax from $5 to $15 per vehicle per biennium. The additional tax is anticipated to generate additional revenue of $260,000 for the Parks and Recreation Department during the 2009-11 biennium.

Parks and Recreation Department
Budget No. 750
House Bill No. 1019

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	53.00	$14,215,868	$11,868,054	$26,083,922
2009-11 legislative appropriations	**53.00**	**15,333,959**	**12,948,054**	**28,282,013**
Legislative increase (decrease) to executive budget	0.00	$1,118,091	$1,080,000	$2,198,091
Legislative increase (decrease) to 2007-09 appropriations	2.50	$745,404	($603,193)	$142,211

NOTE: Appropriation amounts include funding for the International Peace Garden.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$9,200,555	$5,388,000	$14,588,555
2009-11 legislative appropriations	**10,562,591**	**4,771,368**	**15,333,959**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,362,036	($616,632)	$745,404
Percentage increase (decrease) to 2007-09 appropriations	14.8%	(11.4%)	5.1%
2009-11 legislative increase (decrease) to executive budget	($538,509)	$1,656,600	$1,118,091
Percentage increase (decrease) to executive budget	(4.9%)	53.2%	7.9%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($538,509)		($538,509)
Added funding for signage and maps at Icelandic State Park and trails and attractions in northeastern North Dakota		20,000		20,000
Reduced funding for community grants from $700,000 to $400,000		(300,000)		(300,000)

Increased funding for recreation programs to reflect additional anticipated revenue collections from provisions of Senate Bill Nos. 2367 ($20,000) and 2378 ($260,000) (see **Related Legislation** section below)			280,000	280,000
Appropriated federal fiscal stimulus funds (see **Federal Fiscal Stimulus Funding** section below)			800,000	800,000
Provided funding to repay the balance of the loan for the new interpretive center and conservatory at the International Peace Garden		1,850,000		1,850,000
Provided funding for landscaping, walking path resurfacing, and road construction and resurfacing at the International Music Camp		86,600		86,600
Total	0.00	$1,118,091	$1,080,000	$2,198,091

FTE Changes

The 2009-11 biennium appropriation includes funding for 53 FTE positions, an increase of 2.5 FTE positions from the 2007-09 authorized level of 50.5 FTE positions. The legislative action did not change the executive recommendation to add 2.5 FTE park maintenance positions.

One-Time Funding

In Section 2 of House Bill No. 1019, the Legislative Assembly identified $4,771,368 from the general fund as one-time funding for parks capital projects and deferred maintenance ($2,359,768), park signage and maps ($20,000), parks community grant program ($400,000), International Peace Garden loan repayment ($1,850,000), International Peace Garden equipment ($55,000), and International Peace Garden capital projects and deferred maintenance ($86,600). This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Parks and Recreation Department is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Section 9 of House Bill No. 1019, the Legislative Assembly appropriated $800,000 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Parks and Recreation Department for a pedestrian bridge at Turtle Mountain State Park ($300,000), Turtle Mountain scenic byway acquisition and trails ($200,000), and Fort Abraham Lincoln State Park Civilian Conservation Corps building rehabilitation ($300,000). The Parks and Recreation Department may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Capital Projects

The Legislative Assembly provided funding for the following capital projects at state parks:

	2009-11 Executive Recommendation			2009 Legislative Action			2009-11 Legislative Appropriation		
Project	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Beaver Lake State Park repair and maintenance projects	$95,000	$30,000	$125,000				$95,000	$30,000	$125,000
Cross Ranch State Park repair and maintenance projects		87,500	87,500					87,500	87,500

Project	2009-11 Executive Recommendation			2009 Legislative Action			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Devils Lake State Park repair and maintenance projects	17,500		17,500				17,500		17,500
Fort Abraham Lincoln State Park repair and maintenance projects	86,200	30,000	116,200				86,200	30,000	116,200
Fort Ransom State Park repair and maintenance projects	81,000		81,000				81,000		81,000
Fort Stevenson State Park repair and maintenance projects	30,500	40,000	70,500				30,500	40,000	70,500
Icelandic State Park repair and maintenance projects	88,500	30,000	118,500				88,500	30,000	118,500
Lewis and Clark State Park repair and maintenance projects		110,000	110,000					110,000	110,000
Little Missouri State Park repair and maintenance projects	30,000		30,000				30,000		30,000
Lake Metigoshe State Park repair and maintenance projects	238,200	77,000	315,200				238,200	77,000	315,200
Lake Sakakawea State Park repair and maintenance projects	44,000	45,000	89,000				44,000	45,000	89,000
Turtle River State Park repair and maintenance projects	35,000	33,000	68,000				35,000	33,000	68,000
Fuel tank containment at Fort Abraham Lincoln, Devils Lake, and Fort Stevenson State Parks	7,500		7,500				7,500		7,500
Signage and maps at Icelandic State Park				$20,000		$20,000	20,000		20,000
Fort Ransom State Park peninsula acquisition	50,000		50,000				50,000		50,000
Fort Stevenson State Park campground upgrade	468,000		468,000				468,000		468,000
Road repair and chip seal projects	1,412,468		1,412,468				1,412,468		1,412,468
Sully Creek State Park recreational vehicle dump and comfort station	160,000		160,000				160,000		160,000
Turtle Mountain trails		250,000	250,000					250,000	250,000
Turtle River State Park campground upgrade	269,300		269,300				269,300		269,300
Turtle River State Park pedestrian bridge					$300,000	300,000		300,000	300,000
Turtle Mountain scenic byway acquisition and trails					200,000	200,000		200,000	200,000
Fort Abraham Lincoln State Park Civilian Conservation Corps building rehabilitation					300,000	300,000		300,000	300,000
Total	$3,113,168	$732,500	$3,845,668	$20,000	$800,000	$820,000	$3,133,168	$1,532,500	$4,665,668

International Peace Garden

The 2009-11 biennium appropriation includes $2,728,454 from the general fund for the International Peace Garden, a decrease of $641,400 from the 2007-09 biennium appropriation amount of $3,369,854 and an increase of $1,936,600 from the 2009-11 executive recommendation. The Legislative Assembly did not change the executive recommendation to provide $736,854 for the operating grant for the International Peace Garden and $55,000 for equipment. The Legislative Assembly provided one-time funding of $1,936,600 from the general fund to repay the balance of the loan for the new interpretive center and conservatory at the International Peace Garden ($1,850,000) and for landscaping, walking path resurfacing, and road construction and resurfacing at the International Music Camp ($86,600).

Other Sections in Bill

Deferred maintenance line item transfer authority - Section 3 provides that the Parks and Recreation Department may transfer from the deferred maintenance line item to the capital assets line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

Game and fish operating fund - Section 4 provides that $222,000 of the estimated income line item appropriated in Section 1 of the bill is from the game and fish operating fund, or federal or other funds available to the Game and Fish Department, and must be transferred to the Parks and Recreation Department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at various state parks.

Concession agreements - Section 6 amends North Dakota Century Code (NDCC) Section 55-08-05(5) to provide that concession agreements entered into by the Parks and Recreation Department may not exceed 20 years.

Leadership and facilities grants - Section 7 amends NDCC Section 55-08-14.1 to provide that up to 5 percent of all money made available to the Parks and Recreation Department biennially for the recreational and facilities grants program may be used by the department for administration of leadership and facilities grants and to ensure completion of the projects funded.

Related Legislation

Sibley-Sully historic trails linking study - Senate Bill No. 2309 directs the Parks and Recreation Department, State Historical Society, Game and Fish Department, and the Tourism Division of the Department of Commerce to conduct a study of the feasibility and desirability of linking and improving a series of public sites along the Sibley and Sully historic trails for purposes of historical education, heritage tourism, and access for public hunting. The Parks and Recreation Department shall serve as the lead agency for the study and report the findings and recommendations of the study to the Legislative Council by September 1, 2010.

Snowmobile safety fee - Senate Bill No. 2367 creates a new snowmobile safety fee. The snowmobile safety fee is anticipated to generate $20,000 in additional revenue for the Parks and Recreation Department during the 2009-11 biennium.

Off-highway vehicle tax - Senate Bill No. 2378 increases the off-highway vehicle tax from $5 to $15 per vehicle per biennium. The additional tax is anticipated to generate additional revenue of $260,000 for the Parks and Recreation Department during the 2009-11 biennium.

Protection and Advocacy Project
Budget No. 360
House Bill No. 1014

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	28.50	$1,805,940	$2,921,967	$4,727,907
2009-11 legislative appropriations	**28.50**	**1,555,815**	**2,987,503**	**4,543,318**
Legislative increase (decrease) to executive budget	0.00	($250,125)	$65,536	($184,589)
Legislative increase (decrease) to 2007-09 appropriations	1.00	$626,674	($213,831)	$412,843

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$929,141	$0	$929,141
2009-11 legislative appropriations	**1,555,815**	**0**	**1,555,815**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$626,674	$0	$626,674
Percentage increase (decrease) to 2007-09 appropriations	67.4%	N/A	67.4%
2009-11 legislative increase (decrease) to executive budget	($250,125)	$0	($250,125)
Percentage increase (decrease) to executive budget	(13.9%)	N/A	(13.9%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($184,589)		($184,589)
Changed the funding source for a new FTE investigator position to be funded from federal funds ($65,536) and the general fund ($65,535) rather than entirely funded from the general fund		(65,536)	$65,536	0
Total	0.00	($250,125)	$65,536	($184,589)

FTE Changes

The 2009-11 biennium appropriation includes funding for 28.5 FTE positions, an increase of 1 FTE position from the 2007-09 biennium authorized level of 27.5 FTE positions. The Legislative Assembly did not change the executive recommendation to add 1 FTE investigator position to conduct primary investigations as an independent third party when serious incidents warrant an investigation of the Department of Human Services by the Centers for Medicare and Medicaid Services.

Public Employees Retirement System
Budget No. 192
House Bill No. 1022

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	33.00	$13,000	$6,199,136	$6,212,136
2009-11 legislative appropriations	**33.00**	**13,000**	**6,133,488**	**6,146,488**
Legislative increase (decrease) to executive budget	0.00	$0	($65,648)	($65,648)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$13,000	($9,139,802)	($9,126,802)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$0	$0	$0
2009-11 legislative appropriations	**13,000**	**0**	**13,000**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$13,000	$0	$13,000
Percentage increase (decrease) to 2007-09 appropriations	N/A	N/A	N/A
2009-11 legislative increase (decrease) to executive budget	$0	$0	$0
Percentage increase (decrease) to executive budget	0%	N/A	0%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Public Employees Retirement System is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($65,648)	($65,648)
Total	0.00	$0	($65,648)	($65,648)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 33 FTE positions, the same as the 2007-09 biennium.

Other Sections in Bill

Appropriation line item transfers - Section 2 provides that the Public Employees Retirement System may transfer funds from the contingencies line item in subdivision 2 of Section 1 of the bill to all other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Related Legislation

House Bill No. 1070 - This bill creates a new section to North Dakota Century Code Chapter 18-11, relating to alternate firefighters relief association plan benefits.

House Bill No. 1121 - This bill relates to the old-age and survivor insurance trust fund.

House Bill No. 1173 - This bill provides the Public Employees Retirement System Board the authority to create a trust health care savings plan for all Supreme Court justices and district court judges participating in the Public Employees Retirement System.

House Bill No. 1575 - This bill provides an appropriation to the Attorney General for benefit enhancements for the employees of the Bureau of Criminal Investigation.

Senate Bill No. 2153 - This bill amends various sections of the North Dakota Century Code relating to payment of employee contributions and retirement benefits under the Highway Patrolmen's retirement plan and the Public Employees Retirement System, membership of the State Investment Board, purchase of service credit, member refunds, Internal Revenue Code compliance, board elections under the Highway Patrolmen's retirement plan and the Public Employees Retirement System, and participation and employer payments under the uniform group insurance program.

Senate Bill No. 2154 - This bill relates to participation in the Public Employees Retirement System and the purchase of sick leave credit and provides an increase in the Public Employees Retirement System retiree health credit from $4.50 per year of service to $5 funded by an increase in the employer contribution of .14 percent. Additional appropriations are contained in the salary line item of the executive recommendation for state agencies to provide for the increased employer contribution.

Racing Commission
Budget No. 670
Senate Bill No. 2024

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	2.00	$412,576	$30,000	$442,576
2009-11 legislative appropriations	**2.00**	**295,000**	**30,000**	**325,000**
Legislative increase (decrease) to executive budget	0.00	($117,576)	$0	($117,576)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$174,326	($257,092)	($82,766)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$120,674	$0	$120,674
2009-11 legislative appropriations	**295,000**	**0**	**295,000**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$174,326	$0	$174,326
Percentage increase (decrease) to 2007-09 appropriations	144.5%	N/A	144.5%
2009-11 legislative increase (decrease) to executive budget	($117,576)	$0	($117,576)
Percentage increase (decrease) to executive budget	(28.5%)	N/A	(28.5%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Reduced funding for Racing Commission operations		($117,576)		($117,576)
Total	0.00	($117,576)	$0	($117,576)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 2 FTE positions, the same as the 2007-09 biennium.

Supervision and Direction of the Racing Commission

Sections 2 through 18 of Senate Bill No. 2024 would have amended the North Dakota Century Code (NDCC) to place various duties and responsibilities of the Racing Commission under the direction of the Agriculture Commissioner and Attorney General beginning July 1, 2011. The Racing Commission would have

been established in the Department of Agriculture and the Agriculture Commissioner would have appointed a director of racing. The Attorney General would have been responsible for various enforcement activities, including the licensure and administration of pari-mutuel wagering activities. **The Governor vetoed these sections.**

Related Legislation

House Bill No. 1551 - This bill amends NDCC Section 53-06.2-11 relating to taxes on pari-mutuel wagering.

Adjutant General, including the National Guard and the Department of Emergency Services
Budget No. 540
House Bill Nos. 1016, 1015, Senate Bill Nos. 2012, 2444

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	232.00	$28,904,609	$120,025,948	$148,930,557
2009-11 legislative appropriations	**232.00**	**40,725,214**	**236,671,871**	**277,397,085**
Legislative increase (decrease) to executive budget	0.00	$11,820,605	$116,645,923	$128,466,528
Legislative increase (decrease) to 2007-09 appropriations	0.00	($29,941,646)[1]	$114,920,808	$84,979,162

[1]This amount reflects the 2007-09 deficiency appropriation of $5,822,553 from the general fund to the Adjutant General to repay the Bank of North Dakota for the state's share of disaster costs ($4,822,553) and for emergency snow removal grants ($1,000,000) and the transfer of $43,000,000 from the general fund to the state disaster relief fund in the 2007-09 biennium.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$19,062,337	$51,604,523[1]	$70,666,860
2009-11 legislative appropriations	**22,189,867**	**18,535,347**	**40,725,214**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$3,127,530	($33,069,176)	($29,941,646)
Percentage increase (decrease) to 2007-09 appropriations	16.4%	(64.1%)	(42.4%)
2009-11 legislative increase (decrease) to executive budget	$358,105	$11,462,500	$11,820,605
Percentage increase (decrease) to executive budget	1.6%	162.1%	40.9%

[1]This amount reflects the 2007-09 deficiency appropriation of $5,822,553 from the general fund and the transfer of $43,000,000 from the general fund to the state disaster relief fund noted above.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($67,895)	($137,847)	($205,742)

Changed the funding source for boiler replacement at the Minot Air Force Reserve Center and the Raymond J. Bohn Armory ($500,000), construction of an east operations center facility at the Air National Guard installation in Fargo ($450,000), and security enhancements for the state's system that serves as the designated control terminal agency for the National Crime Information Center ($311,500) from the general fund to federal fiscal stabilization - other government services funds from the Governor		(1,261,500)	1,261,500	0
Appropriated federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 for military energy-related maintenance and repairs			2,522,270	2,522,270
Added funding for a volunteer management grant program (see **Other Sections in House Bill No. 1016** section below)		400,000		400,000
Provided additional funding from federal funds for costs relating to the 2009 flood-related disasters. This funding is in addition to the funding appropriated in Senate Bill No. 2444.			50,000,000	50,000,000
Provided funding from the state disaster relief fund for emergency snow removal grants to counties, cities, and townships ($20 million) and for costs relating to the 2009 flood-related disasters, snow removal damage to roads, and other disasters ($23 million) (Senate Bill No. 2012)			43,000,000	43,000,000
Provided funding of $12.5 million from the general fund and $20 million of federal funds for costs relating to the 2009 flood-related disasters (Senate Bill No. 2444)		12,500,000	20,000,000	32,500,000
Provided funding for grants to political subdivisions for disaster, emergency response, and disaster recovery costs relating to 2007 tornado damage (House Bill No. 1015)		250,000		250,000
Total	0.00	$11,820,605	$116,645,923	$128,466,528

FTE Changes

The 2009-11 biennium appropriation includes funding for 232 FTE positions, the same as the 2007-09 biennium. The Legislative Assembly did not change the executive recommendation to delete 5 FTE protection service worker positions not requested by the agency and to add 1 FTE geographic information system specialist III position, 1 FTE systems mechanic III position, 1 FTE position for the reintegration program, 1 FTE computer and network specialist position, and 1 FTE emergency program specialist position.

One-Time Funding

In Section 6 of House Bill No. 1016, the Legislative Assembly identified $5,785,347 from the general fund for the Motorola lease purchase payment ($1,525,347), veterans' bonus multiple deployments ($500,000), technology projects ($3,600,000), and technology equipment and software purchases ($160,000) as one-time funding items. Other one-time funding items for the Adjutant General include:

- House Bill No. 1015 - $250,000 from the general fund for grants to eligible political subdivisions for emergency and disaster recovery relating to 2007 tornado damage.

- Senate Bill No. 2444 - $12.5 million from the general fund for 2009 flood disaster funding.

The total for one-time funding to the Adjutant General is $18,535,347. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Adjutant General is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

In Sections 2 and 3 of House Bill No. 1016, the Legislative Assembly appropriated $3,783,770 of federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009. This funding, summarized below, is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Military energy-related maintenance and repairs	$2,522,270
Boiler replacement at the Minot Air Force Reserve Center and the Raymond J. Bohn Armory (fiscal stabilization - other government services funds from the Governor)	500,000
Construction of an east operations center at the Air National Guard installation in Fargo (fiscal stabilization - other government services funds from the Governor)	450,000
Funding to enhance the security within the state's system that serves as the designated control terminal agency for the National Crime Information Center (fiscal stabilization - other government services funds from the Governor)	311,500
Total	$3,783,770

Capital Assets Line Item

The Legislative Assembly provided funding of $2,241,017, of which $1,749,017 is from the general fund and $492,000 is from other funds, for capital assets. The funding of $2,241,017 is a decrease of $450,000 from the executive recommendation of $2,691,017. The following is a summary of the capital assets line item funding:

	2009-11 Executive Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
National Guard						
Payment in lieu of taxes at Camp Grafton	$37,000		$37,000	$37,000		$37,000
Bond payment	70,627		70,627	70,627		70,627
Special assessments	64,043		64,043	64,043		64,043
Replacement of grounds equipment units	52,000		52,000	52,000		52,000
East operations center facility	450,000		450,000	[1]		[1]
Subtotal - National Guard	$673,670		$673,670	$223,670		$223,670
Department of Emergency Services						
Motorola lease purchase agreement payment	$1,525,347		$1,525,347	$1,525,347		$1,525,347
Replacement of two videoconference systems		$40,000	40,000		$40,000	40,000
Mobile joint information center		75,000	75,000		75,000	75,000
Mobile command vehicle		75,000	75,000		75,000	75,000
Camera-based security system and identification card system		132,000	132,000		132,000	132,000
Two global positioning systems		70,000	70,000		70,000	70,000

	2009-11 Executive Recommendation			2009-11 Legislative Appropriation		
	General Fund	Other Funds	Total	General Fund	Other Funds	Total
Geospatial data software upgrade package for the WebEOC system		100,000	100,000		100,000	100,000
Subtotal - Department of Emergency Services	$1,525,347	$492,000	$2,017,347	$1,525,347	$492,000	$2,017,347
Total - Adjutant General	$2,199,017	$492,000	$2,691,017	$1,749,017[2]	$492,000[2]	$2,241,017[2]

[1]The Legislative Assembly appropriated $450,000 of federal fiscal stabilization funds made available to the Governor under the federal American Recovery and Reinvestment Act of 2009 to the Adjutant General for construction of an east operations center facility.

[2]In addition to the amounts reported for the capital assets line item, capital asset funding is also included in the Army Guard contract line item and in the appropriation of federal fiscal stimulus funding.

Tuition and Enlistment Compensation

The Legislative Assembly did not change the executive recommendation to provide $2,407,500 from the general fund for the tuition and enlistment compensation program, the same level of funding provided for the 2007-09 biennium. The tuition and enlistment compensation program is a scholarship program providing approximately $1,000 per semester for eligible students taking 12 or more credits. Students taking fewer than 12 credits receive lower payments. In addition, under North Dakota Century Code (NDCC) Section 37-07.1-03, the accredited postsecondary institution waives 25 percent of the total tuition cost for each eligible student.

Veterans' Cemetery

The Legislative Assembly did not change the executive recommendation to provide funding of $489,141, of which $301,659 is from the general fund and $187,482 is special funds from the Veterans' Cemetery maintenance fund, for the operation of the Veterans' Cemetery. This represents an increase in funding of $64,351 from the 2007-09 biennium appropriation of $354,922, of which $238,659 was from the general fund and $116,263 was special funds from the Veterans' Cemetery maintenance fund. Section 7 of House Bill No. 1016 provides that any additional funds received by the Adjutant General and deposited in the Veterans' Cemetery maintenance fund pursuant to NDCC Sections 37-03-14 and 39-04-10.10 for the operation of the Veterans' Cemetery are appropriated to the Adjutant General.

Other Sections in House Bill No. 1016

Volunteer management grant program - Section 5 appropriates $400,000 from the general fund to the Department of Emergency Services to provide grants to political subdivisions for payments to entities that have provided volunteer management services within that political subdivision for a particular disaster in an amount that may not exceed $50,000 for each disaster.

Line item transfer authority - Section 8 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 2009-11 biennium. Any amounts transferred must be reported to the Office of Management and Budget.

Exemption - Section 9 provides that any unexpended general fund appropriation authority relating to the $980,000 appropriated for the computer-aided dispatch project during the 2007-09 biennium is not subject to the provisions of NDCC Section 54-44.1-11 and may be expended during the 2009-11 biennium.

Reintegration program - Section 10 provides legislative intent that the Adjutant General use all federal funds available for the reintegration program before using the $1,377,409 appropriated from the general fund for the program. The funding for the program is to be used for providing support for all service members and their families. Section 11 provides that the Adjutant General is to report to the Budget Section during the 2009-10 interim regarding reintegration program expenditures and the program's impact on service members.

State Radio communications coverage - Section 12 provides legislative intent that the funding of $500,000 from the general fund appropriated for improving State Radio communications coverage in the state is to be used for conducting a study of the effects of Next Generation 911 ($100,000), alternatives to constructing new State Radio towers ($75,000), and implementing a new State Radio tower site near Wales ($325,000).

Disaster funding - Section 13 provides legislative intent that 2009 flood disaster payments to political subdivisions be made allowing for a 6 percent local share. The difference between current federal funding and anticipated federal funding is to be made by the state until federal reimbursement funds are received.

Volunteer emergency responder - Section 14 amends NDCC Section 37-29-03 as created by House Bill No. 1181 (2009) to allow 20 regular working days of absence by an employee to serve as a volunteer emergency responder, instead of 10 regular business days as in House Bill No. 1181, before the employer may terminate or demote the employee. In addition, the requirement that the employee must continue to make reasonable notification efforts to the employer over the course of the absence is removed. Section 15 amends Section 54-06-27 as amended by House Bill No. 1181 to allow 20 regular working days of absence by an employee of a state agency or political subdivision to serve as a volunteer emergency responder, instead of 10 regular business days as in House Bill No. 1181.

Related Legislation

Disaster, emergency response, and recovery costs - Section 34 of House Bill No. 1015 provides a $250,000 general fund appropriation to the Department of Emergency Services for providing grants to eligible political subdivisions for up to 50 percent of the costs incurred by the political subdivisions in meeting the local cost-share required by the Federal Emergency Management Agency for disaster, emergency response, and recovery costs, and for up to 50 percent of the costs incurred by the political subdivisions for disaster, emergency response, and recovery costs not covered by the Federal Emergency Management Agency. An eligible political subdivision is one that experienced damage or destruction due to a tornado during the summer of 2007.

2007-09 deficiency appropriation - House Bill No. 1023 provides a $4,822,553 general fund deficiency appropriation for the 2007-09 biennium for the state's share of disaster costs.

Tuition and enlistment compensation program - House Bill No. 1138 amends statutory provisions relating to the National Guard tuition and enlistment compensation program to allow grants for student fees in addition to tuition.

Veterans' bonus program - House Bill No. 1482 amends NDCC Sections 37-28-02 and 37-28-03 to extend the veterans' bonus program through the 2009-11 biennium and to expand eligibility for the veterans' bonus program to include multiple deployments. The bill also amends Section 6 of Chapter 17 of the 2005 Session Laws to provide 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, and 2009-11 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 2011-13 biennium.

Hazardous chemicals preparedness and response program - House Bill No. 1484 amends NDCC Section 37-17.1-07.1(2)(c) to increase the maximum fee for a facility under the hazardous chemicals preparedness and response program from $150 to $475. This bill is estimated to generate approximately $35,775 of additional revenue, of which one-half is provided to local emergency planning commissions for local expenses and one-half is used by the Department of Emergency Services to manage the statewide hazardous chemicals preparedness and response program.

State disaster relief fund - Senate Bill No. 2012 includes the following sections relating to a state disaster relief fund:

- Section 4 establishes a state disaster relief fund. Money in the fund is to be used subject to legislative appropriations for providing funding for defraying the expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential declared disasters in the state.
- Section 5 provides that the Office of Management and Budget is to transfer $43 million from the general fund to the state disaster relief fund during the 2007-09 biennium.
- Section 6 appropriates $43 million from the state disaster relief fund to the Adjutant General for providing emergency relief funding during the 2009-11 biennium. The Adjutant General may use up to $20 million of the funds for providing emergency snow removal grants to counties, cities, and townships in accordance with Section 7 of Senate Bill No. 2012 and may use the remaining $23 million 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 7 provides that a county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 50 percent of the costs incurred by the county, township, or city for the period January 2009 through March 2009 that exceed 200 percent of the average costs incurred for these months in 2004 through 2008. Each county, township, or city requesting reimbursement is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services is to distribute these grants prior to June 30, 2009, and shall report to the Budget Section regarding the grants awarded under this section.
- Section 8 provides that 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. Each political subdivision requesting reimbursement is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services may distribute up to $13 million of grants under this section. Any additional grant expenditures require Budget Section approval. The Department of Emergency Services is to report to the Budget Section on grants awarded under this section. Any funds provided for by the Department of Emergency Services in this section which are not distributed to political subdivisions may be used to match federal disaster relief funds received for state purposes, subject to Budget Section approval.

Income tax credit - Senate Bill No. 2388 provides for an income tax credit for an employer maintaining payment of salary and related retirement plan contributions for an employee called to active military duty as a member of a reserve or National Guard component.

Emergency snow removal grants - Senate Bill No. 2393 appropriates $1 million from the general fund to the Department of Emergency Services for emergency snow removal grants for the 2007-09 biennium.

Flood disaster relief - Senate Bill No. 2444 appropriates $12.5 million from the general fund and $20 million from special funds to the Adjutant General for expenses relating to 2009 flood disasters.

Retirement and Investment Office
Budget No. 190
House Bill No. 1022

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	17.00	$5,000,000	$3,731,351	$8,731,351
2009-11 legislative appropriations	**17.00**	**0**	**3,705,650**	**3,705,650**
Legislative increase (decrease) to executive budget	0.00	($5,000,000)	($25,701)	($5,025,701)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$0	$334,514	$334,514

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$0	$0	$0
2009-11 legislative appropriations	**0**	**0**	**0**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$0	$0	$0
Percentage increase (decrease) to 2007-09 appropriations	N/A	N/A	N/A
2009-11 legislative increase (decrease) to executive budget	$0	($5,000,000)	($5,000,000)
Percentage increase (decrease) to executive budget	N/A	(100.0%)	(100.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($50,701)	($50,701)
Removed sections of the bill relating to a one-time transfer of $5 million from the general fund to the Teachers' Fund for Retirement for supplemental retirement payments for retired teachers		($5,000,000)		(5,000,000)

Provided an appropriation, contingent upon the passage of Senate Bill No. 2277, from the Teachers' Fund for Retirement for implementing the supplemental retiree benefit payments provided in Senate Bill No. 2277			25,000	25,000
Total	0.00	($5,000,000)	($25,701)	($5,025,701)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 17 FTE positions, the same as the 2007-09 biennium.

One-Time Funding

The executive recommendation included a one-time funding transfer of $5 million from the general fund to the Teachers' Fund for Retirement for supplemental retirement payments to retired teachers. The Legislative Assembly removed the general fund transfer and, in Senate Bill No. 2277, provided a supplemental payment to certain retirees from the Teachers' Fund for Retirement.

Other Sections in Bill

Appropriation line item transfers - Section 2 provides that the Retirement and Investment Office may transfer funds from the contingencies line item in subdivision 1 of Section 1 of the bill to all other line items and provides that the agency notify the Office of Management and Budget of each transfer made.

Contingent appropriation - Section 3 appropriates $25,000 from the Teachers' Fund for Retirement for implementing provisions of Senate Bill No. 2277. The appropriation was contingent upon the passage of Senate Bill No. 2277.

Teachers' Fund for Retirement employer contributions - Sections 4, 5, 6, and 7 provide for increasing, effective July 1, 2010, employer retirement contributions to the Teachers' Fund for Retirement from 8.25 percent to 8.75 percent per year. The increase in employer retirement contributions was contingent upon the passage of Senate Bill No. 2277. The increase in employer retirement contributions is effective until the ratio of the actuarial value of assets to the actuarial accrued liability of the Teachers' Fund for Retirement increases to 90 percent based upon the actuarial value of assets and expires on the July first that follows the first valuation that shows a 90 percent funded ratio. The Teachers' Fund for Retirement Board of Trustees shall notify the Legislative Council of the expiration date of the increase.

Related Legislation

House Bill No. 1080 - This bill makes changes affecting Teachers' Fund for Retirement relating to incorporation of federal law changes, procedure relating to benefit limitations, annual hour limit for retiree reemployment, and disclosure of confidential records under Teachers' Fund for Retirement.

House Bill No. 1114 - This bill identifies changes relating to the funds under management of the State Investment Board.

Senate Bill No. 2153 - This bill amends various sections of the North Dakota Century Code relating to payment of employee contributions and retirement benefits under the Highway Patrolmen's retirement plan and the Public Employees Retirement System, membership of the State Investment Board, purchase of service credit, member refunds, Internal Revenue Code compliance, board elections under the Highway Patrolmen's retirement plan and the Public Employees Retirement System, and participation and employer payments under the uniform group insurance program.

Senate Bill No. 2277 - This bill provides a supplemental payment to certain retirees under the Teachers' Fund for Retirement.

North Dakota Vision Services - School for the Blind
Budget No. 253
House Bill Nos. 1013, 1078

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	28.00	$3,340,671	$820,582	$4,161,253
2009-11 legislative appropriations	**29.50**	**3,492,068**	**815,902**	**4,307,970**
Legislative increase (decrease) to executive budget	1.50	$151,397	($4,680)	$146,717
Legislative increase (decrease) to 2007-09 appropriations	1.50	$564,600	($32,059)	$532,541

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$2,927,468	$0	$2,927,468
2009-11 legislative appropriations	**3,421,868**	**70,200**	**3,492,068**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$494,400	$70,200	$564,600
Percentage increase (decrease) to 2007-09 appropriations	16.9%	N/A	19.3%
2009-11 legislative increase (decrease) to executive budget	$151,397	$0	$151,397
Percentage increase (decrease) to executive budget	4.6%	0.0%	4.5%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the North Dakota Vision Services - School for the Blind is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($28,747)	($4,680)	($33,427)
Added funding for a .5 FTE position for the National Instructional Materials Access Center	.50	47,808		47,808
Added funding for 1 FTE position for adult services in eastern North Dakota, including salaries ($106,128) and operating expenses ($21,654)	1.00	127,782		127,782

Added funding for costs associated with serving as the National Instructional Materials Access Center (House Bill No. 1078)		4,554		4,554
Total	1.50	$151,397	($4,680)	$146,717

FTE Changes

The 2009-11 biennium appropriation includes funding for 29.5 FTE positions, an increase of 1.5 FTE positions from the 2007-09 biennium authorized level and the executive recommendation of 28 FTE positions. The Legislative Assembly added 1 FTE for adult services in eastern North Dakota and a .5 FTE position for the National Instructional Materials Access Center.

One-Time Funding

In Section 2 of House Bill No. 1013, the Legislative Assembly identified $70,200 from the general fund, of which $18,200 is for security cameras and portable adaptive technology devices, $14,000 is for videoconferencing equipment, $7,000 is for the installation of an intercom system, and $31,000 is to continue the window replacement project started during the 2007-09 biennium, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the North Dakota Vision Services - School for the Blind is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in House Bill No. 1013

Deferred maintenance line item transfer authority - Section 7 provides that the North Dakota Vision Services - School for the Blind may transfer from the deferred maintenance line item to the capital assets line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

North Dakota Vision Services - School for the Blind - Operating fund - Section 15 provides income collected for subscription fees or Braille fees must be deposited in the North Dakota Vision Services - School for the Blind operating fund and may be spent subject to appropriation by the Legislative Assembly.

Related Legislation

National Instructional Materials Access Center - House Bill No. 1078 provides a $4,554 general fund appropriation to North Dakota Vision Services - School for the Blind to serve as the National Instructional Materials Access Center authorized user.

School for the Deaf
Budget No. 252
House Bill No. 1013, Senate Bill No. 2155

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	43.94	$6,094,621	$1,334,461	$7,429,082
2009-11 legislative appropriations	**43.94**	**7,099,896**	**2,166,450**	**9,266,346**
Legislative increase (decrease) to executive budget	0.00	$1,005,275	$831,989	$1,837,264
Legislative increase (decrease) to 2007-09 appropriations	0.00	$1,673,741	$1,124,949	$2,798,690

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$5,326,155	$100,000	$5,426,155
2009-11 legislative appropriations	**6,198,896**	**901,000**	**7,099,896**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$872,741	$801,000	$1,673,741
Percentage increase (decrease) to 2007-09 appropriations	16.4%	801.0%	30.8%
2009-11 legislative increase (decrease) to executive budget	$170,275	$835,000	$1,005,275
Percentage increase (decrease) to executive budget	2.8%	1,265.2%	16.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($57,224)	($3,011)	($60,235)
Removed funding for any salary increase for the superintendent		(13,501)		(13,501)
Added funding to remodel the Trades Building, including authority to borrow $835,000 from the Bank of North Dakota		835,000	835,000	1,670,000

Added funding for the removal of asbestos and demolition of the infirmary		41,000		41,000
Added funding for grants to public institutions of higher education which provide direct services to students who are hearing-impaired (Senate Bill No. 2155)		200,000		200,000
Total	0.00	$1,005,275	$831,989	$1,837,264

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 43.94 FTE positions, the same as the 2007-09 biennium.

One-Time Funding

In Section 2 of House Bill No. 1013, the Legislative Assembly identified $901,000 from the general fund, of which $41,000 is for the completion of a facility master plan, $25,000 is for a virtual services business plan, and $835,000 is to remodel the Trades Building, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the School for the Deaf is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in House Bill No. 1013

Superintendent's salary/line item transfer authority - Section 5 provides the monthly salary for the superintendent of the School for the Deaf for the 2009-11 biennium may not exceed the monthly salary level in effect for this position in January 2009. This section also allows the School for the Deaf to transfer up to $100,000 of funding from the salaries and wages line item to the operating expenses line item to provide for a future services plan and for plan implementation and to the capital assets line item for the remodel of the Trades Building.

Deferred maintenance line item transfer authority - Section 6 provides that the School for the Deaf may transfer from the deferred maintenance line item to the capital assets line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

Future services plan and implementation - Section 17 provides the Department of Public Instruction and School for the Deaf develop a plan for future services to be offered by the School for the Deaf and begin implementing the plan for the biennium beginning July 1, 2009, and ending June 30, 2011. As part of the plan, the Department of Public Instruction and School for the Deaf must:

1. Review the needs of all deaf and hearing-impaired persons throughout the state and develop a plan to provide comprehensive outreach services to all North Dakota citizens who are deaf or hearing-impaired.
2. Explore the development of partnerships with other states relating to the provision of residential and educational services to individuals who are deaf or hearing-impaired.
3. Review current research and national trends in the provision of services to students who are deaf or hearing-impaired.
4. Meet regularly with a transition team appointed by the Superintendent of Public Instruction consisting of representation from the Legislative Assembly, parents of School for the Deaf students, School for the Deaf employees, members of the Devils Lake community, School for the Deaf alumni, and others.
5. Explore the feasibility of implementing revenue-generating activities at the School for the Deaf.
6. Develop a long-range site and facility plan for the School for the Deaf campus.

Bank of North Dakota loan authorization - The Legislative Assembly provided total funding of $1.67 million, of which $835,000 is from the general fund and $835,000 from a Bank of North Dakota loan, to remodel the Trades Building on the campus of the School for the Deaf. Section 20 of House Bill No. 1013 provides the authorization for the School for the Deaf to borrow up to $835,000 from the Bank of North Dakota for the remodeling project. Section 21 of House Bill No. 1013 authorized the School for the Deaf to continue any unexpended funds from the 2007-09 biennium for the remodeling project.

Related Legislation

Grants to institutions of higher education - Senate Bill No. 2155 provides a $200,000 general fund appropriation to the School for the Deaf for grants to institutions of higher education that provide direct services to students who are deaf or hearing-impaired.

Securities Commissioner
Budget No. 414
House Bill No. 1011

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	9.00	$1,803,295	$317,199	$2,120,494
2009-11 legislative appropriations	**9.00**	**1,788,362**	**317,199**	**2,105,561**
Legislative increase (decrease) to executive budget	0.00	($14,933)	$0	($14,933)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$159,967	$100,000	$259,967

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,611,519	$16,876	$1,628,395
2009-11 legislative appropriations	**1,788,362**	**0**	**1,788,362**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$176,843	($16,876)	$159,967
Percentage increase (decrease) to 2007-09 appropriations	11.0%	(100.0%)	9.8%
2009-11 legislative increase (decrease) to executive budget	($14,933)	$0	($14,933)
Percentage increase (decrease) to executive budget	(0.8%)	N/A	(0.8%)

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Securities Commissioner is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($14,933)		($14,933)
Total	0.00	($14,933)	$0	($14,933)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 9 FTE positions, the same as the 2007-09 biennium.

Other Sections in Bill

Legislative Council study - Section 3 provides for a Legislative Council study of the fees charged by the Securities Commissioner.

Related Legislation

House Bill No. 1100 - This bill amends the definition of an institutional investor, amends the types of securities transactions exempt from registration, and amends securities registration filing fees.

State Seed Department
Budget No. 616
Senate Bill No. 2022

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	30.00	$0	$6,636,802	$6,636,802
2009-11 legislative appropriations	**30.00**	**0**	**6,805,495**	**6,805,495**
Legislative increase (decrease) to executive budget	0.00	$0	$168,693	$168,693
Legislative increase (decrease) to 2007-09 appropriations	0.00	$0	$626,369	$626,369

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the State Seed Department is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($31,307)	($31,307)
Added funding for construction of a warehouse facility			200,000	200,000
Total	0.00	$0	$168,693	$168,693

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 30 FTE positions, the same as the 2007-09 biennium.

Extraordinary Repairs

The Legislative Assembly did not change the executive recommendation which provided spending authority of $98,500 for miscellaneous building repairs and maintenance.

Related Legislation

Functions and responsibilities of the State Seed Commission and State Seed Department - Senate Bill No. 2125 relates to the State Seed Department's revolving fund and to the functions and responsibilities of the State Seed Commission, State Seed Department, and seed labelers.

Agriculture-related boards per diem compensation - Senate Bill No. 2242 provides for an increase in per diem compensation for members of agriculture-related boards. The bill increases compensation for members of the State Seed Commission from $75 per day to $135 per day effective August 2009.

State Fair Association
Budget No. 665
Senate Bill No. 2009

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	0.00	$17,697,150	$0	$17,697,150
2009-11 legislative appropriations	**0.00**	**15,697,150**	**3,000,000**	**18,697,150**
Legislative increase (decrease) to executive budget	0.00	($2,000,000)	$3,000,000	$1,000,000
Legislative increase (decrease) to 2007-09 appropriations	0.00	$14,530,000	$3,000,000	$17,530,000

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,167,150	$0	$1,167,150
2009-11 legislative appropriations	**697,150**	**15,000,000**	**15,697,150**
2009-11 legislative increase (decrease) to 2007-09 appropriations	($470,000)	$15,000,000	$14,530,000
Percentage increase (decrease) to 2007-09 appropriations	(40.3%)	N/A	1,244.9%
2009-11 legislative increase (decrease) to executive budget	$0	($2,000,000)	($2,000,000)
Percentage increase (decrease) to executive budget	0.0%	(11.8%)	(11.3%)

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

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Increased the authorization for the grandstand construction project from $17 million to $18 million by reducing the general fund appropriation for the project from $17 million to $15 million and adding $3 million of special funds to be raised by the State Fair Association		($2,000,000)	$3,000,000	$1,000,000
Total	0.00	($2,000,000)	$3,000,000	$1,000,000

State Fair Premiums

The Legislative Assembly provided funding of $487,150 from the general fund for premiums, the same as the executive budget recommendation and $45,000 more than the 2007-09 biennium general fund appropriation of $442,150.

Capital Assets

The Legislative Assembly provided funding of $18,210,000, of which $15,210,000 is from the general fund, for capital assets, including $210,000 to continue the interest rate buydown on State Fair capital construction project payments and $15,000,000 for the construction of a new grandstand. The Legislative Assembly also increased authorization for the grandstand project by $1 million, from $17 million to $18 million, reduced the general fund share from $17 million to $15 million, and provided the State Fair Association raise the additional funding, of up to $3 million from special funds. The following is a summary of capital asset funding for the State Fair:

	2007-09 Legislative Appropriations	2009-11 Executive Recommendation	2009-11 Legislative Appropriations	2009-11 Legislative Appropriations Increase (Decrease) From 2007-09 Legislative Appropriations	2009-11 Legislative Appropriations Increase (Decrease) From 2009-11 Executive Recommendation
Debt payments	$210,000	$210,000	$210,000		
Asphalt overlay repairs	265,000			($265,000)	
New grandstand	250,000	17,000,000	18,000,000	17,750,000	$1,000,000
Total	$725,000	$17,210,000	$18,210,000	$17,485,000	$1,000,000
General fund	$725,000	$17,210,000	$15,210,000	$14,485,000	($2,000,000)
Special funds			3,000,000	3,000,000	3,000,000
Total	$725,000	$17,210,000	$18,210,000	$17,485,000	$1,000,000

One-Time Funding

In Section 2 of Senate Bill No. 2009, the Legislative Assembly identified $18 million, of which $15 million is from the general fund, for the construction of the new grandstand as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the State Fair Association is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

State Library
Budget No. 250
House Bill No. 1013

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	29.75	$4,680,390	$1,939,695	$6,620,085
2009-11 legislative appropriations	**29.75**	**4,601,028**	**1,927,836**	**6,528,864**
Legislative increase (decrease) to executive budget	0.00	($79,362)	($11,859)	($91,221)
Legislative increase (decrease) to 2007-09 appropriations	0.00	$522,841	$29,511	$552,352

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$4,078,187	$0	$4,078,187
2009-11 legislative appropriations	**4,601,028**	**0**	**4,601,028**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$522,841	$0	$522,841
Percentage increase (decrease) to 2007-09 appropriations	12.8%	N/A	12.8%
2009-11 legislative increase (decrease) to executive budget	($79,362)	$0	($79,362)
Percentage increase (decrease) to executive budget	(1.7%)	N/A	(1.7%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($79,362)	($11,859)	($91,221)
Total	0.00	($79,362)	($11,859)	($91,221)

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 29.75 FTE positions, the same as the 2007-09 biennium.

Other Sections in Bill

State aid to public libraries - Section 14 provides that the grants line item for the State Library includes $1,300,000 from the general fund for aid to public libraries, an increase of $100,000 from the $1,200,000 appropriated for the 2007-09 biennium.

Judicial Branch
Budget No. 180
Senate Bill Nos. 2002, 2121

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	349.00	$82,362,546	$2,044,807	$84,407,353
2009-11 legislative appropriations	**342.00**	**82,590,015**	**2,044,807**	**84,634,822**
Legislative increase (decrease) to executive budget	(7.00)	$227,469	$0	$227,469
Legislative increase (decrease) to 2007-09 appropriations	4.00	$15,654,137	($154,833)	$15,499,304

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$65,445,128	$1,490,750	$66,935,878
2009-11 legislative appropriations	**74,282,634**	**8,307,381**	**82,590,015**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$8,837,506	$6,816,631	$15,654,137
Percentage increase (decrease) to 2007-09 appropriations	13.5%	457.3%	23.4%
2009-11 legislative increase (decrease) to executive budget	$175,429	$52,040	$227,469
Percentage increase (decrease) to executive budget	.2%	.6%	.3%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Supreme Court changes:				
Removed a staff attorney position and related operating expenses	(1.00)	($174,963)		($174,963)
Reduced funding required for judges' retirements		(18,243)		(18,243)
District court changes:				
Removed 4 technology coordinator positions but retained related funding of $473,484 for temporary employees or contract services	(4.00)			

Added funding for increasing juror compensation as provided for in Senate Bill No. 2118		76,000		76,000
Removed the following positions: • Family court coordinator (1 FTE) ($128,005) • Clerks of court (3 FTE) ($303,510) • Law clerks (2 FTE) ($277,994)	(6.00)	(709,509)		(709,509)
Removed operating expenses related to the removed FTE positions		(43,000)		(43,000)
Added **one-time funding** for the parenting coordinator program		52,040		52,040
Reduced funding required for judges' retirements		(29,950)		(29,950)
Added funding to allow district courts to contract for clerk of court services		200,000		200,000
Added funding in Senate Bill No. 2121 for 2 FTE judge positions and 2 FTE court reporter positions	4.00	875,094		875,094
Judicial Conduct Commission changes: The Legislative Assembly did not change the appropriation for the Judicial Conduct Commission				0
Total	(7.00)	$227,469	$0	$227,469

FTE Changes

The 2009-11 biennium appropriation includes funding for 342 FTE positions, an increase of 4 FTE positions from the 2007-09 biennium authorized level of 338 FTE positions. The Legislative Assembly removed 11 FTE positions included in the executive recommendation, including a staff attorney, a family court coordinator, 4 technology coordinators, 3 clerks of court, and 2 law clerks. The Legislative Assembly added 2 FTE judge positions and 2 FTE court reporter positions pursuant to the provisions of Senate Bill No. 2121.

One-Time Funding

In Section 6 of Senate Bill No. 2002 the Legislative Assembly identified $8,307,381 from the general fund as one-time funding, of which $7,258,129 is for the unified case management system replacement project, $600,000 is for a management reserve fund for the replacement project, $288,124 is for office equipment and furniture, $109,088 is for information technology equipment, and $52,040 is for parent coordinator training. This amount is not to be considered part of the agency's 2011-13 biennium base budget and the judicial branch is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in Senate Bill No. 2002

Appropriation of additional funding - Section 2 appropriates any funds received by the Supreme Court, district courts, and Judicial Conduct Commission and Disciplinary Board pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations.

Transfers - Section 3 provides that the director of the Office of Management and Budget and the State Treasurer make transfers of 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.

Salaries of Supreme Court justices - Section 4 provides statutory changes to North Dakota Century Code (NDCC) Section 27-02-02 relating to salaries of justices of the Supreme Court. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The Supreme Court justices' salaries are to be increased from the current level of $118,121 to $124,027 effective July 1, 2009, and to $130,228 effective July 1, 2010. The Chief Justice of the Supreme Court is entitled to receive an additional $3,562 per year effective July 1, 2009, and an additional $3,740 per year, effective July 1, 2010, which is an increase from the current level of an additional $3,392 per year.

Salaries and expenses of district court judges - Section 5 provides statutory changes to NDCC Section 27-05-03 relating to salaries and expenses of district court judges. The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010. The district court judges' salaries are to be increased from the current level of $108,236 to $113,648 effective July 1, 2009, and to $119,330 effective July 1, 2010. The presiding judge of a judicial district is entitled to receive an additional $3,282 per year effective July 1, 2009, and an additional $3,447 per year effective July 1, 2008, which is an increase from the current level of an additional $3,126 per year.

Related Legislation

Senate Bill No. 2042 - This bill establishes a parenting coordinator program and requires that a parenting plan be developed and filed with the court. The Legislative Assembly provided one-time funding in Senate Bill No. 2002 of $52,040 from the general fund to provide parenting coordinator training.

Senate Bill No. 2118 - This bill increases compensation to jurors for the first day of required attendance at sessions of the district court. The Legislative Assembly provided funding in Senate Bill No. 2002 of $76,000 from the general fund for the increase in juror compensation.

Senate Bill No. 2121 - This bill provides an appropriation of $875,094 from the general fund to the judicial branch to establish two additional district court judgeships. The Legislative Assembly added 4 FTE positions in Senate Bill No. 2002 pursuant to the provisions of Senate Bill No. 2121.

Tobacco Prevention and Control Executive Committee
Budget No. 305
Senate Bill No. 2063, House Bill No. 1015

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	0.00	$0	$18,600,000	$18,600,000
2009-11 legislative appropriations	**4.00**	**0**	**12,882,000**	**12,882,000**
Legislative increase (decrease) to executive budget	4.00	$0	($5,718,000)	($5,718,000)
Legislative increase (decrease) to 2007-09 appropriations	4.00	$0	$12,819,597[1]	$12,819,597[1]

[1]This amount reflects a legislative appropriation of $62,403 from other funds for the 2007-09 biennium provided in Section 36 of House Bill No. 1015 to defray the expenses of the committee for the period January 1, 2009, through June 30, 2009.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Defeated Senate Bill No. 2063, the appropriation bill for the Tobacco Prevention and Control Executive Committee			($18,600,000)	($18,600,000)
Provided funding from the tobacco prevention and control trust fund and 4 FTE positions in House Bill No. 1015 for the Tobacco Prevention and Control Executive Committee (see **Comprehensive Tobacco Prevention and Control** section below)	4.00		12,882,000	12,882,000
Total	4.00	$0	($5,718,000)	($5,718,000)

FTE Changes

The 2009-11 biennium appropriation includes funding for 4 FTE positions, four more than the executive recommendation.

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 (NDCC) 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 begin on April 15, 2008, and continue each April 15 thereafter through 2017. North Dakota Century Code 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 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 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 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 executive committee to adequately provide for the comprehensive plan. The 2009 Legislative Assembly, in Section 39 of House Bill No. 1015, provided that any money deposited in the water development trust fund under NDCC 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 NDCC 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 2009 payment was received in April 2009 and resulted in $14,138,011 being deposited in the Tobacco Prevention and Control Trust Fund.

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*. The Centers for Disease Control and Prevention recommended annual investment for the state of North Dakota is $9.3 million, or $18.6 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 Legislative Assembly adjusted funding for the Tobacco Prevention and Control Executive Committee accordingly. Funding for the comprehensive statewide tobacco prevention and control program is summarized as follows:

2009-11 Biennuim	Community Health Trust Fund	Tobacco Prevention and Control Trust Fund	Federal Funds	Total
State Department of Health (SB 2004)				
Tobacco prevention and control	$2,302,098		$2,677,556	$4,979,654
Tobacco Quitline	1,069,000			1,069,000
Tobacco prevention coordinator (1 FTE and operation)	139,397			139,397
Total funding - State Department of Health	$3,510,495		$2,677,556	$6,188,051[1]
Tobacco Prevention and Control Executive Committee (HB 1015)				
Tobacco prevention and control		$12,882,000		12,882,000
Total 2009-11 biennium funding	$3,510,495	$12,882,000	$2,677,556	$19,070,051[2]

[1]Senate Bill No. 2004 provides a total tobacco prevention appropriation of $9,079,685. The spending authority in excess of the $6,188,051 allows the State Department of Health to accept and spend any funding received from the Tobacco Prevention and Control Executive Committee for State Department of Health programs that qualify as Centers for Disease Control and Prevention best practices.

[2]According to the Centers for Disease Control and Prevention, the best practices recommended level of funding for tobacco prevention and control in North Dakota is $9.3 million per year, or $18.6 million for the biennium.

Other Sections in House Bill No. 1015

Deficiency appropriation - Section 36 provides $62,403 from the tobacco prevention and control trust fund for the purpose of defraying the expenses of the committee; developing, implementing, and administering the comprehensive tobacco control and prevention plan; and contracting with a consultant to facilitate the development of the comprehensive plan for the period January 1, 2009, through June 30, 2009.

Legislative intent - Section 37 provides any act of the Tobacco Prevention and Control Executive Committee or its employees is an act of the state of North Dakota functioning in its sovereign and governmental capacity and as a state entity and the committee is subject to accountability requirements, including laws relating to state audits, fiscal management, records retention, and procurement. Employees of the committee are part of the state classified system.

Reports to Budget Section - Section 38 provides the Tobacco Prevention and Control Executive Committee report to the Budget Section quarterly during the 2009-10 interim on the implementation of the comprehensive tobacco prevention and control plan and outcomes achieved.

Water development trust fund expenditures - Section 39 provides any money deposited in the water development trust fund under NDCC Section 54-27-25 may be spent only pursuant to legislative appropriations.

Biennial budget requirement - Section 40 requires the Tobacco Prevention and Control Executive Committee prepare and submit a biennial budget to the Office of Management and Budget as required by NDCC Section 54-44.1-04.

Department of Transportation
Budget No. 801
Senate Bill Nos. 2012, 2338

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	1,054.50	$120,000,000	$1,010,182,250	$1,130,182,250
2009-11 legislative appropriations	**1,054.50**	**4,600,000**	**1,244,015,588**	**1,248,615,588**
Legislative increase (decrease) to executive budget	0.00	($115,400,000)	$233,833,338	$118,433,338
Legislative increase (decrease) to 2007-09 appropriations	2.00	$4,600,000	$331,690,142[1]	$336,290,142

[1]This amount reflects the 2007-09 deficiency appropriation of $8.5 million from special funds to the Department of Transportation for highway projects and public transportation grants relating to weather-related cost-sharing distributions.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$0	$0	$0
2009-11 legislative appropriations	**0**	**4,600,000**	**4,600,000**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$0	$4,600,000	$4,600,000
Percentage increase (decrease) to 2007-09 appropriations	N/A	100.0%	100.0%
2009-11 legislative increase (decrease) to executive budget	$0	($115,400,000)	($115,400,000)
Percentage increase (decrease) to executive budget	N/A	(96.2%)	(96.2%)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments			($4,200,000)	($4,200,000)
Removed 1 new FTE driver's license examiner position added in the executive recommendation	(1.00)		(89,333)	(89,333)

Removed the transfer from the general fund to the highway tax distribution fund included in the executive budget		($120,000,000)		(120,000,000)
Added a new Title VI coordinating FTE position with funding to be provided from existing federal funds	1.00			0
Reduced funding from estimated income for operating expenses for Fleet Services			(7,500,000)	(7,500,000)
Removed funding for the department's driver's license mainframe computer replacement project			(7,500,000)	(7,500,000)
Removed funding for the construction of an equipment storage building at the Fargo district office location			(660,000)	(660,000)
Appropriated federal fiscal stimulus funds (see **Federal Fiscal Stimulus Funding** section below)			176,082,671	176,082,671
Added federal funds spending authority for Devils Lake area road projects and provided a transfer of $4.6 million from the general fund to the highway fund to match the federal funding		4,600,000	52,600,000	57,200,000
Added additional funding for highway projects as a result of motor vehicle excise tax collections deposited in the highway fund			30,500,000	30,500,000
Adjusts funding for highway projects to reflect anticipated actual funding available for highway-related projects			(7,900,000)	(7,900,000)
Added funding in Senate Bill No. 2338 for highway-rail grade safety projects			2,500,000	2,500,000
Total	0.00	($115,400,000)	$233,833,338	$118,433,338

FTE Changes

The 2009-11 biennium appropriation includes funding for 1,054.5 FTE positions, an increase of 2 FTE positions from the 2007-09 authorized level of 1,052.5 FTE positions. The Legislative Assembly added 1 of the 2 driver's license examiner FTE positions included in the executive recommendation and added 1 Title VI compliance FTE position.

Allocation of Motor Vehicle Excise Taxes

For the 2009-11 biennium, the Legislative Assembly, in Section 21 of Senate Bill No. 2012, provided that 25 percent of motor vehicle excise tax collections, after the allocation to the state aid distribution fund, be deposited in the highway fund rather than the general fund. This change is estimated to result in $30.5 million of additional highway fund revenue during the 2009-11 biennium.

Federal Fiscal Stimulus Funding

In Section 2 of Senate Bill No. 2012, the Legislative Assembly appropriated $176,082,671 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Department of Transportation for highway infrastructure ($170,126,497) and grants to rural transit programs ($5,956,174). These amounts do not include $5,041,000 of federal fiscal stimulus funding distributed directly to transit programs in metropolitan planning areas. The Department of Transportation may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's

base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Highway Tax Distribution Fund

In Sections 17, 18, 19, 22, 23, and 26 of Senate Bill No. 2012, the Legislative Assembly provided for the following changes relating to the highway tax distribution fund:

- Provided that $13 of each motor vehicle registration fee currently deposited in the highway fund be deposited in the highway tax distribution fund.
- Repealed North Dakota Century Code (NDCC) Section 39-04.2-03 that required an additional fee of $3 to be charged for motor vehicle registrations for deposit in the public transportation fund. Section 39-04-19 was also amended to increase motor vehicle registration fees by $3 to offset the decrease in fees resulting from the repeal of Section 39-04.2-03.
- Provided that the one cent per gallon of motor fuels taxes currently deposited in the township highway aid fund be deposited in the highway tax distribution fund and allowed the deposits to be refundable.
- Provided that the first $5.5 million deposited in the highway tax distribution fund each biennium be transferred to the highway fund for administrative costs.
- Provided for the following changes in the highway tax distribution fund distribution formula:

	2007-09 Biennium	2009-11 Biennium
State highway fund	63.0%	61.3%
Counties	23.0%	21.5%
Cities	14.0%	13.0%
Township highway aid fund	0.0%	2.7%
Public transportation fund	0.0%	1.5%
Total	100.0%	100.0%

Weather-Related Cost-Sharing

Section 3 of Senate Bill No. 2012 provides a 2007-09 appropriation of $59.9 million from the general fund to the State Treasurer for weather-related cost-sharing distributions. Of the total appropriation, $7.5 million is to be distributed to the state highway fund, $41.4 million to counties and cities in accordance with the formula used to distribute funds to counties and cities under NDCC Section 54-27-19(2), $10 million to townships in accordance with provisions used to distribute funds to townships under Section 54-27-19.1, and $1 million to the public transportation fund to be distributed to public transit programs in accordance with Section 39-04.2-04.

State Disaster Relief Fund

Section 4 of Senate Bill No. 2012 establishes a state disaster relief fund to provide funding for defraying the expenses of state disasters, including funds required to match federal funds for expenses associated with presidential declared disasters in the state. Sections 5 through 8 of Senate Bill No. 2012 transfer $43 million from the general fund to the state disaster relief fund and appropriate the funding to the Adjutant General for emergency snow removal grants and emergency disaster relief grants.

Emergency snow removal grants - Up to $20 million of the $43 million appropriated from the state disaster relief fund to the Adjutant General may be used for emergency snow removal grants. A county, township, or city may apply to the Department of Emergency Services for an emergency snow removal grant for reimbursement of up to 50 percent of the costs incurred by the entity for the period January 2009 through March 2009 that exceeds 200 percent of the average costs incurred for these months in 2004 through 2008. Each entity requesting reimbursement is to submit the request in accordance with the rules developed by the Department of Emergency Services. The Department of Emergency Services is to distribute the grants prior to June 30, 2009, and is to report to the Budget Section regarding the distribution of grants.

Emergency disaster relief grants - Up to $23 million of the $43 million appropriated from the state disaster relief fund to the Adjutant General may be used for emergency disaster relief grants. Any political subdivision receiving federal emergency relief funding relating to disasters occurring from January 2009 to June 2009 may apply to the Department of Emergency Services for an emergency disaster relief grant of up to 50 percent of the local match required to receive the federal emergency relief funding. Each political subdivision requesting an emergency disaster relief grant is to submit the request in accordance with rules developed by the Department of Emergency Services. The Department of Emergency Services may provide up to $13 million of emergency disaster relief grants and may seek Budget Section approval to distribute additional grants. Any funding not distributed to political subdivisions may be used to match federal disaster relief funds received for state purposes, subject to Budget Section approval. The Department of Emergency Services is to report to the Budget Section during the fourth quarter of calendar year 2009 and the third quarter of calendar year 2010 regarding emergency disaster relief grants awarded.

One-Time Funding

Section 12 of Senate Bill No. 2012 designates any highway funding received by the state, counties, cities, and townships in excess of the amounts received through distributions from the highway tax distribution fund or existing federal highway aid programs as one-time funding.

Highway-Rail Grade Crossing Safety Fund

Senate Bill No. 2338 provides for up to $1.6 million of special fuels excise taxes collected on sales of diesel fuel to railroads be deposited in the highway-rail grade crossing safety projects fund. Senate Bill No. 2338 also provides a $1.6 million appropriation from the highway-rail grade crossing safety fund and $900,000 of federal highway safety funds to the Department of Transportation for funding highway-rail grade crossing safety projects, including grants for the reduction of associated special assessments. Grants may be used for developing a railroad quiet zone with total grant funding limited to $225,000 for each city.

Other Sections in Senate Bill No. 2012

Use of highway funding - Section 11 provides that the Department of Transportation is to coordinate with the Department of Emergency Services to compile information regarding the use of state, federal, emergency, and other highway funding by the Department of Transportation, counties, cities, and townships during the 2009-11 biennium and is to provide periodic reports to the Budget Section regarding the use of funds during the 2009-10 interim.

Line item transfers - Section 13 allows the Department of Transportation to transfer funding between the operating and capital assets line items when it is cost-effective for the construction and maintenance of highways. The department is to notify the Office of Management and Budget and report to the Legislative Council on any transfers made.

Theodore Roosevelt Expressway - Section 14 creates a new section to NDCC Chapter 24-01 to designate certain portions of United States Highways 2 and 85 as the Theodore Roosevelt Expressway.

Sale of road materials - Section 15 amends NDCC Section 24-02-35.2 regarding the sale of road materials by the Department of Transportation. The department is authorized to sell up to $1 million dollars of road materials per year with the proceeds deposited in the Department of Transportation fund.

Disaster borrowing authority - Section 16 amends NDCC Section 24-02-44 to allow the Department of Transportation to borrow funds from the Bank of North Dakota to advance federal emergency relief funds.

Transportation funding report - Section 20 creates a new section to NDCC Chapter 54-27 to require each county, city, and township to provide an annual report to the Tax Commissioner regarding funding and expenditures related to transportation projects and programs.

Legislative Council studies - Sections 24 and 25 provide for Legislative Council studies regarding the Fargo district office location and options for matching federal transportation funding.

Related Legislation

Senate Bill No. 2054 - This bill removes the limitation that Department of Transportation agreements with tribal governments relating to federal highway program spending requirements may not exceed $25,000.

Senate Bill No. 2147 - This bill authorizes the Department of Transportation to enter into two design-build method contracts for highway or bridge projects and provides for a report to the Legislative Council.

Senate Bill No. 2223 - This bill provides for the development of two public transportation coordination pilot projects.

Upper Great Plains Transportation Institute
Budget No. 627
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	53.95	$1,589,793	$21,737,199	$23,326,992
2009-11 legislative appropriations	**53.95**	**1,589,793**	**24,737,199**	**26,326,992**
Legislative increase (decrease) to executive budget	0.00	$0	$3,000,000	$3,000,000
Legislative increase (decrease) to 2007-09 appropriations	2.00	$379,953	($1,624,482)	($1,244,529)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$1,209,840	$0	$1,209,840
2009-11 legislative appropriations	**1,589,793**	**0**	**1,589,793**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$379,953	$0	$379,953
Percentage increase (decrease) to 2007-09 appropriations	31.4%	N/A	31.4%
2009-11 legislative increase (decrease) to executive budget	$0	$0	$0
Percentage increase (decrease) to executive budget	N/A	N/A	N/A

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the Upper Great Plains Transportation Institute is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding, as an emergency measure, from federal funds for the Center for Transportation Study capital project to provide a total of $8.5 million			$3,000,000	$3,000,000
Total	0.00	$0	$3,000,000	$3,000,000

FTE Changes

The 2007-09 appropriation is based on 43.4 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorized the State Board of Higher Education to adjust FTE positions as needed. A total of 8.55 FTE positions were added pursuant to this section, increasing the total authorized FTE positions to 51.95. The Legislative Assembly did not change the executive recommendation to add 2 FTE professional positions.

One-Time Funding

In Section 2 of Senate Bill No. 2020, the Legislative Assembly identified additional funding of $3 million from federal funds for the Center for Transportation Study capital project authorized by the 2007 Legislative Assembly as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Upper Great Plains Transportation Institute is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

The 2007 Legislative Assembly appropriated $5.5 million of federal and special funds for an Upper Great Plains Transportation Institute building located on the North Dakota State University (NDSU) campus. The 2009 Legislative Assembly granted additional federal funds authority of $3 million to provide total funding of $8.5 million for the project. The proposed building will be constructed with a combination of federal funds, gifts, grants, and contracts.

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations, received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and the Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium and report any adjustments to the Office of Management and Budget.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Capital project carryover authority - Section 12 provides that the 2007-09 appropriation for the Center for Transportation Study of $5.5 million of special funds is not subject to the provisions of North Dakota Century Code Section 54-44.1-11, and any unspent appropriation authority or related revenues are available and may be spent during the 2009-11 biennium.

Emergency - Section 13 provides the additional $3 million from federal funds authorized for the Center for Transportation Study capital project is declared to be an emergency measure.

Related Legislation

Membership of the Advisory Transportation Council - Senate Bill No. 2128 changes the membership of the Advisory Transportation Council of the Upper Great Plains Transportation Institute.

Department of Veterans' Affairs
Budget No. 321
Senate Bill No. 2007, House Bill No. 1057

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	7.00	$1,006,054	$0	$1,006,054
2009-11 legislative appropriations	**7.00**	**1,031,487**	**0**	**$1,031,487**
Legislative increase (decrease) to executive budget	0.00	$25,433	$0	$25,433
Legislative increase (decrease) to 2007-09 appropriations	0.00	$153,209	$0	$153,209

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$818,672	$59,606	$878,278
2009-11 legislative appropriations	**1,031,487**	**0**	**1,031,487**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$212,815	($59,606)	$153,209
Percentage increase (decrease) to 2007-09 appropriations	26.0%	(100.0%)	17.4%
2009-11 legislative increase (decrease) to executive budget	$25,433	$0	$25,433
Percentage increase (decrease) to executive budget	2.5%	N/A	2.5%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($14,567)		($14,567)
Added funding for grants to counties to provide portable personal computers to county veterans' service officers		20,000		20,000
Added funding for Department of Veterans' Affairs accreditation training for all county veterans' service officers (House Bill No. 1057)		20,000		20,000
Total	0.00	$25,433	$0	$25,433

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 7 FTE positions, the same as the 2007-09 biennium.

Related Legislation

County veterans' service officers accreditation - House Bill No. 1057 requires county veterans' service officers to maintain accreditation and provides $20,000 from the general fund for accreditation training. The bill provides the Commissioner of Veterans' Affairs may use up to two of the Department of Veterans' Affairs' existing FTE positions as training officers for the 2009-11 biennium. The Commissioner of Veterans' Affairs must provide a report regarding the number of county veterans' service officers accredited, the agency or organization through which each officer has been accredited, and an accountability report with respect to the use of the funds for the training program offered through the Department of Veterans' Affairs to county veterans' service officers to the Legislative Council by December 1, 2009. The commissioner must also present followup reports to the Legislative Council by July 1, 2010, and December 1, 2010. The board of county commissioners of each county must report to the Legislative Council on the status of the county's compliance with the accreditation requirement by December 1, 2010.

Special plates for surviving family members - House Bill No. 1414 provides for the issuance of special plates for surviving family members of fallen members of the military.

Definition of foreign service, period of service, and payment of adjusted compensation - House Bill No. 1482 relates to the definition of foreign service, period of service, and payment of adjusted compensation.

Veterans' preference - House Bill No. 1510 relates to the employer's responsibility regarding veterans' preference.

Resident tuition for veterans - Senate Bill No. 2082 provides for the eligibility of veterans for resident tuition at state institutions of higher education.

Property tax exemption for disabled veterans - Senate Bill No. 2201 provides $3 million from the general fund to the Tax Commissioner for reimbursing counties for property tax exemptions for disabled veterans.

Veterans' Home
Budget No. 313
Senate Bill Nos. 2007, 2025, 2075

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	120.72	$5,161,253	$11,467,611	$16,628,864
2009-11 legislative appropriations	**120.72**	**16,751,722**	**16,835,298**	**33,587,020**
Legislative increase (decrease) to executive budget	0.00	$11,590,469	$5,367,687	$16,958,156
Legislative increase (decrease) to 2007-09 appropriations	28.35	$12,562,709	($13,079,254)	($516,545)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$3,923,313	$265,700	$4,189,013
2009-11 legislative appropriations	**4,726,589**	**12,025,133**	**16,751,722**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$803,276	$11,759,433	$12,562,709
Percentage increase (decrease) to 2007-09 appropriations	20.5%	4,425.8%	299.9%
2009-11 legislative increase (decrease) to executive budget	($170,976)	$11,761,445	$11,590,469
Percentage increase (decrease) to executive budget	(3.5%)	4,460.4%	224.6%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($104,899)		($104,899)
Adjusted the funding source for the increase in health insurance premiums provided in the Governor's recommendation from special funds to the general fund		390,750	($390,750)	0
Increased funding to purchase a telephone system for the new Veterans' Home facility from a local provider		129,284		129,284

Decreased funding for operating expenses for the difference between the operating cost of the new telephone system and the cost included in the executive recommendation for the current system		(65,952)		(65,952)
Removed funding for **one-time** carpet and tile replacement ($20,000) and for various exercise equipment ($24,900)		(21,619)	(23,281)	(44,900)
Decreased funding for travel		(22,000)		(22,000)
Removed funding for a utility vehicle and provided that the Veterans' Home may use funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below), if available, for the purchase of a utility vehicle			(14,691)	(14,691)
Decreased **one-time funding** relating to costs of the construction project manager to provide a total of $90,088		(20,000)		(20,000)
Adjusted the funding source for a thermal imager to provide contingent funding from the general fund if funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below) is not available		5,500	(5,500)	0
Decreased funding for operating expenses		(35,000)		(35,000)
Added funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below)			118,591	118,591
Provided additional funding for construction of the new Veterans' Home facility (Senate Bill No. 2025) (see **Veterans' Home Construction** section below)		7,944,991	2,643,904	10,588,895
Provided funding for various exterior Veterans' Home improvements associated with the construction of the new Veterans' Home facility, including landscaping, moving a three-stall garage, a maintenance building, mill overlay, curb and gutter work, and street lighting (Senate Bill No. 2075)		350,000		350,000
Provided funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below) for the installation of a geothermal heating system in the new Veterans' Home facility, including a contingent general fund appropriation if federal funds are not available to provide the total cost of $3,039,414 (Senate Bill No. 2075)		3,039,414	3,039,414	6,078,828
Total	0.00	$11,590,469	$5,367,687	$16,958,156

FTE Changes

The 2009-11 appropriation includes funding for 120.72 FTE positions, an increase of 28.35 FTE positions from the 2007-09 authorized level of 92.37 FTE positions. The following table summarizes the FTE position changes:

Position	Executive Budget FTE Changes	Legislative Appropriation FTE Changes	Legislative Increase (Decrease) From Executive Budget
Changes to staff in existing facility			
Increased .65 FTE account technician I position to a 1.00 FTE account technician I position	.35	.35	
Added health care orderly II positions approved by the Emergency Commission during the 2007-08 interim	3.00	3.00	
Added a cook I position	.40	.40	
Added a custodian position	1.00	1.00	
Removed a security officer I position	(.40)	(.40)	
Changes to staff for new facility[1]			
Added cook I positions	2.70	2.70	
Added an administrative assistant II position	.50	.50	
Added registered nurse III positions	2.50	2.50	
Added a social work designee position	1.00	1.00	
Added a custodian position	1.00	1.00	
Added a laundry worker position	1.00	1.00	
Added a registered pharmacy technician position	.50	.50	
Added health care orderly II positions	14.80	14.80	
Total	28.35	28.35	0.00

[1]Section 7 of Senate Bill No. 2007 provides a section of legislative intent that the Veterans' Home not fill the 24 FTE positions for the new Veterans' Home prior to June 1, 2010.

One-Time Funding

In Section 2 of Senate Bill No. 2007, the Legislative Assembly identified $690,728 from the general fund, of which $98,400 is for an electronic health record system, $90,088 is for a construction project manager, and $502,240 is for the new facility FTE positions, as one-time funding. Other one-time funding items for the Veterans' Home include:

- Senate Bill No. 2025 - $7,944,991 in additional funding from the general fund for construction of the new Veterans' Home facility;
- Senate Bill No. 2075 - $350,000 from the general fund for various exterior Veterans' Home improvements associated with the construction of the new Veterans' Home facility; and
- Senate Bill No. 2075 - $3,039,414 in contingent funding from the general fund for the installation of a geothermal heating system in the new Veterans' Home facility if funding from the federal American Recovery and Reinvestment Act of 2009 (see **Federal Fiscal Stimulus Funding** section below) is not available.

The total one-time funding for the Veterans' Home is $12,025,133. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the Veterans' Home is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

The Legislative Assembly appropriated $3,158,005 of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the Veterans' Home summarized as follows:

Senate Bill No. 2007	
Thermal imager (funding from the Department of Commerce)	$5,500
Electronic health records system	98,400
Bobcat utility vehicle	14,691
Total federal fiscal stimulus funds appropriated in Senate Bill No. 2007	$118,591
Senate Bill No. 2075	
Geothermal heating system in the new Veterans' Home facility (funding from the Department of Commerce)	$3,039,414
Total federal fiscal stimulus funds	$3,158,005

The Veterans' Home may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Veterans' Home Construction

The 2007 Legislative Assembly provided $21,098,656, of which $6,483,226 was from the permanent oil tax trust fund, $12,040,278 from federal funds, and $2,575,152 from revenue bond proceeds, for construction of a new 150-bed Veterans' Home facility. The 2009 Legislative Assembly provided, in Senate Bill No. 2025, an additional $10,588,895, of which $7,944,991 is from the general fund and $2,643,904 is from federal funds, for the facility. Funding authority for the new Veterans' Home facility is summarized as follows:

General fund	$7,944,991
Permanent oil tax trust fund	6,483,226
Revenue bond proceeds	2,575,152
Federal funds	14,684,182
Total	$31,687,551

In addition to the construction costs above, the 2009 Legislative Assembly provided, in Senate Bill No. 2075, funding from the general fund for exterior improvements associated with the new facility ($350,000) and funding from federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 for the installation of a geothermal heating system in the new building ($3,039,414). Senate Bill No. 2075 also provided contingent funding from the general fund for the installation of the geothermal heating system in the new building if funding from the federal American Recovery and Reinvestment Act of 2009 is not available to provide $3,039,414, for this purpose.

Other Sections in Senate Bill No. 2007

Contingent funding - Section 4 provides the general fund appropriations for a thermal imager ($5,500) and an electronic health records system ($98,400) included in the Veterans' Home funding may be spent only to the extent that federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 are not available for these purposes.

Veterans' Home share of salary equity pool - Section 5 requires the Office of Management and Budget provide three-fourths of 1 percent of any general fund salary equity pool that is appropriated for salary equity increases for classified state employees for the biennium beginning July 1, 2009, and ending June 30, 2011, to the Veterans' Home. The Legislative Assembly included language in Section 19 of House Bill No. 1015 which makes the provisions of this section not apply to salary equity pool allocations for the 2009-11 biennium.

Exception to the moratorium on expansion of basic care bed capacity - Section 6 provides after completion of the Veterans' Home construction project, the Veterans' Home may add one bed to its licensed basic care facility capacity. This one bed is in addition to the authority granted the Veterans' Home in Section 3 of Chapter 55 of the 2007 Session Laws relating to converting 14 beds from licensed basic care beds to licensed nursing facility beds and provides for a total of 98 basic care beds and 52 licensed nursing facility beds in the new facility.

Full-time equivalent positions authorized for the new Veterans' Home facility - Section 7 provides it is the intent of the Legislative Assembly that the Veterans' Home not fill any of the 24 FTE positions for the new Veterans' Home prior to June 1, 2010.

Reports to Budget Section - Section 8 requires the Veterans' Home construction project manager provide quarterly written summary reports to the Budget Section regarding the status of the Veterans' Home construction project during the 2009-10 interim.

Related Legislation

Veterans' Home construction - Senate Bill No. 2025 provides an appropriation of $10,588,895, of which $7,944,991 is from the general fund and $2,643,904 is from federal funds, to the Veterans' Home for the purpose of building a new facility. The bill also continues the appropriation of $6,483,226 from the permanent oil tax trust fund, $12,040,278 from federal funds and bond issuance authorization of $2,575,152 for project costs associated with expanding the Veterans' Home construction project from a 121-bed capacity facility to a 150-bed facility provided by 2007 Senate Bill No. 2418.

Veterans' Home improvements - Senate Bill No. 2075 provides a $350,000 general fund appropriation to the Veterans' Home for improvements associated with the new Veterans' Home and $3,039,414 from federal fiscal stimulus funds made available to the state under the American Recovery and Reinvestment Act of 2009 for the installation of a geothermal heating system in the new building. In addition, the bill also provides a contingent general fund appropriation for the installation of a geothermal heating system in the new Veterans' Home facility if funding from the federal American Recovery and Reinvestment Act of 2009 is not available to provide $3,039,414. The Veterans' Home is to report to the Budget Section regarding the Veterans' Home exterior finishing construction projects during the 2009-11 biennium. The report must be made at the first Budget Section meeting scheduled after the exterior finishing construction projects are complete.

Veterans' Home telephone service - Senate Bill No. 2133 provides Veterans' Home resident fees may be established by the Veterans' Home Governing Board rather than the Administrative Committee on Veterans' Affairs and allows the Veterans' Home to purchase or arrange for independent third-party telephone services.

North Dakota Vision Services - School for the Blind
Budget No. 253
House Bill Nos. 1013, 1078

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	28.00	$3,340,671	$820,582	$4,161,253
2009-11 legislative appropriations	**29.50**	**3,492,068**	**815,902**	**4,307,970**
Legislative increase (decrease) to executive budget	1.50	$151,397	($4,680)	$146,717
Legislative increase (decrease) to 2007-09 appropriations	1.50	$564,600	($32,059)	$532,541

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$2,927,468	$0	$2,927,468
2009-11 legislative appropriations	**3,421,868**	**70,200**	**3,492,068**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$494,400	$70,200	$564,600
Percentage increase (decrease) to 2007-09 appropriations	16.9%	N/A	19.3%
2009-11 legislative increase (decrease) to executive budget	$151,397	$0	$151,397
Percentage increase (decrease) to executive budget	4.6%	0.0%	4.5%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the North Dakota Vision Services - School for the Blind is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($28,747)	($4,680)	($33,427)
Added funding for a .5 FTE position for the National Instructional Materials Access Center	.50	47,808		47,808
Added funding for 1 FTE position for adult services in eastern North Dakota, including salaries ($106,128) and operating expenses ($21,654)	1.00	127,782		127,782

Added funding for costs associated with serving as the National Instructional Materials Access Center (House Bill No. 1078)		4,554		4,554
Total	1.50	$151,397	($4,680)	$146,717

FTE Changes

The 2009-11 biennium appropriation includes funding for 29.5 FTE positions, an increase of 1.5 FTE positions from the 2007-09 biennium authorized level and the executive recommendation of 28 FTE positions. The Legislative Assembly added 1 FTE for adult services in eastern North Dakota and a .5 FTE position for the National Instructional Materials Access Center.

One-Time Funding

In Section 2 of House Bill No. 1013, the Legislative Assembly identified $70,200 from the general fund, of which $18,200 is for security cameras and portable adaptive technology devices, $14,000 is for videoconferencing equipment, $7,000 is for the installation of an intercom system, and $31,000 is to continue the window replacement project started during the 2007-09 biennium, as one-time funding. This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the North Dakota Vision Services - School for the Blind is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Other Sections in House Bill No. 1013

Deferred maintenance line item transfer authority - Section 7 provides that the North Dakota Vision Services - School for the Blind may transfer from the deferred maintenance line item to the capital assets line item amounts necessary to address extraordinary repair needs. Any amounts transferred must be reported to the Office of Management and Budget.

North Dakota Vision Services - School for the Blind - Operating fund - Section 15 provides income collected for subscription fees or Braille fees must be deposited in the North Dakota Vision Services - School for the Blind operating fund and may be spent subject to appropriation by the Legislative Assembly.

Related Legislation

National Instructional Materials Access Center - House Bill No. 1078 provides a $4,554 general fund appropriation to North Dakota Vision Services - School for the Blind to serve as the National Instructional Materials Access Center authorized user.

State Water Commission
Budget No. 770
House Bill Nos. 1020, 1305, Senate Bill No. 2305

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	86.00	$12,493,198	$298,508,200	$311,001,398
2009-11 legislative appropriations	**86.00**	**13,823,899**	**312,055,809**	**325,879,708**
Legislative increase (decrease) to executive budget	0.00	$1,330,701	$13,547,609	$14,878,310
Legislative increase (decrease) to 2007-09 appropriations	2.00	($146,750)	$149,925,891	$149,779,141

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,970,649	$3,000,000	$13,970,649
2009-11 legislative appropriations	**13,823,899**	**0**	**13,823,899**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$2,853,250	($3,000,000)	($146,750)
Percentage increase (decrease) to 2007-09 appropriations	26.0%	(100.0%)	(1.1%)
2009-11 legislative increase (decrease) to executive budget	$1,330,701	$0	$1,330,701
Percentage increase (decrease) to executive budget	10.7%	N/A	10.7%

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding added in the executive budget for state employee salary equity adjustments		($402,374)	($53,316)	($455,690)
Added funding for a grant to the Game and Fish Department for administrative and support services to provide law enforcement activities on sovereign lands of the state		200,000		200,000
Increased funding from the general fund and decreased funding from the water development trust fund for administrative and support services to provide that all		1,533,075	(1,533,075)	0

administrative and support services are paid by the general fund				
Appropriated federal fiscal stimulus funds made available to the state under the federal American Recovery and Reinvestment Act of 2009 for the Southwest Pipeline Project (see **Federal Fiscal Stimulus Funding** section below)			12,000,000	12,000,000
Added **one-time funding** from the permanent oil tax trust fund for water project grants (House Bill No. 1305)			2,792,000	2,792,000
Added funding from the resources trust fund to conduct a Beaver Bay embankment feasibility study (Senate Bill No. 2305)			342,000	342,000
Total	0.00	$1,330,701	$13,547,609	$14,878,310

FTE Changes

The 2009-11 biennium appropriation includes funding for 86 FTE positions, an increase of 2 FTE positions from the 2007-09 biennium authorized level of 84 FTE positions and the same as the executive budget recommendation. The Legislative Assembly did not change the executive recommendation to add 1 FTE hydrologist position to assist with pending ground water permit applications, and 1 FTE engineer technician IV position to operate the Northwest Area Water Supply pipeline.

One-Time Funding

In House Bill No. 1305, the Legislative Assembly provided $2,792,000 from the permanent oil tax trust fund for the following water project grants:

- $864,000 to assist in the local cost-share of the Ray and Tioga water supply project;
- $985,000 to assist in the local cost-share of the Burke, Divide, and Williams water district water supply project;
- $593,000 to assist in the local cost-share of the Wildrose water supply project; and
- $350,000 to assist in the repayment of outstanding bonds associated with the Stanley water pipeline construction project.

This amount is not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the State Water Commission is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Federal Fiscal Stimulus Funding

The Legislative Assembly appropriated $12 million of federal fiscal stimulus funds from the federal American Recovery and Reinvestment Act of 2009 to the State Water Commission for the Southwest Pipeline Project.

The State Water Commission may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the federal American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated. This amount is not to be considered part of the agency's base budget for the 2011-13 biennium. Any program expenditures made with these funds will not be replaced with state funds after the federal American Recovery and Reinvestment Act of 2009 funds are no longer available.

Other Sections in Bill

Sovereign lands enforcement grant - Section 4 directs the State Water Commission to provide a grant of $200,000 from the general fund to the Game and Fish Department for law enforcement activities on sovereign lands in the state.

Resources trust fund and water development trust fund - Section 5 provides that 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 to the State Water Commission for the purpose of defraying the expenses of the State Water Commission for the 2009-11 biennium (see the resources trust fund analysis and the water development trust fund analysis in the **Trust Fund Analyses** section of this report).

Grant and water project carryover authority - Section 6 authorizes the State Water Commission to continue any unexpended 2009-11 appropriation authority for grants or water-related projects in the 2011-13 biennium.

Fargo flood control project funding - Section 7 provides that of the funds appropriated to the State Water Commission for grants and projects for the 2009-11 biennium, $45 million is for Fargo flood control projects. The section also provides that any funds not spent by June 30, 2011, 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. These funds may be used only for land purchases and construction; may not be used for administration, engineering, legal, planning, or other similar purposes; and are not subject to the 65 percent funding requirement contained in Senate Bill No. 2316.

In addition, Section 8 provides legislative intent that a total of $75 million be committed by the state to match a grant of federal funds for Fargo flood control, of which $45 million has been provided in the 2009-11 biennium.

State Water Commission projects - Section 9 provides legislative intent that the State Water Commission provide funding for the following projects during the 2009-11 biennium:

- Digital elevation mapping project - $300,000.
- Enhancement of the local share of funding for the Renwick Dam in Pembina County - $100,000.
- Evaluate, in conjunction with state, local, and federal officials and entities, long-term flood control solutions in the Red River Valley - $500,000.
- Michigan Spillway in Nelson County - $500,000.

Nelson County Water Resource District - Section 10 provides legislative intent that the State Water Commission assist the Nelson County Water Resource District by providing engineering and permitting services during the 2009-11 biennium.

Related Legislation

Definitions of domestic and irrigation use - House Bill No. 1286 relates to water permit application fees.

Water supply project grants - House Bill No. 1305 provides $2,792,000 from the permanent oil tax trust fund to the State Water Commission for water supply project grants.

Water resources study - House Bill No. 1322 creates an energy policy commission to develop a comprehensive energy policy and provides for a study of water resources. The bill also provides for a Legislative Council study of issues related to the development of livestock feeding facilities and the use of byproducts from biofuels production as a feedstock.

Federal 319 nonpoint program - Senate Bill No. 2004 directs the State Water Commission to provide a grant of $200,000 from its 2009-11 biennium appropriation to the State Department of Health to be used as matching funds for the federal 319 nonpoint program.

Beaver Bay embankment feasibility study - Senate Bill No. 2305 provides $342,000 from the resources trust fund to the State Water Commission for conducting a Beaver Bay embankment feasibility study. The bill provides that no more than $100,000 may be spent prior to the acquisition of applicable licenses and authorizations from the federal Army Corps of Engineers.

Policies for water retention projects - Senate Bill No. 2316 directs the State Water Commission to develop policies, including cost-sharing guidelines, which further the development of water retention projects for flood control. The State Water Commission is to provide a report regarding the policies to the 62nd Legislative Assembly.

Red River Valley Water Supply Project - Senate Bill No. 2317 provides legislative intent that the state pay one-third of the cost of construction for the Red River Valley Water Supply Project. The fiscal note prepared by the State Water Commission indicates the one-third share would total $220 million based on the current estimate of the total project cost of $660 million.

Water-Related Topics Overview Committee - Senate Bill No. 2336 provides that the Legislative Council appoint a Water-Related Topics Overview Committee responsible for legislative overview of water-related topics and related matters and for any necessary discussions with adjacent states on water-related topics. The committee consists of nine members and the Legislative Council designates the chairman of the committee.

Branch Research Centers
Budget No. 628
Senate Bill No. 2020

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	95.56	$11,902,190	$14,266,816	$26,169,006
2009-11 legislative appropriations	**97.26**	**12,367,190**	**15,191,816**	**27,559,006**
Legislative increase (decrease) to executive budget	1.70	$465,000	$925,000	$1,390,000
Legislative increase (decrease) to 2007-09 appropriations	1.70	$963,225[1]	$1,446,612	$2,409,837[1]

[1]This amount reflects a 2007-09 deficiency appropriation totaling $35,654 from the general fund to the Central Grasslands Research Center ($13,560) and the North Central Research Center ($22,094) for capital bond payments.

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2007-09 legislative appropriations	$10,668,311	$735,654	$11,403,965
2009-11 legislative appropriations	**12,367,190**	**0**	**12,367,190**
2009-11 legislative increase (decrease) to 2007-09 appropriations	$1,698,879	($735,654)	$963,225
Percentage increase (decrease) to 2007-09 appropriations	15.9%	(100.0%)	8.4%
2009-11 legislative increase (decrease) to executive budget	$465,000	$0	$465,000
Percentage increase (decrease) to executive budget	3.9%	N/A	3.9%

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

Salaries and Wages

The legislative action affecting the recommended appropriation for the branch research centers is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

	Major Items			
	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added a .7 FTE plant pathologist position and related funding at the Carrington Research Center	.70	$180,000		$180,000
Added 1 FTE forage agronomist position at the Central Grasslands Research Center	1.00	220,000		220,000
Increased funding for an irrigation scientist FTE position at the Williston Research Center		65,000		65,000

Added **one-time funding** from the permanent oil tax trust fund to defray the operating expenses of the Dickinson Research Center			$925,000	925,000
Total	1.70	$465,000	$925,000	$1,390,000

FTE Changes

The 2007-09 appropriation is based on 97.86 FTE positions authorized by the 2007 Legislative Assembly. Section 6 of 2007 House Bill No. 1020 authorizes the State Board of Higher Education to adjust FTE positions as needed. A total of 2.3 FTE positions were removed pursuant to this section and reported to the Office of Management and Budget for a total of 95.56 FTE positions. The 2009-11 biennium appropriation includes funding for 97.26 FTE positions, an increase of 1.7 FTE positions from the executive recommendation and the 2007-09 authorized level of 95.56. The Legislative Assembly added a .7 FTE plant pathologist position at the Carrington Research Center and 1 FTE forage agronomist position at the Central Grasslands Research Center.

One-Time Funding

In Section 2 of Senate Bill 2020, the Legislative Assembly identified $1,275,000, of which $925,000 for operating expenses is from the permanent oil tax trust fund and $350,000 for capital projects is from Dickinson Research Center oil revenue, as one-time funding. The Legislative Assembly did not change the executive recommendation to provide $350,000 from oil revenue as one-time funding for the Dickinson Research Center headquarters facility parking lot and landscaping. In addition, the Legislative Assembly provided $925,000 from the permanent oil tax trust fund as one-time funding to the Dickinson Research Center for operating expenses. These amounts are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget and the branch research centers are to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Capital Construction

North Central, Williston, Langdon, and Dickinson Research Centers headquarters office additions - The 2009 Legislative Assembly did not change the 2009-11 biennium executive recommendation for the Main Research Center that included an appropriation of $2,937,200 from the general fund for North Central Research Center renovations ($624,000), the Williston Research Center Ernie French Center addition ($1,680,000), Langdon Research Center renovations ($144,000), and Dickinson Research Center renovations ($489,200).

Other Sections in Bill

Additional income appropriation - Section 3 appropriates any additional funds, including federal funds, grants, gifts, and donations received by the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station (branch research centers, Main Research Center, and Agronomy Seed Farm) for the purpose designated in the Act, grant, or donation for the 2009-11 biennium.

Transfer authority - Section 7 authorizes the State Board of Agricultural Research and Education and appropriate branch research center directors to transfer appropriation authority within the NDSU Extension Service, Northern Crops Institute, branch research centers, and Main Research Center. Any amounts transferred must be reported to the Office of Management and Budget.

FTE adjustments - Section 8 authorizes the State Board of Higher Education to adjust FTE positions for the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station during the 2009-11 biennium. Any adjustments must be reported to the Office of Management and Budget prior to submission of the 2011-13 budget request.

Carryover authority - Section 9 authorizes the Upper Great Plains Transportation Institute, NDSU Extension Service, Northern Crops Institute, and Agricultural Experiment Station to retain, beyond the close of the 2009-11 biennium, any unspent general fund money appropriated to or excess income received by the agency during the 2009-11 biennium.

Operating pool - Section 10 provides that the $925,000 from the permanent oil tax trust fund appropriated to the Dickinson Research Center be used for operating costs at the Dickinson Research Center.

Workforce Safety and Insurance
Budget No. 485
House Bill No. 1021

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	237.14	$0	$54,455,605	$54,455,605
2009-11 legislative appropriations	**247.14**	**0**	**56,877,605**	**56,877,605**
Legislative increase (decrease) to executive budget	10.00	$0	$2,422,000	$2,422,000
Legislative increase (decrease) to 2007-09 appropriations	10.00	$0	$3,636,450	$3,636,450

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE 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 House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding for additional FTE positions (see **Other Sections in Bill** section)	10.00		$1,355,000	$1,355,000
Increased funding relating to the reauthorization for the information technology transformation project from $6,000,000 to $7,017,000. The Legislative Assembly provided an appropriation of $14 million for the project for the 2007-09 biennium. The agency estimates $6,983,000 will be spent for the project during the 2007-09 biennium and funding of $7,017,000 will be needed for the 2009-11 biennium.			1,017,000	1,017,000
Added funding for costs associated with the study of postretirement benefits provided for in House Bill No. 1525			50,000	50,000
Total	10.00	$0	$2,422,000	$2,422,000

FTE Changes

The 2009-11 biennium appropriation includes funding for 247.14 FTE positions, an increase of 10 FTE positions from the 2007-09 biennium authorized level of 237.14 FTE positions. The Legislative Assembly added 10 FTE positions for the agency's vocational rehabilitation program.

Other Sections in Bill

Employee positions authorization - Section 2 allows the director of Workforce Safety and Insurance to hire, upon a determination that employees are needed to facilitate the economic and efficient administration of the agency, up to 10 FTE positions for the vocational rehabilitation program. The section provides an appropriation of $1,355,000 for the purpose of providing salaries, benefits, and operating expenses for any additional FTE positions.

Litigation expenses - Section 3 creates a new section to North Dakota Century Code Chapter 65-02 relating to providing a continuing appropriation for litigation expenses relating to employer and medical provider issues.

Related Legislation

Workforce Safety and Insurance reserve level - House Bill No. 1035 provides that the level of financial reserves plus available surplus of Workforce Safety and Insurance may not exceed 140 percent of the actuarially established discounted reserve. The bill excludes from the calculation of available surplus any funds designated or obligated to specific programs or projects pursuant to a directive or specific approval by the Legislative Assembly.

Workforce Safety and Insurance premiums - House Bill No. 1036 requires Workforce Safety and Insurance to establish premium rates annually on an actuarial basis. The statewide average premium rate level may not deviate by more than five percentage points from the recommended actuarial-indicated premium level for that year.

Workforce Safety and Insurance independent performance evaluation - House Bill No. 1037 relates to the information to be included in the independent performance evaluation of Workforce Safety and Insurance.

Workforce Safety and Insurance Office of Independent Review - House Bill No. 1201 changes the name of the Office of Independent Review to Decision Review Office.

Workforce Safety and Insurance hearings, personnel, and board duties - House Bill No. 1464 provides for changes to Workforce Safety and Insurance hearings, personnel, and board duties relating to the approval of initiated measure No. 4 in November 2008.

Attorney's fees - Senate Bill No. 2059 provides for Workforce Safety and Insurance to pay an injured employee's attorney's fees and costs for a case review. The bill allows an injured employee who uses the services of the Office of Independent Review to be eligible for payment of $500 for attorney's fees and $150 for costs associated with an attorney consultation before an administrative hearing is held.

CAPITAL CONSTRUCTION - SUMMARY OF KEY RECOMMENDATIONS

CAPITAL PROJECTS

The Legislative Assembly provided funding of $1,170,803,309 for capital projects. As reflected in the following schedules, the total includes:

- $450,046,784 for major capital projects.
- $51,150,533 for extraordinary repairs, including deferred maintenance.
- $650,205,663 for other projects (including $2,026,921 in bond payments and $548,627,256 in other capital payments for the Department of Transportation and $16,866,625 in bond payments and $75,748,072 in other capital payments for the State Water Commission).
- $19,400,329 for bond payments.

The funding sources for these items are:

	General Fund	Special Funds
Major capital projects	$145,004,310	$305,042,474
Extraordinary repairs	40,246,007[1]	10,904,526[1]
Bond payments	18,301,696	1,098,633
Other projects	311,043	649,894,620
Total	$203,863,056	$966,940,253

[1]Of the total extraordinary repairs funding of $51,150,533, $22,530,825 is for deferred maintenance.

LEASE PAYMENTS

The executive recommendation included a total of $18,301,696 from the general fund for 2009-11 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 Human Services, 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, North Central Research Center, Central Grasslands Research Center, and Main Research Center.

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 2009-11 biennium is estimated to be $26,043,960 based on projected sales, use, and motor vehicle excise tax collections included in the February 2009 legislative revenue forecast.

The Legislative Assembly did not approve any capital projects funded through bonded indebtedness that affect the bonding limit.

Please see the schedule on **Capital Construction Schedule of Lease Payments and Outstanding Principal Balances** for additional information.

MAJOR NEW CAPITAL CONSTRUCTION FOR THE 2009-11 BIENNIUM

		2009-11 Executive Budget Recommendations			2009-11 Legislative Appropriations		
Agency or Institution	Project	General Fund	Special Funds	Bonding	General Fund	Special Funds	Bonding
Bismarck State College (227)	Technical Center renovation	$3,000,000	$409,500		$3,000,000	$409,500	
Lake Region State College (228)	Wind energy project	2,609,920			2,609,920 [3]	2,609,920	
Williston State College (229)	New dormitory (revenue bonds)			$9,375,000			$9,375,000
	Science laboratory renovation	1,610,000			1,610,000		
	Virtual center for career and technical education					6,000,000	
University of North Dakota (230)	College of Business and Public Administration renovation and addition		20,500,000			20,500,000	
	Energy and Environmental Research Center storage and support building		1,540,000			1,540,000	
	Indoor track and practice facility		19,500,000			19,500,000	
	Relocation and renovation of Oxford House		750,000			750,000	
	Renovation and addition to the Education Building	11,200,000				11,200,000	
	Starcher Hall research area emergency generator		600,000			600,000	
	School of Medicine forensic pathology facility					129,000	
	School of Medicine Bismarck Family Practice Center					5,400,000	
	Hangar renovation at the Grand Forks Airport (revenue bonds)						1,500,000
North Dakota State University (235)	Auxiliary enterprises renovation - West dining service (revenue bonds)			7,000,000			7,000,000
	Bison Sports Arena (carryover from 2003-05)		25,500,000			25,500,000	
	Ellig Sports Complex softball field (carryover from 2007-09)		4,500,000			4,500,000	
	Niskanen Apartments (revenue bonds)			20,000,000			20,000,000
	Minard Hall - Phase 3	13,000,000			13,000,000		
	Student health services expansion		1,100,000			1,100,000	
State College of Science (238)	Horton Hall renovation	5,700,000			5,700,000		
	Parking lot 4 (revenue bonds)			1,136,000			1,136,000
	Robertson Hall expansion (revenue bonds)			6,000,000			6,000,000
Dickinson State University (239)	Campuswide master plan	2,000,000			2,000,000		
Mayville State University (240)	Agassiz Hall housing renovation (revenue bonds)			3,668,500			3,668,500
	Science Building and Byrnes Quanbeck Library renovation/addition	4,958,325			4,958,325		
Minot State University (241)	Parking lot maintenance		1,000,000			1,000,000	
	Physical plant building and boiler replacement	3,750,000	6,250,000		3,750,000	6,250,000	
	Wellness Center (revenue bonds)		5,000,000	5,000,000		5,000,000	10,000,000
	Swain Hall renovation					5,000,000	
Valley City State University (242)	W. E. Osmon Fieldhouse Wellness Center - Phase I		15,000,000			15,000,000	
	Snoeyenbos Residence Hall renovation (revenue bonds)			3,500,000			3,500,000
	Campuswide master plan	1,000,000			1,000,000		
Minot State University - Bottineau (243)	Coal boilers replacement	800,000			800,000		
	Entrepreneurial Center for Horticulture		2,000,000			2,000,000	
North Dakota Forest Service (244)	Greenhouse - Towner	300,000			300,000		
School for the Deaf (252)	Replace standby generator		127,640			127,640	
	Asbestos removal and demolition of infirmary				41,000		
	Remodel of the Vocational and Trades Building (Bank of North Dakota loan)				835,000	835,000	
Veterans' Home (313)	Construction project manager	110,088			90,088		
	Additional funding for new Veterans' Home Facility	12,036,404	1,291,582		7,944,991	2,643,904	
	Improvements associated with the new Veterans' Home Facility				350,000		
	Installation of a geothermal heating system at the new Veterans' Home Facility				3,039,414 [3]	3,039,414	
Aeronautics Commission (412)	Terminal, wildlife fencing, and walkway at International Peace Garden		400,000			400,000	
Department of Corrections and Rehabilitation (530)	State Penitentiary building project	22,465,804	44,534,196		19,465,804	44,534,196	

Agency or Institution	Project	2009-11 Executive Budget Recommendations General Fund	Special Funds	Bonding	2009-11 Legislative Appropriations General Fund	Special Funds	Bonding
Adjutant General (540)	East operation center facility	450,000				450,000	
	Estimated federal construction		15,000,000			15,000,000	
	Readiness Center addition		12,000,000			12,000,000	
	Regional Training Institute (RTI)		6,000,000			6,000,000	
State Seed Department (616)	Construction of a warehouse facility					200,000	
Upper Great Plains Transportation Institute (627)	Additional funding for the center for transportation study					3,000,000	
Branch research centers (628)	Headquarters facility parking lot/landscaping		350,000			350,000	
NDSU Main Research Center (640)	Beef research facility	2,612,400			2,612,400		
	Branch research centers renovations/additions	2,937,200			2,937,200		
	Research greenhouse complex	11,450,400			11,450,400		
	Installation of a geothermal heating system in the greenhouse complex					700,000	
State Fair Association (665)	Grandstand	17,000,000			15,000,000	3,000,000	
State Historical Society (701)	Compact shelving for third floor of the state archives	350,000			350,000		
	Maintenance shop at Fort Buford State Historic Site	100,000	25,000		100,000	25,000	
	Shelter/conservation of train at Camp Hancock State Historic Site	150,000				150,000	
	Fort Totten State Historic Site commissary storehouse exhibit and signage					385,000	
	Geographic information system scanning and integration					150,000	
	Heritage Center expansion	18,000,000	12,000,000		39,700,000	12,000,000	
Game and Fish Department (720)	Land acquisition		800,000			800,000	
Parks and Recreation Department (750)	Fort Ransom State Park peninsula acquisition	50,000			50,000		
	Fort Stevenson State Park campground upgrade	468,000			468,000		
	Road repair and chip seal projects	1,412,468			1,412,468		
	Sully Creek State Park recreational vehicle dump and comfort station	160,000			160,000		
	Turtle Mountain trails		250,000			250,000	
	Turtle River State Park campground upgrade	269,300			269,300		
	Turtle River State Park pedestrian bridge					300,000	
	Turtle Mountain scenic byway acquistion and trails					200,000	
	Fort Abraham Lincoln Civilian Conservation Corps building rehabilitation					300,000	
Department of Transportation (801)	Land and buildings		2,694,400			2,034,400	
Total 2009-11 executive budget recommendation		$139,950,309 [1]	$199,122,318 [1]	$55,679,500 [1]	$145,004,310 [2]	$242,862,974 [2]	$62,179,500 [2]

[1] The executive budget recommendation also included $669,605,992 for other projects consisting of:
$548,627,256 for contractor payments in the Department of Transportation (all from other funds).
$2,026,921 for Department of Transportation bond payments (all from other funds).
$75,748,072 for water projects (all from other funds).
$16,866,625 for State Water Commission bond payments (all from other funds).
$19,400,329 for bond payments ($18,301,696 from the general fund, $1,098,633 from other funds).
$5,405,746 for ConnectND bond payments from Information Technology Department charges to agencies.
$1,531,043 for other projects and payments ($311,043 from the general fund, $1,220,000 from other funds).

[2] In addition, the legislative appropriations include $669,605,992 for other projects consisting of:
$548,627,256 for contractor payments in the Department of Transportation (all from other funds).
$2,026,921 for Department of Transportation bond payments (all from other funds).
$75,748,072 for water projects (all from other funds).
$16,866,625 for State Water Commission bond payments (all from other funds).
$19,400,329 for bond payments ($18,301,696 from the general fund, $1,098,633 from other funds).
$5,405,746 for ConnectND bond payments from Information Technology Department charges to agencies.
$1,531,043 for other projects and payments ($311,043 from the general fund, $1,220,000 from other funds).

[3] This funding from the general fund is contingent upon federal stimulus funding not being available for the project.

EXTRAORDINARY REPAIRS FOR THE 2009-11 BIENNIUM

Agency or Institution	2009-11 Executive Budget Recommendations			2009-11 Legislative Appropriations		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Office of Management and Budget (110)						
Veterans' memorial repairs	$187,000		$187,000	$187,000		$187,000
Capitol grounds building repairs	675,000		675,000	675,000		675,000
Capitol grounds parking lot repairs	1,475,000		1,475,000	1,475,000		1,475,000
Capitol restoration		$800,000	800,000	1,200,000		1,200,000
Cooling tower and heat pump replacements	500,000		500,000	500,000		500,000
Exterior Capitol limestone study	150,000		150,000	150,000		150,000
Parking lot repair	300,000		300,000	300,000		300,000
Total - Office of Management and Budget	$3,287,000	$800,000	$4,087,000	$4,487,000		$4,487,000
Information Technology Department (112)						
Center for Distance Education - Thordarson Hall (deferred maintenance)		$60,000	$60,000		$60,000	$60,000
Bismarck State College (227)						
Repairs, maintenance, and security (deferred maintenance)	$340,637		$340,637	$340,637		$340,637
Miscellaneous small projects less than $50,000	243,481		243,481	243,481		243,481
Total - Bismarck State College	$584,118		$584,118	$584,118		$584,118
Lake Region State College (228)						
Repairs, maintenance, and security (deferred maintenance)	$93,807		$93,807	$93,807		$93,807
Miscellaneous small projects less than $50,000	43,662		43,662	43,662		43,662
Total - Lake Region State College	$137,469		$137,469	$137,469		$137,469
Williston State College (229)						
Building exterior	$86,475		$86,475	$86,475		$86,475
Repairs, maintenance, and security (deferred maintenance)	382,002		382,002	382,002		382,002
Total - Williston State College	$468,477		$468,477	$468,477		$468,477
University of North Dakota (230)						
Building exterior	$390,000		$390,000	$390,000		$390,000
Repairs, maintenance, and security (deferred maintenance)	7,178,674		7,178,674	7,178,674		7,178,674
Interior finishes	120,000		120,000	120,000		120,000
Mechanical and electrical upgrades	405,000		405,000	405,000		405,000
Miscellaneous small projects under $50,000	260,000		260,000	260,000		260,000
Paving and area lighting	120,545		120,545	120,545		120,545
Structural repairs	230,000		230,000	230,000		230,000
Utilities and infrastructure	775,000		775,000	775,000		775,000
Total - University of North Dakota	$9,479,219		$9,479,219	$9,479,219		$9,479,219
North Dakota State University (235)						
Building exterior	$500,000		$500,000	$500,000		$500,000
Interior finishes	142,225		142,225	142,225		142,225
Mechanical and electrical upgrades	300,000		300,000	300,000		300,000
Miscellaneous small projects under $50,000	100,000		100,000	100,000		100,000

Paving and area lighting	50,000	50,000	50,000	50,000
Structural repairs	100,000	100,000	100,000	100,000
Utilities and infrastructure	500,000	500,000	500,000	500,000
Repairs, maintenance, and security (deferred maintenance)	5,355,817	5,355,817	5,355,817	5,355,817
Total - North Dakota State University	$7,048,042	$7,048,042	$7,048,042	$7,048,042
State College of Science (238)				
Repairs, maintenance, and security (deferred maintenance)	$1,034,143	$1,034,143	$1,034,143	$1,034,143
Interior finishes	50,000	50,000	50,000	50,000
Mechanical and electrical upgrades	520,000	520,000	520,000	520,000
Miscellaneous projects under $50,000	133,332	133,332	133,332	133,332
Paving and area lighting	50,000	50,000	50,000	50,000
Total - State College of Science	$1,787,475	$1,787,475	$1,787,475	$1,787,475
Dickinson State University (239)				
Repairs, maintenance, and security (deferred maintenance)	$1,662,172	$1,662,172	$1,662,172	$1,662,172
Mechanical and electrical upgrades	250,000	250,000	250,000	250,000
Miscellaneous small projects under $50,000	133,690	133,690	133,690	133,690
Total - Dickinson State University	$2,045,862	$2,045,862	$2,045,862	$2,045,862
Mayville State University (240)				
Building exterior	$104,497	$104,497	$104,497	$104,497
Repairs, maintenance, and security (deferred maintenance)	1,910,120	1,910,120	1,910,120	1,910,120
Miscellaneous small projects under $50,000	104,497	104,497	104,497	104,497
Total - Mayville State University	$2,119,114	$2,119,114	$2,119,114	$2,119,114
Minot State University (241)				
Building exterior	$200,000	$200,000	$200,000	$200,000
Repairs, maintenance, and security (deferred maintenance)	595,111	595,111	595,111	595,111
Interior finishes	165,000	165,000	165,000	165,000
Mechanical and electrical upgrade	121,870	121,870	121,870	121,870
Paving and area lighting	110,000	110,000	110,000	110,000
Total - Minot State University	$1,191,981	$1,191,981	$1,191,981	$1,191,981
Valley City State University (242)				
Building exterior	$50,000	$50,000	$50,000	$50,000
Repairs, maintenance, and security (deferred maintenance)	1,304,921	1,304,921	1,304,921	1,304,921
Interior finishes	50,000	50,000	50,000	50,000
Mechanical and electrical upgrades	75,000	75,000	75,000	75,000
Miscellaneous small projects less than $50,000	33,416	33,416	33,416	33,416
Paving and area lighting	50,000	50,000	50,000	50,000
Total - Valley City State University	$1,563,337	$1,563,337	$1,563,337	$1,563,337
Minot State University - Bottineau (243)				
Repairs, maintenance, and security (deferred maintenance)	$97,021	$97,021	$97,021	$97,021
Mechanical and electrical upgrades	21,000	21,000	21,000	21,000
Miscellaneous small projects less than $50,000	49,000	49,000	49,000	49,000
Paving and area lighting	29,725	29,725	29,725	29,725
Utilities and infrastructure	10,000	10,000	10,000	10,000
Greenhouse repairs	0	0	280,000	280,000
Total - Minot State University - Bottineau	$206,746	$206,746	$486,746	$486,746

Forest Service (244)						
Repairs, maintenance, and security (deferred maintenance)	$45,576		$45,576	$45,576		$45,576
Improvements - Bottineau field office/shop building	11,500		11,500	11,500		11,500
Improvements - Lisbon office and shop building	15,000		15,000	15,000		15,000
Improvements - State forests	10,138		10,138	10,138		10,138
Total - Forest Service	$82,214		$82,214	$82,214		$82,214
School for the Deaf (252)						
Roof repair (deferred maintenance)	$46,000		$46,000	$46,000		$46,000
Resurface north parking lot (deferred maintenance)	35,000		35,000	35,000		35,000
Road maintenance (deferred maintenance)	10,000		10,000	10,000		10,000
Miscellaneous repairs (deferred maintenance)	7,605		7,605	7,605		7,605
Total - School for the Deaf	$98,605		$98,605	$98,605		$98,605
North Dakota Vision Services - School for the Blind (253)						
Window replacement - West wing (deferred maintenance)	$31,000		$31,000	$31,000		$31,000
Repair parking lot and sidewalk (deferred maintenance)		$14,000	14,000		$14,000	14,000
Carpet replacement (deferred maintenance)	802	13,198	14,000	802	13,198	14,000
Rooftop air-conditioner	1,151	4,849	6,000	1,151	4,849	6,000
Roof repairs (deferred maintenance)	5,500		5,500	5,500		5,500
Total - North Dakota Vision Services - School for the Blind	$38,453	$32,047	$70,500	$38,453	$32,047	$70,500
State Department of Health (301)						
Repairs for laboratory building and Environmental Training Center		$236,666	$236,666		$236,666	$236,666
Veterans' Home (313)						
Carpet and tile replacement	$20,000		$20,000			
Department of Human Services (325)						
State Hospital extraordinary repairs	$3,231,017		$3,231,017	$2,731,017		$2,731,017
Developmental Center extraordinary repairs	712,675		712,675	712,675		712,675
Total - Department of Human Services	$3,943,692		$3,943,692	$3,443,692		$3,443,692
Highway Patrol (504)						
Major building repairs (deferred maintenance)	$100,000		$100,000	$100,000		$100,000
Department of Corrections and Rehabilitation (530)						
Missouri River Correctional Center roof repairs for dining and kitchen area (deferred maintenance)	$93,592		$93,592	$93,592		$93,592
Missouri River Correctional Center road and parking lot maintenance (deferred maintenance)	10,305		10,305	10,305		10,305
James River Correctional Center asbestos abatement (deferred maintenance)	289,188		289,188	289,188		289,188
James River Correctional Center kitchen grease interceptor (deferred maintenance)	74,663		74,663	74,663		74,663
James River Correctional Center ADA access (deferred maintenance)	65,199		65,199	65,199		65,199
James River Correctional Center internal roof drain project (deferred maintenance)	23,135		23,135	23,135		23,135
James River Correctional Center reroof plumbing building (deferred maintenance)	77,292		77,292	77,292		77,292
James River Correctional Center flat work at kitchen and laundry (deferred maintenance)	21,032		21,032	21,032		21,032
James River Correctional Center ET Building entrance floor coating (deferred maintenance)	16,089		16,089	16,089		16,089
Youth Correctional Center roof replacement for Hickory and Maple Cottages (deferred maintenance)	169,609		169,609	169,609		169,609

Youth Correctional Center street lighting (deferred mainenance)	58,509		58,509	58,509		58,509
Youth Correctional Center deaerator and powerhouse (deferred maintenance)	71,882		71,882	71,882		71,882
State Penitentiary replace summer boiler (deferred maintenance)	225,041		225,041 [1]	225,041 [1]	225,041	450,082
State Penitentiary roof repairs for gymnasium/administration building (deferred maintenance)	152,481		152,481			0
State Penitentiary convert energy management system from analog to digital (deferred maintenance)	18,928		18,928 [1]	18,928 [1]	18,928	37,856
State Penitentiary heating and cooling equipment replacement (deferred maintenance)	15,774		15,774 [1]	15,774 [1]	15,574	31,348
State Penitentiary replace floor in food services (deferred maintenance)	24,187		24,187	24,187		24,187
State Penitentiary ASII East renovation, surveillance system, and cell furniture (deferred maintenance)	52,895		52,895	52,895		52,895
State Penitentiary EP retrofit (deferred maintenance)	65,199		65,199	65,199		65,199
Total - Department of Corrections and Rehabilitation	$1,525,000		$1,525,000	$1,372,519	$259,543	$1,632,062
Adjutant General (540)						
Boiler replacement at Minot and Bismarck facilities (deferred maintenance)	$500,000		$500,000		$500,000	$500,000
Estimated federal extraordinary repairs		$4,000,000	4,000,000		6,522,270	6,522,270
Total - Adjutant General	$500,000	$4,000,000	$4,500,000		$7,022,270	$7,022,270
State Seed Department (616)						
Extraordinary repairs		$98,500	$98,500		$98,500	$98,500
NDSU Main Research Center (640)						
General repairs and maintenance	$1,200,000		$1,200,000	$1,200,000		$1,200,000
Deferred maintenance	500,000		500,000	450,000		450,000
Landscaping	140,465		140,465	140,465		140,465
Total - Main Research Center	$1,840,465		$1,840,465	$1,790,465		$1,790,465
State Historical Society (701)						
Exhibits	$330,000		$330,000	$330,000		$330,000
Security card reader at Heritage Center	145,000		145,000	145,000		145,000
Fort Totten State Historic Site building repairs and maintenance	250,000	$800,000	1,050,000	250,000	$800,000	1,050,000
Chateau de Mores house repairs	150,000		150,000	150,000		150,000
Base budget funding for extraordinary repairs	251,319		251,319	251,319		251,319
Sprinkler system at Chateau de Mores Interpretive Center				16,500		16,500
de Mores Memorial Park repairs				5,000		5,000
Total - State Historical Society	$1,126,319	$800,000	$1,926,319	$1,147,819	$800,000	$1,947,819
Game and Fish Department (720)						
Department facility repairs		$400,000	$400,000		$400,000	$400,000
Fishing area projects		450,000	450,000		450,000	450,000
Wildlife management area improvements		400,000	400,000		400,000	400,000
Total - Game and Fish Department		$1,250,000	$1,250,000		$1,250,000	$1,250,000
Parks and Recreation Department (750)						
Beaver Lake State Park repair and maintenance projects	$95,000	$30,000	$125,000	$95,000	$30,000	$125,000
Cross Ranch State Park repair and maintenance projects		87,500	87,500		87,500	87,500
Devils Lake State Park repair and maintenance projects	17,500		17,500	17,500		17,500
Fort Abraham Lincoln State Park repair and maintenance projects	86,200	30,000	116,200	86,200	30,000	116,200
Fort Ransom State Park repair and maintenance projects	81,000		81,000	81,000		81,000
Fort Stevenson State Park repair and maintenance projects	30,500	40,000	70,500	30,500	40,000	70,500
Icelandic State Park repair and maintenance projects	88,500	30,000	118,500	88,500	30,000	118,500
Lewis and Clark State Park repair and maintenance projects		110,000	110,000		110,000	110,000

Little Missouri State Park repair and maintenance projects	30,000		30,000	30,000		30,000
Lake Metigoshe State Park repair and maintenance projects	238,200	77,000	315,200	238,200	77,000	315,200
Lake Sakakawea State Park repair and maintenance projects	44,000	45,000	89,000	44,000	45,000	89,000
Turtle River State Park repair and maintenance projects	35,000	33,000	68,000	35,000	33,000	68,000
Fuel tank containment at Fort Abraham Lincoln, Devils Lake, and Fort Stevenso	7,500		7,500	7,500		7,500
Signage and maps at Icelandic State Park				20,000		20,000
Total - Parks and Recreation Department	$753,400	$482,500	$1,235,900 [2]	$773,400	$482,500	$1,255,900 [2]
Department of Transportation (801)						
Miscellaneous district improvements		$663,000	$663,000		$663,000	$663,000
Grand total	$39,946,988	$8,422,713	$48,369,701 [3]	$40,246,007	$10,904,526	$51,150,533 [3]

[1] Funding is contingent upon federal stimulus funds not being available.

[2] The Legislative Assembly did not change the executive recommendation which identified $835,400 of the Parks and Recreation Department's total extraordinary repair funding of $1,235,900 for deferred maintenance. The Legislative Assembly did not identify specific projects that relate to deferred maintenance.

[3] The executive budget identified a total of $23,183,306 of deferred maintenance funding for the 2009-11 biennium. The Legislative Assembly removed $652,681 from the Department of Corrections and Rehabilitation ($152,681) and the Adjutant General ($500,000) for a total of $22,530,825 for deferred maintenance for the 2009-11 biennium.

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, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 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) 1991 Legislative Assembly approved: Department of Human Services - Southeast Human Service Center ($2,475,000)	1998 Series B North Dakota Building Authority refunding revenue bonds (4.5% to 5% - 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	$2,756,510	$2,018,514	$1,895,834	$4,595,000	$2,695,000	$0
1989 Legislative Assembly approved: North Dakota State University - Computer Center ($5,375,000) University of North Dakota - United Hospital north unit ($1,720,000) State College of Science - Agricultural mechanics building ($2,916,000) University of North Dakota - Abbott Hall addition ($3,300,000)	2003 Series A North Dakota Building Authority refunding revenue bonds (2.35% to 4.07% - 7-year bonds) - Used to refund 1993 Series A refunding revenue bonds which were used to refinance 1990 Series A, B, and C (2010)	28,808,000	15,145,000[1]	5,396,540	5,847,795	0	6,865,000	0	0

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
Minot State University - Library ($7,728,000) State Board of Higher Education - Selected handicapped accessibility projects ($1,600,000) State Penitentiary - Phase III construction ($5,000,000) Veterans' Home - Construction and remodeling ($1,169,000)									
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)	2002 Series C lease revenue refunding bonds used to refund 1993 Series B North Dakota Building Authority revenue bonds (3% to 4.3% - 12-year bonds) (2014)	13,333,061[2]	10,665,000	1,986,663	2,285,223	2,394,120	7,995,000	6,150,000	4,180,000

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
1995 Legislative Assembly approved:									
Bismarck State College - Science and Mathematics Center ($8,060,000) University of North Dakota - Abbott Hall renovations ($2,371,769) North Dakota State University - Emission control renovations on power plant ($2,145,000) Dickinson State University - Klinefelter Hall renovations ($2,750,000)	2002 Series D lease revenue refunding bonds used to refund 1995 Series A North Dakota Building Authority revenue bonds (3% to 4.5% - 15-year bonds) (2017)	15,326,769[3]	16,425,000	2,574,437	2,884,467	2,991,128	12,215,000	10,145,000	7,915,000
1997 Legislative Assembly approved:									
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 North Dakota Building Authority refunding revenue bonds (4.4% to 5.125% - 20-year bonds) - Used to refund 1998 Series A and 2000 Series A (2020)	10,782,500[4,6]	9,750,000	1,935,119	1,946,503	1,675,000	9,750,000	8,430,000	7,330,000
1999 Legislative Assembly approved:									
North Dakota State University - Animal facility ($2,207,500)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
Youth Correctional Center - Pine Cottage ($1,475,000)									
1997 Legislative Assembly approved:									
University of North Dakota - Renovation and addition to the Ed James Wing of the medical school building ($3,000,000)	1998 Series C North Dakota Building Authority revenue bonds (3.2% to 4.35% - 10-year bonds) (2008)	3,000,000[5]	3,400,000	735,031	725,645	0	1,020,000	0	0
1999 Legislative Assembly approved:									
Williston State College - Health and Wellness Center ($3,000,000)	2006 Series B North Dakota Building Authority revenue refunding bonds (4.15% 16-year bonds) - Used to refund a portion of the 2001 Series A North Dakota Building Authority revenue bonds (2022) Remaining 2001 Series A North Dakota Building Authority revenue bonds (4.13% to 4.35%) (2010)	10,850,000[7]	9,770,000	1,990,751	1,926,170	2,062,025	11,930,000	10,855,000	9,650,000
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)	2002 Series A North Dakota Building Authority revenue bonds (4% to 5.125% - 20-year bonds) (2022)	5,002,000[8]	6,035,000	627,983	899,554	1,001,446	5,480,000	5,250,000	4,475,000
Job Service North Dakota - Bismarck service delivery office ($2,302,000)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
2003 Legislative Assembly approved:									
State Department of Health - Morgue and storage annex ($960,000)	2003 Series B North Dakota Building Authority revenue bonds (4.09% 20-year bonds) (2023)	11,645,237[9]	13,080,000[10]	1,709,859	1,970,723	2,045,871	12,070,000	10,930,000	9,680,000
Department of Corrections and Rehabilitation - James River Correctional Center food service/laundry renovations - Phase II ($2,662,890)									
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)	2005 Series A North Dakota Building Authority revenue bonds (4.50% 20-year bonds) (2025)	28,848,248	37,955,000 [11]	0	1,025,257	6,082,677	37,955,000	37,955,000	34,500,000
Attorney General's office - Crime Laboratory addition and renovation ($3,632,691)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments			Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
				2005-07 Actual Payments	2007-09 Actual Payments	2009-11 Estimated Payments			
North Dakota State University - Hazardous material handling and storage facility ($3,500,000)									
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)									
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)									

Project	Bond Issue (Payoff Year)	Cost of Project	Amount Financed	Lease Payments 2005-07 Actual Payments	Lease Payments 2007-09 Actual Payments	Lease Payments 2009-11 Estimated Payments	Outstanding Principal Balance June 30, 2007	Outstanding Principal Balance June 30, 2009	Outstanding Principal Balance June 30, 2011
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)									
Total		$144,870,815	$133,565,000	$19,712,893	$21,529,851	$20,148,101	$109,875,000	$92,410,000	$77,730,000
Breakdown of payments									
General fund				$17,467,525[12]	$19,212,032[12]	$18,301,696			
Agency contributions				2,245,368	2,317,819	1,846,405			
Total				$19,712,893	$21,529,851	$20,148,101			

[1]House Bill No. 1037 (1989) included a section stating that it was the intent of the Legislative Assembly that up to a total of $4.4 million from non-general fund sources be used to assist in the retirement of the debt incurred to finance the construction projects. The non-general fund sources will be the college development foundation at the University of North Dakota, North Dakota State University, and State College of Science and an additional student fee at Minot State University. A listing of the $4.4 million by each institution is:

Institution	Type of Facility	Total Contributions	Estimated Contributions Through the 2007-09 Biennium	Remaining Contributions
North Dakota State University	Computer technology transfer center	$1,343,000	$1,343,000	$0 (Biennial contributions are $55,375)
State College of Science	Agricultural mechanics technology facility	300,000	300,000	0 (Biennial contributions are $31,250)
University of North Dakota	Abbott Hall addition	825,000	825,000	0 (Biennial contributions are $28,125)
Minot State University	Library facility	1,932,000	1,932,000	0 (Biennial contributions are $197,750)
Total		$4,400,000	$4,400,000	$0

In addition to the $5,375,000 appropriated from bond proceeds for the North Dakota State University computer center, House Bill No. 1037 also appropriated $5,375,000 from federal or other funds. The total amount appropriated for the project was $10,750,000.

House Bill No. 1669 (1989) appropriated up to $6.2 million for State Penitentiary Phase III construction from loan notes less the insurance proceeds received in the Penitentiary's fire loss of $1.2 million.

Senate Bill No. 2096 (1989) authorized the issuance of bonds in the amount of $1,169,000 to match federal funds available to construct, modify, or alter the facilities at the Veterans' Home. Bond payments are to be made from the Veterans' Home improvement fund.

[2]House Bill No. 1020 (1993) included a section stating that up to a total of $1,990,000 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 $1,990,000 by each entity is:

Institution/Agency	Type of Facility	Total Contributions	Contributions Made Through the 2003-05 Biennium	Remaining Contributions
Minot State University	Library renovation	$255,000	$255,000	$0 (Biennial contributions were $42,500)
Job Service North Dakota	Grand Forks office building	1,735,000		
Total		$1,990,000	$255,000	$0

In addition to the $2,550,000 appropriated from bond proceeds for the Minot State University Memorial Library renovation, House Bill No. 1020 also appropriated $4,800,000 from federal or other funds. The total amount appropriated for the library renovation was $7,350,000.

Job Service North Dakota makes the entire bond payment, principal and interest, on the $1,735,000 for the Grand Forks office building.

[3]Senate Bill No. 2030 (1995) included a section stating that 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	Contributions Made Through the 2003-05 Biennium	Remaining Contributions
Bismarck State College	Science and mathematics center	$1,060,000	$1,060,000	$0 (Biennial contributions were $353,334)
University of North Dakota	Abbott Hall renovation	871,769	871,769	0 (Biennial contributions were $290,590)
Dickinson State University	Klinefelter Hall renovation	275,000	275,000	0 (Biennial contributions were $91,666)
Total		$2,206,769	$2,206,769	$0 (Biennial contributions were $353,334)

In addition to the $2,371,769 appropriated from bond proceeds for the University of North Dakota 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.

[4]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 North Dakota State University and a renovation to the Ed James Wing of the medical school building at the University of North Dakota. The North Dakota State University project was delayed until the 1999 legislative session. The University of North Dakota project was handled through a separate bond issue (see 1998 Series C bond issue).

[5]In addition to the $3 million appropriated from bond proceeds for the University of North Dakota renovation to the Ed James Wing of the medical school building, Senate Bill No. 2003 also appropriated any available funds received from federal, public, or private sources.

[6]House Bill No. 1022 (1999) authorized an animal research facility at North Dakota State University, 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 North Dakota State University 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.

[7]House Bill No. 1022 (1999) included a section stating that 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 will have paid $1,200,000 by the end of the 2007-09 biennium, with $300,000 remaining.

Senate Bill No. 2023 (2001) included a section stating that $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 will have paid $1,464,500 by the end of the 2007-09 biennium with $834,500 remaining.

[8]Senate Bill No. 2023 (2001) included a section stating that $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.

[9]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 will also provide $250,000 during the 2005-07 biennium to assist in the retirement of the bonds, which is included in the agency contribution total for the 2005-07 biennium.

[10]The 2005-07 biennium payment on this bond issue is $1,741,306. 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 Senate Bill No. 2416 (2003) 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.

[11]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.

[12]North Dakota Century Code Section 54-17.2-23 provided that 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 percent 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 that 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 2007-09 through 2015-17 bienniums and what 10 percent of the equivalent of a 1 percent sales, use, and motor vehicle excise tax is projected to generate (using the February 2007 revenue forecast for the 2007-09 biennium and the February 2009 legislative revenue forecast 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 Equivalent of 1 Percent	Estimated Excess General Fund Resources Available for Bond Payments
2007-09	$21,529,851*	$2,317,819	$19,212,032	$22,893,398	$3,397,506
2009-11	$20,148,101*	$1,846,405	$18,301,696	$26,043,960	$7,742,264
2011-13	$18,580,064*	$1,542,866	$17,037,198	$27,085,718	$10,048,520
2013-15	$17,285,013*	$970,980	$16,314,033	$28,169,147	$11,855,114
2015-17	$14,709,843*	$841,032	$13,868,811	$29,295,913	$15,427,102

*The future biennium bond payments do not reflect any other future bond issues that may be authorized by future Legislative Assemblies. The 1998 Series C and 2003 Series A bond issuances will be paid off during the 2007-09 biennium, and the 1998 Series B bond issuance will be paid off during the 2009-11 biennium.

STATE EMPLOYEES - OVERVIEW

SALARY INCREASE

The Legislative Assembly provided funding in each agency's appropriation bill and included provisions in House Bill No. 1015 for state employee salary increases equal to an average of 5 percent of salaries effective July 1, 2009, and 5 percent effective July 1, 2010. The minimum increase for each year is $100 per month. Salary increases must be based on merit and equity and are not to be given across the board. Employees whose documented performance levels do not meet standards are not eligible for any salary increase. The Legislative Assembly did not change the executive recommendation for salary increases.

SPECIAL MARKET EQUITY ADJUSTMENTS

The 2009 Legislative Assembly provided a $15,984,000 statewide compensation pool appropriation in House Bill No. 1015 to 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. Of the $15,984,000, $9,000,000 is from the general fund and $6,984,000 is from special funds.

HIGHER EDUCATION

The Legislative Assembly authorized, in Section 20 of Senate Bill No. 2003, the State Board of Higher Education to adjust full-time equivalent (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 2011-13 budget request.

The Legislative Assembly does not provide higher education institutions specific funding for salary or health insurance increases. The increases are to be provided from the total funding provided to the North Dakota University System. The 2009-11 legislative appropriation for the University System included funding for parity to provide for inflationary costs, including the general fund share of a 5 percent per year salary increase and health insurance increases. Section 27 of Senate Bill No. 2003 provides legislative intent that each University System employee whose documented performance meets all standards is to receive a minimum monthly salary increase of $100 on July 1, 2009, and $100 on July 1, 2010.

The Legislative Assembly appropriated funding to the Upper Great Plains Transportation Institute, Northern Crops Institute, and the agricultural research and extension agencies to provide for increased health insurance costs and to provide their employees salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010.

ELECTED AND APPOINTED OFFICIALS

The Legislative Assembly provided funding for elected and appointed officials' salary increases equal to 5 percent of salaries effective July 1, 2009, and 5 percent effective July 1, 2010. Specific language regarding the salary increases is included in House Bill No. 1015 and the statutory changes necessary are included in the respective elected officials' appropriation bills.

JUDICIAL BRANCH

The Legislative Assembly approved a 5 percent salary increase effective July 1, 2009, and a 5 percent salary increase effective July 1, 2010, 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 state employees, or an average of 5 percent of salaries effective July 1, 2009, and 5 percent of salaries effective July 1, 2010, with the $100 per month minimum. 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 $825.97 per month for employee health insurance (an increase of $167.89, or 25.5 percent, compared to the 2007-09 premium). At this premium level, the 2009-11 biennium plan requires employees to pay higher copayments and deductibles for services as compared to the 2007-09 biennium plan. 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

RETIREE HEALTH CREDIT

The Legislative Assembly did not change the executive recommendation to increase the monthly retiree health credit from $4.50 per year of credited service to $5 per year of credited service and to increase the retiree health credit employer contribution by .14 percent, from 1 percent to 1.14 percent of

payroll to fund the retiree health credit increase, resulting in the total monthly retirement contribution increasing from 9.12 percent to 9.26 percent. The estimated cost of increasing employer contributions by .14 percent for a biennium for state agencies is $935,535, of which $387,734 is from the general fund. Senate Bill No. 2154 provides the statutory changes related to this increase.

EMPLOYEE ASSISTANCE PROGRAM

The monthly rate for the employee assistance program (EAP) remains at $1.42 per month.

TOTAL COMPENSATION CHANGES COST

The schedule below provides the total cost of major compensation changes for the 2009-11 biennium:

	General Fund	Special Funds	Total
Salary increase - 5% July 2009 and 5% July 2010 ($100 per month minimum)	$36,821,006	$31,667,339	$68,488,345
Health insurance premium increase	15,889,790	20,215,824	36,105,614
Retiree health credit increase from 1% to 1.14%	387,734	547,801	935,535
Equity adjustment - Statewide salary equity pool in the Office of Management and Budget	9,000,000	6,984,000	15,984,000
Salary adjustment - Deputy Treasurer	10,000		10,000
Salary adjustment - Attorney General (effective January 1, 2011)	10,100		10,100
Equity adjustments - Legislative Council	50,000		50,000
Recruitment and retention bonuses - Industrial Commission Department of Mineral Resources (nonclassified employees)	185,000		185,000
Salary increase - Branch research centers (irrigation scientist position at the Williston Research Center)	65,000		65,000
Total	$62,418,630	$59,414,964	$121,833,594

FULL-TIME EQUIVALENT POSITIONS

The legislative appropriations for the 2009-11 biennium include total funding for 11,101.18 FTE positions, 136.42 FTE positions more than the 2007-09 authorized level and 27 FTE positions less than the executive recommendation.

The schedule below lists the number of authorized FTE positions for each biennium since 1991-93:

Biennium	FTE	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]	(7.6%)
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	11,101.18	136.42	1.2%

[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 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 FULL-TIME EQUIVALENT (FTE) POSITIONS AUTHORIZED BY THE 2009 LEGISLATIVE ASSEMBLY FOR THE 2009-11 BIENNIUM

Comparison to 2007-09				Comparison to Executive Recommendation		
2007-09 FTE Positions	2009-11 FTE Positions	Increase (Decrease)	Agency	Executive Recommendation 2009-11 FTE Positions	2009-11 FTE Positions	Increase (Decrease)
			GENERAL GOVERNMENT			
18.00	18.00	0.00	**101 - Governor's office**	18.00	18.00	0.00
27.00	28.00	1.00	**108 - Secretary of State**	28.00	28.00	0.00
132.50	132.50	0.00	**110 - Office of Management and Budget**	133.50	132.50	(1.00)
306.20	328.20	22.00	**112 - Information Technology Department**	330.20	328.20	(2.00)
54.80	51.80	(3.00)	**117 - State Auditor**	51.80	51.80	0.00
7.00	7.00	0.00	**120 - State Treasurer**	7.00	7.00	0.00
188.50	202.50 [1]	14.00	**125 - Attorney General**	198.50	202.50 [1]	4.00
133.00	133.00	0.00	**127 - Tax Department**	133.00	133.00	0.00
8.00	5.00	(3.00)	**140 - Office of Administrative Hearings**	8.00	5.00	(3.00)
33.00	34.00	1.00	**160 - Legislative Council**	33.00	34.00	1.00
338.00	342.00	4.00	**180 - Judicial branch**	349.00	342.00	(7.00)
29.00	30.00	1.00	**188 - Commission on Legal Counsel for Indigents**	33.00	30.00	(3.00)
17.00	17.00	0.00	**190 - Retirement and Investment Office**	17.00	17.00	0.00
33.00	33.00	0.00	**192 - Public Employees Retirement System**	33.00	33.00	0.00
1,325.00	1,362.00	37.00	**TOTAL GENERAL GOVERNMENT**	1,373.00	1,362.00	(11.00)
			OTHER EDUCATION			
94.75	99.75	5.00	**201 - Department of Public Instruction**	99.75	99.75	0.00
18.75	21.75	3.00	**226 - Land Department**	21.75	21.75	0.00
29.75	29.75	0.00	**250 - State Library**	29.75	29.75	0.00
43.94	43.94	0.00	**252 - School for the Deaf**	43.94	43.94	0.00
28.00	29.50	1.50	**253 - North Dakota Vision Services - School for the Blind**	28.00	29.50	1.50
27.50	28.50	1.00	**270 - State Board for Career and Technical Education**	28.50	28.50	0.00
242.69	253.19	10.50	**TOTAL OTHER EDUCATION**	251.69	253.19	1.50

			HEALTH AND WELFARE			
331.50	343.50	12.00	**301 - State Department of Health**	343.50	343.50	0.00
0.00	4.00	4.00	**305 - Tobacco Prevention and Control Executive Committee**	0.00	4.00	4.00
92.37	120.72	28.35	**313 - Veterans' Home**	120.72	120.72	0.00
4.00	4.00	0.00	**316 - Indian Affairs Commission**	4.00	4.00	0.00
7.00	7.00	0.00	**321 - Department of Veterans' Affairs**	7.00	7.00	0.00
1,311.33 [2]	1,304.83	(6.50)	**325 - Department of Human Services (excluding State Hospital and Developmental Center)**	1,319.33	1,304.83	(14.50)
445.54 [2]	445.54	0.00	**- Developmental Center**	445.54	445.54	0.00
466.51 [2]	466.51	0.00	**- State Hospital**	472.51	466.51	(6.00)
2,223.38 [2]	2,216.88	(6.50)	**- Department of Human Services subtotal**	2,237.38	2,216.88	(20.50)
27.50	28.50	1.00	**360 - Protection and Advocacy Project**	28.50	28.50	0.00
308.00	284.05	(23.95)	**380 - Job Service North Dakota**	284.05	284.05	0.00
2,993.75	3,008.65	14.90	**TOTAL HEALTH AND WELFARE**	3,025.15	3,008.65	(16.50)
			REGULATORY			
46.50	45.50	(1.00)	**401 - Insurance Department**	46.50	45.50	(1.00)
55.37	61.06 [3]	5.69	**405 - Industrial Commission**	60.06	61.06 [3]	1.00
11.00	12.00	1.00	**406 - Labor Commissioner**	12.00	12.00	0.00
41.00	43.00	2.00	**408 - Public Service Commission**	44.00	43.00	(1.00)
6.00	6.00	0.00	**412 - Aeronautics Commission**	6.00	6.00	0.00
27.00	29.00	2.00	**413 - Department of Financial Institutions**	29.00	29.00	0.00
9.00	9.00	0.00	**414 - Securities Department**	9.00	9.00	0.00
176.50	176.50	0.00	**471 - Bank of North Dakota**	171.50	176.50	5.00
43.00	46.00	3.00	**473 - Housing Finance Agency**	47.00	46.00	(1.00)
131.00	131.00	0.00	**475 - Mill and Elevator Association**	131.00	131.00	0.00
237.14	247.14	10.00	**485 - Workforce Safety and Insurance**	237.14	247.14	10.00
783.51	806.20	22.69	**TOTAL REGULATORY**	793.20	806.20	13.00
			PUBLIC SAFETY			
193.00	194.00	1.00	**504 - Highway Patrol**	196.00	194.00	(2.00)
711.29	735.29	24.00	**530 - Department of Corrections and Rehabilitation**	743.29	735.29	(8.00)
232.00	232.00	0.00	**540 - Adjutant General (including National Guard and Department of Emergency Services)**	232.00	232.00	0.00
1,136.29	1,161.29	25.00	**TOTAL PUBLIC SAFETY**	1,171.29	1,161.29	(10.00)

			AGRICULTURE AND ECONOMIC DEVELOPMENT			
66.00	68.00	2.00	**601 - Department of Commerce**	68.00	68.00	0.00
67.50	74.50 [4]	7.00	**602 - Agriculture Commissioner**	70.50	74.50 [4]	4.00
30.00	30.00	0.00	**616 - State Seed Department**	30.00	30.00	0.00
51.95 [5]	53.95	2.00	**627 - Upper Great Plains Transportation Institute**	53.95	53.95	0.00
95.56 [5]	97.26	1.70	**628 - Branch research centers**	95.56	97.26	1.70
266.33 [5]	268.63	2.30	**630 - NDSU Extension Service**	267.33	268.63	1.30
10.20 [5]	11.20	1.00	**638 - Northern Crops Institute**	11.20	11.20	0.00
347.39 [5]	352.39	5.00	**640 - Main Research Center**	353.39	352.39	(1.00)
3.00 [5]	3.00	0.00	**649 - Agronomy Seed Farm**	3.00	3.00	0.00
2.00	2.00	0.00	**670 - Racing Commission**	2.00	2.00	0.00
939.93	960.93	21.00	**TOTAL AGRICULTURE AND ECONOMIC DEVELOPMENT**	954.93	960.93	6.00
			NATURAL RESOURCES AND HIGHWAYS			
60.00	62.00	2.00	**701 - State Historical Society**	62.00	62.00	0.00
5.00	5.00	0.00	**709 - Council on the Arts**	5.00	5.00	0.00
155.00	157.00	2.00	**720 - Game and Fish Department**	157.00	157.00	0.00
50.50	53.00	2.50	**750 - Parks and Recreation Department**	53.00	53.00	0.00
84.00	86.00	2.00	**770 - State Water Commission**	86.00	86.00	0.00
1,052.50	1,054.50	2.00	**801 - Department of Transportation**	1,054.50	1,054.50	0.00
1,407.00	1,417.50	10.50	**TOTAL NATURAL RESOURCES AND HIGHWAYS**	1,417.50	1,417.50	0.00
			SUMMARY TOTALS			
1,325.00	1,362.00	37.00	General Government	1,373.00	1,362.00	(11.00)
242.69	253.19	10.50	Other Education	251.69	253.19	1.50
2,993.75	3,008.65	14.90	Health and Welfare	3,025.15	3,008.65	(16.50)
783.51	806.20	22.69	Regulatory	793.20	806.20	13.00
1,136.29	1,161.29	25.00	Public Safety	1,171.29	1,161.29	(10.00)
939.93	960.93	21.00	Agriculture and Economic Development	954.93	960.93	6.00
1,407.00	1,417.50	10.50	Natural Resources and Highways	1,417.50	1,417.50	0.00
8,828.17	8,969.76	141.59	**TOTAL ALL DEPARTMENTS (EXCLUDING HIGHER EDUCATION)**	8,986.76	8,969.76	(17.00)
			HIGHER EDUCATION			
20.00	21.30	1.30	**215 - North Dakota University System office**	21.30	21.30	0.00
105.38	110.93	5.55	**227 - Bismarck State College**	111.93	110.93	(1.00)
30.49	32.97	2.48	**228 - Lake Region State College**	33.97	32.97	(1.00)
39.80	41.10	1.30	**229 - Williston State College**	42.10	41.10	(1.00)

637.24	625.28	(11.96)	**230 - University of North Dakota**	627.28	625.28	(2.00)
157.74	144.92	(12.82)	**232 - University of North Dakota School of Medicine and Health Sciences**	144.92	144.92	0.00
498.12	515.76	17.64	**235 - North Dakota State University**	517.76	515.76	(2.00)
156.77	157.24	0.47	**238 - State College of Science**	158.24	157.24	(1.00)
121.60	91.10	(30.50)	**239 - Dickinson State University**	91.10	91.10	0.00
55.89	55.39	(0.50)	**240 - Mayville State University**	55.39	55.39	0.00
184.83	189.82	4.99	**241 - Minot State University**	190.82	189.82	(1.00)
78.15	86.86	8.71	**242 - Valley City State University**	86.86	86.86	0.00
31.11	31.75	0.64	**243 - Minot State University - Bottineau**	32.75	31.75	(1.00)
19.47	27.00	7.53	**244 - North Dakota Forest Service**	27.00	27.00	0.00
2,136.59	2,131.42	(5.17)	**TOTAL HIGHER EDUCATION**	2,141.42	2,131.42	(10.00)
10,964.76	11,101.18	136.42	**GRAND TOTAL ALL DEPARTMENTS**	11,128.18	11,101.18	(27.00)

[1] The 2009-11 FTE positions for the Attorney General do not include 2 FTE positions that the agency may hire, subject to Emergency Commission and Budget Section approval, using federal funds received through the federal American Recovery and Reinvestment Act of 2009 for the community oriented policing services program.

[2] The 2007-09 FTE positions for the Department of Human Services, Developmental Center, and State Hospital have been adjusted. Section 4 of Senate Bill No. 2012 (2007) authorizes the department to transfer appropriation authority among the department's programs during the 2007-09 biennium. Position changes are as follows:

	2007-09 Legislative Authorized FTE	Adjustments	Adjusted 2007-09 Authorized FTE
Developmental Center	449.54	(4.00)	445.54
State Hospital	465.51	1.00	466.51
Human service centers	833.48	3.00	836.48
Central office	462.25	12.60	474.85
Total	2,210.78	12.60	2,223.38

[3] The 2009-11 FTE positions for the Industrial Commission do not include 2 FTE positions that the agency may hire, subject to Emergency Commission approval, if the average drilling rig count exceeds 100 active rigs for each month in any consecutive three-month period and 1 FTE position that the agency may hire, subject to Emergency Commission approval, if application is received for solution mining of potash or uranium.

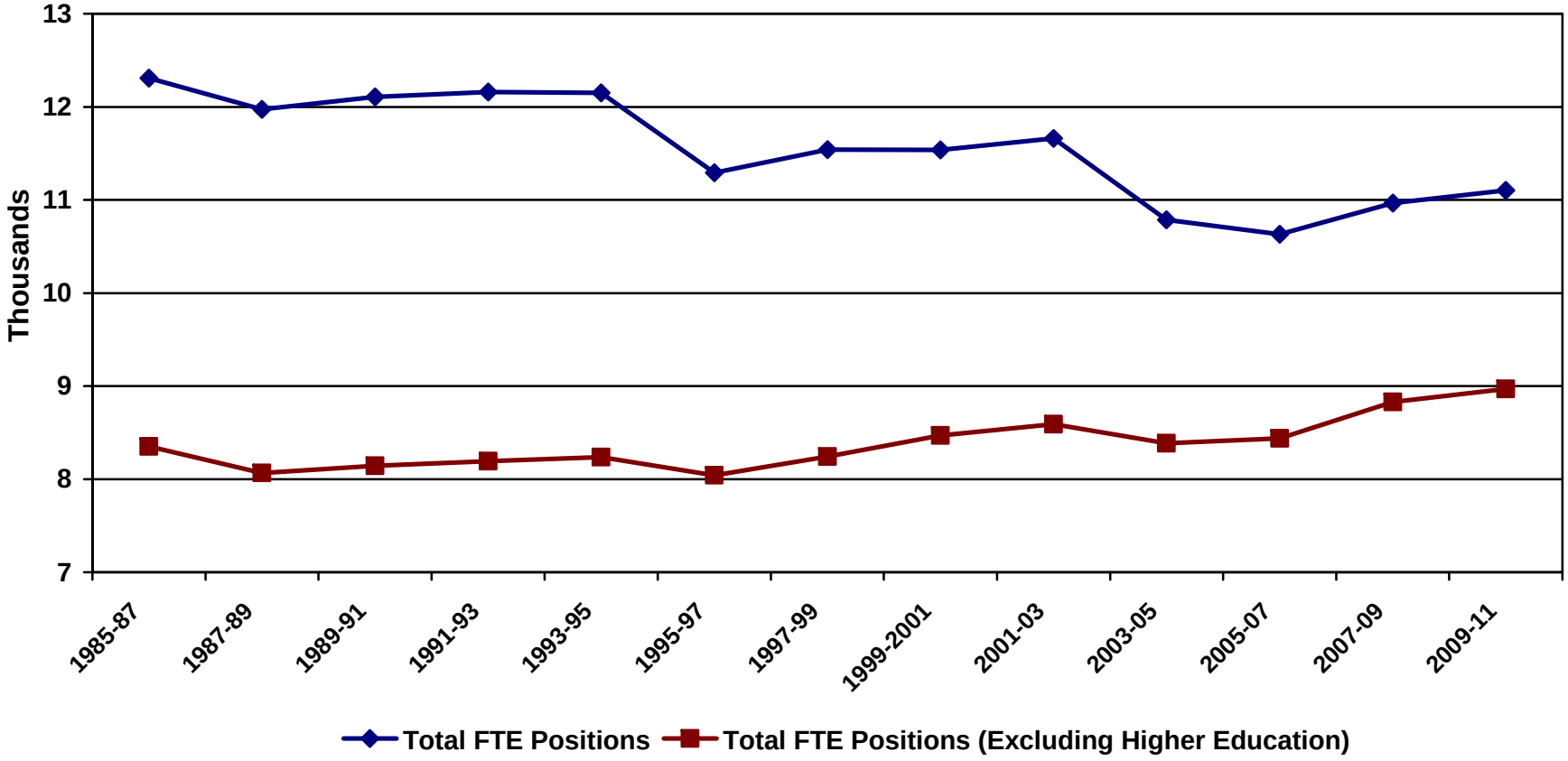
[4] The 2009-11 FTE positions for the Agriculture Commissioner include 1 FTE meat inspection position that the agency may hire pursuant to Emergency Commission approval.

[5] The FTE positions listed for the following entities under the control of the State Board of Higher Education were adjusted in accordance with Section 6 of House Bill No. 1020 (2007):

	2007-09 Legislative Authorization	Adjustments	Adjusted 2007-09 FTE Level
Upper Great Plains Transportation Institute	43.40	8.55	51.95
Branch research centers	97.86	(2.30)	95.56
NDSU Extension Service	260.46	5.87	266.33
Northern Crops Institute	11.20	(1.00)	10.20
Main Research Center	348.88	(1.49)	347.39
Agronomy Seed Farm	3.00	0.00	3.00
Total	764.80	9.63	774.43

NUMBER OF STATE EMPLOYEES - HISTORY

The following is a summary of the number of authorized state FTE employee positions for the 1985-87 through 2009-11 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	2,131.42	3,008.65	806.20	1,161.29	960.93	1,417.50	11,101.18	8,969.76

[1]Reflects a phaseout 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 FTE teacher 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	Annual Inflation*
1973	5%	6.2%
1974	4%	11.0%
1975	5% (in addition to an 11.9% salary adjustment)	9.1%
1976	5%	5.7%
1977	5%	6.5%
1978	5%	7.6%
1979	6.5%	11.3%
1980	6.5%	13.5%
1981	9% (in addition to a 10% salary adjustment)	10.3%
1982	8% (reduced by Governor's budget allotments)	6.2%
1983	2% contribution to retirement	3.2%
1984	2% contribution to retirement	4.3%
1985	9.5% higher education faculty and senior administrative staff, 5.5% for all other state employees	3.5%
1986	4% with a minimum of $50 per month; the Governor deferred this increase for agencies under his control to January 1, 1987	1.9%
1987	0%	3.7%
1988	0%	4.1%
1989	11.4% higher education faculty at the University of North Dakota and North Dakota State University; 9.5% higher education faculty at other four-year universities; 7.3% higher education faculty at two-year colleges; 9.1% 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%; 7.1% for all other state employees	4.8%
1990	7% higher education faculty at four-year universities, 5% higher education faculty at two-year colleges, 0% all other state employees	5.4%
1991	4% with a minimum of $50 per month	4.2%
1992	$40 per month	3.0%
1993	$60 per month	3.0%
1994	3% (to the extent available from agency savings)	2.6%
1995	2%	2.8%
1996	3% (includes 1% for salary inequity correction and merit increases)	2.9%
1997	3% (includes 1.5% for salary inequity correction and merit increases)	2.3%
1998	3% (includes 1.5% 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% with a minimum of $35 per month - Increases over $35 are to be based on merit and equity	2.2%

Year	General Salary Increase Provided	Annual Inflation*
2000	2% with a minimum of $35 per month - Increases over $35 are to be based on merit and equity. An additional 1% may be provided to the extent the increase can be paid with existing agency resources.	3.4%
2001[1]	3% with a minimum of $35 per month - Increases over $35 are to be based on merit and equity	2.8%
2002[1]	2% with a minimum of $35 per month - Increases over $35 are to be based on merit and equity	1.6%
2003	Up to 1% effective on January 1, 2004, for the executive and judicial branches to the extent that the increase can be provided from pooled savings realized from the eliminated FTE positions and from accumulated savings from other vacant FTE positions. At least 70% of the funding for the increase provided must 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% salary increase to its employees effective January 1, 2004. The executive branch did not receive a salary increase.	2.3%
2004	Up to 2% effective on January 1, 2005, for the executive and judicial branches to the extent that the increase can be provided from pooled savings realized from the eliminated FTE positions and from accumulated savings from other vacant FTE positions. At least 70% of the funding for the increase provided must 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%	3.4%
2006	4%	3.2%
2007[2]	4% with a minimum of $75 per month (salary increases are to be based on merit and equity and are not to be given across the board)	2.9%
2008[2]	4% with a minimum of $75 per month (salary increases are to be based on merit and equity and are not to be given across the board)	3.8%
2009[3]	5% with a minimum of $100 per month (salary increases are to be based on merit and equity and are not to be given across the board)	1.8% (projected)
2010[3]	5% with a minimum of $100 per month (salary increases are to be based on merit and equity and are not to be given across the board)	2.1% (projected)

*Percentage change, consumer price index annual rate, Economy.com

[1]In addition, the 2001 Legislative Assembly provided:

$5 million, $2.7 million of which is 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 may be used for salary increases to address equity issues.

$178,233, $142,697 of which is 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 is 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 are to receive the largest increase (Senate Bill No. 2189).

The 2007-09 legislative appropriation for the North Dakota 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 $9,000,000 is from the general fund, to the Office of Management and Budget to address salary equity issues. House Bill No. 1015 provides for a statewide equity pool to 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 are 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 must give priority to employees who have been employed by the state for the greatest length of time and are furthest below their salary range midpoint. The Office of Management and Budget, in developing the plan, is 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.

ANALYSIS OF ELECTED OFFICIALS' SALARIES

The Legislative Assembly authorized 2009-11 biennium salary increases of 5 percent effective July 1, 2009, and 5 percent effective July 1, 2010, for elected officials. Judges and justices were provided a 5 percent increase effective July 1, 2009, and a 5 percent increase effective July 1, 2010. The statutory changes necessary to adjust elected officials' salaries are included in the appropriation bills for the respective elected officials. The schedules below show for each elected official the salary authorized by the 2007 Legislative Assembly and by the 2009 Legislative Assembly.

State Official	Statutory Annual Salary Authorized by 2007 Legislative Assembly		Statutory Annual Salary Authorized by 2009 Legislative Assembly	
	Effective July 1, 2007	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010
Governor	$96,183	$100,031	$105,034	$110,285
Lieutenant Governor	$74,668	$77,655	$81,538	$85,615
Secretary of State	$76,511	$79,571	$83,550	$87,728
Attorney General	$83,991	$87,351	$91,719	$96,304[1]
Superintendent of Public Instruction	$87,103	$90,587	$95,116	$99,872
Tax Commissioner	$83,039	$86,360	$90,678	$95,212
Insurance Commissioner	$76,511	$79,571	$83,550	$87,728
Public Service Commissioners (3)	$78,599	$81,743	$85,830	$90,122
Agriculture Commissioner	$78,599	$81,743	$85,830	$90,122
State Auditor	$76,511	$79,571	$83,550	$87,728
State Treasurer	$72,253	$75,143	$78,900	$82,845

[1]The salary of the Attorney General is $96,304 through December 31, 2010, $113,266 through June 30, 2011, and $130,228 thereafter.

The judicial branch appropriation contains the funding needed to provide salary increases of 5 percent for the first year of the biennium and 5 percent for the second 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 2007 and 2009 Legislative Assemblies:

	Statutory Annual Salary Authorized by 2007 Legislative Assembly		Statutory Annual Salary Authorized by 2009 Legislative Assembly	
	Effective July 1, 2007	Effective July 1, 2008	Effective July 1, 2009	Effective July 1, 2010
Supreme Court Chief Justice	$116,840	$121,513	$127,589	$133,968
Other Supreme Court justices	$113,578	$118,121	$124,027	$130,228
District court presiding judges	$107,078	$111,362	$116,930	$122,777
Other district court judges	$104,073	$108,236	$113,648	$119,330

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 1997-99 through 2009-11 bienniums:

STATE EMPLOYEE SALARY INCREASES				
Biennium	**Percentage Increase**	**General Fund**	**Special Funds**	**Total**
1997-99	3% on July 1, 1997 (includes 1.5% for merit) and 3% on July 1, 1998 (includes 1.5% for merit)	$24,304,117	$12,520,861	$36,824,978
1999-2001	2% with a $35 per month minimum on July 1, 1999, and 2% with a $35 per month minimum on July 1, 2000	$17,681,836	$9,633,401	$27,315,237
2001-03	3% with a $35 per month minimum on July 1, 2001, and 2% with a $35 per month minimum on July 1, 2002	$27,043,178	$12,493,632	$39,536,810
2003-05	Up to 1% on January 1, 2004, and up to 2% on January 1, 2005 (based on the elimination of positions and savings from vacant positions)	$0	$0	$0
2005-07	4% on July 1, 2005, and 4% on July 1, 2006	$19,778,486	$21,746,666	$41,525,152
2007-09	4% with a $75 per month minimum on July 1, 2007, and 4% with a $75 per month minimum on July 1, 2008	$23,372,817	$22,505,911	$45,878,728
2009-11	5% with a $100 per month minimum on July 1, 2009, and 5% with a $100 per month minimum on July 1, 2010	$36,821,006	$31,667,339	$68,488,345

STATE EMPLOYEE HEALTH INSURANCE INCREASES						
Biennium	**Monthly Premium**	**Increase From Previous Biennium**	**Percentage Increase**	**General Fund**	**Special Funds**	**Total**
1997-99	$301	$36	13.6%	$7,026,674	$3,619,802	$10,646,476
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

INFORMATION TECHNOLOGY PROJECTS FOR THE 2009-11 BIENNIUM[1]

Agency or Institution	Project	2009-11 Executive Budget Recommendation			2009-11 Legislative Appropriations		
		General Fund	Other Funds	Total	General Fund	Other Funds	Total
108 - Secretary of State	Electronic pollbook purchases for counties		$4,500,000	$4,500,000		$4,500,000	$4,500,000
	Database and processing platform migration project	$780,000		780,000	$780,000		780,000
	North Dakota business development engine					3,400,698	3,400,698
	Total - Secretary of State	$780,000	$4,500,000	$5,280,000	$780,000	$7,900,698	$8,680,698
110 - Office of Management and Budget (OMB)	Business intelligence and data warehouse[1]	$1,000,000		$1,000,000	$1,000,000		$1,000,000
	Searchable database of state expenditures					$400,000	400,000
	Total - OMB	$1,000,000		$1,000,000	$1,000,000	$400,000	$1,400,000
112 - Information Technology Department	Statewide deployment of the PowerSchool application[1]	$4,196,934	$757,561	$4,954,495	$2,048,954	$2,648,903	$4,697,857
	Criminal Justice Information Sharing Initiative - Operations and support	1,293,896	417,032	1,710,928	1,293,896	417,032	1,710,928
	Criminal Justice Information Sharing Initiative - Projects[1]	369,748		369,748	269,748		269,748
	Criminal Justice Information Sharing Initiative - Statewide automated victim information notification system	504,954	1,123,609	1,628,563	504,954	1,123,609	1,628,563
	Geographic information systems	714,678	75,000	789,678	714,678	75,000	789,678
	Statewide Longitudinal Data System Initiative[1]	2,466,325		2,466,325	2,466,325[2]	2,263,883[2]	4,730,208[2]
	Total - Information Technology Department	$9,546,535	$2,373,202	$11,919,737	$7,298,555	$6,528,427	$13,826,982
117 - State Auditor	Electronic working papers	$150,000		$150,000	$150,000		$150,000
125 - Attorney General	Laboratory information management system replacement (including toxicology module)[1]		$695,000	$695,000		$695,000	$695,000
	Offender check-in[1]		315,000	315,000		315,000	315,000
	Total - Attorney General		$1,010,000	$1,010,000		$1,010,000	$1,010,000
127 - Tax Commissioner	Oil and gas taxes - GenTax integration[1]	$1,500,000		$1,500,000	$1,500,000		$1,500,000
140 - Office of Administrative Hearings	Case management and billing system upgrade		$10,200	$10,200		$10,200	$10,200
150 - Legislative Assembly	Legislative applications replacement system	$3,910,827		$3,910,827	$3,910,827		$3,910,827
180 - Judicial branch	Uniform court information system replacement	$7,858,129		$7,858,129	$7,858,129		$7,858,129

Agency or Institution	Project	2009-11 Executive Budget Recommendation			2009-11 Legislative Appropriations		
		General Fund	Other Funds	Total	General Fund	Other Funds	Total
192 - Public Employees Retirement System (PERS)	Allow Highway Patrol members to purchase additional service		$21,580	$21,580		$21,580	$21,580
	Allow PERS members to purchase additional service		21,580	21,580		21,580	21,580
	Remove S6 surviving spouse option as of August 2009		1,984	1,984		1,984	1,984
	Remove 50 percent joint and survivor option for Highway Patrol members		2,070	2,070		2,070	2,070
	Change employer contribution rate for Highway Patrol members		1,880	1,880		1,880	1,880
	Allow a new retirement benefit option for Highway Patrol members		27,538	27,538		27,538	27,538
	Allow new PERS benefit option		27,538	27,538		27,538	27,538
	Retiree health credit increase		10,178	10,178		10,178	10,178
	Purchase additional service credit		23,840	23,840		23,840	23,840
	Change employer contribution rates		3,588	3,588		3,588	3,588
	Allow nonspouse beneficiary for Highway Patrol members		7,711	7,711		7,711	7,711
	Allow nonspouse beneficiary for PERS members		7,711	7,711		7,711	7,711
	Total - PERS		$157,198	$157,198		$157,198	$157,198
201 - Department of Public Instruction	Longitudinal data system - Phase 1 (P-16 data warehouse)[1]		$9,000,000	$9,000,000		$9,000,000	$9,000,000
215 - North Dakota University System	System information technology services	$29,209,438	$1,041,200	$30,250,638	$29,209,438	$1,020,600	$30,230,038
232 - UND School of Medicine and Health Sciences	Electronic medical records system	$225,000		$225,000	$225,000		$225,000
313 - Veterans' Home	Electronic health records system upgrade	$133,600		$133,600	$133,600		$133,600
380 - Job Service North Dakota	Unemployment insurance modernization project - Program AIM		$5,327,900	$5,327,900		$5,327,900	$5,327,900
	Rewrite of *jobsnd.com*		200,000	200,000		200,000	200,000
	Total - Job Service North Dakota		$5,527,900	$5,527,900		$5,527,900	$5,527,900
401 - Insurance Commissioner	Anhydrous ammonia inspection system		$40,000	$40,000		$40,000	$40,000
	State fire and tornado and bonding fund systems		120,000	120,000		120,000	120,000
	Unsatisfied judgment fund system		10,000	10,000		10,000	10,000
	Total - Insurance Commissioner		$170,000	$170,000		$170,000	$170,000
413 - Department of Financial Institutions	Interface records management system with the National Mortgage Licensing System		$117,351	$117,351		$117,351	$117,351

Agency or Institution	Project	2009-11 Executive Budget Recommendation			2009-11 Legislative Appropriations		
		General Fund	Other Funds	Total	General Fund	Other Funds	Total
471 - Bank of North Dakota	Student loan lender system[1]		$3,500,000	$3,500,000		$3,500,000	$3,500,000
485 - Workforce Safety and Insurance	Claims and policy system replacement		$6,000,000	$6,000,000		$7,017,000	$7,017,000
	Web portal[1]		1,500,000	1,500,000		1,500,000	1,500,000
	Claims backscanning[1]		350,000	350,000		350,000	350,000
	FileNet - Phase 2[1]		950,000	950,000		950,000	950,000
	Total - Workforce Safety and Insurance		$8,800,000	$8,800,000		$9,817,000	$9,817,000
504 - Highway Patrol	Broadband wireless access to mobile data	$148,000	$22,000	$170,000	$148,000	$22,000	$170,000
	Cell phone for sworn officers	72,000	10,000	82,000	72,000	10,000	82,000
	Total - Highway Patrol	$220,000	$32,000	$252,000	$220,000	$32,000	$252,000
540 - Adjutant General	Statewide seamless base map[1]	$2,100,000		$2,100,000	$2,100,000		$2,100,000
	Computer-aided dispatch - Phase 2[1]	1,000,000		1,000,000	1,000,000		1,000,000
	Additional State Radio towers[1]	500,000		500,000	500,000		500,000
	Message switch software upgrade	125,000		125,000	125,000		125,000
	National Crime Information Center security enhancements	311,500		311,500		$311,500	311,500
	Time synchronization	20,000		20,000	20,000		20,000
	Global positioning systems		$70,000	70,000		70,000	70,000
	Geospatial data software upgrade		100,000	100,000		100,000	100,000
	Videoconference system replacements		40,000	40,000		40,000	40,000
	Total - Adjutant General	$4,056,500	$210,000	$4,266,500	$3,745,000	$521,500	$4,266,500
601 - Department of Commerce	*Ndtourism.com* web enhancements - Phase 2	$25,000		$25,000	$25,000		$25,000
602 - Department of Agriculture	Website project	$23,600	$35,400	$59,000	$23,600	$35,400	$59,000
	File management system	8,000	12,000	20,000	8,000	12,000	20,000
	Total - Department of Agriculture	$31,600	$47,400	$79,000	$31,600	$47,400	$79,000
616 - State Seed Department	Application software conversion		$190,000	$190,000		$190,000	$190,000
720 - Game and Fish Department	Migration of boat registration system to Internet		$60,000	$60,000		$60,000	$60,000
750 - Parks and Recreation Department	Install T-1 lines to state parks	$30,000		$30,000	$30,000		$30,000
801 - Department of Transportation	Driver's license system rewrite[1]		$7,500,000	$7,500,000			
	Registration card printer replacement		366,000	366,000		$366,000	$366,000
	Departmentwide electronic forms solution		193,200	193,200		193,200	193,200
	Asset management connection software[1]		503,000	503,000		503,000	503,000
	PIQ/Employee information rewrite		235,537	235,537		235,537	235,537
	Total - Department of Transportation		$8,797,737	$8,797,737		$1,297,737	$1,297,737
Total		$58,676,629	$45,544,188	$104,220,817	$56,117,149	$47,308,011	$103,425,160

[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 August 24-25, 2008, and prioritized information technology projects for the 2009-11 biennium with a total cost over $250,000 by funding source. The following is a summary of the prioritization, including information as to whether the project is included in the 2009-11 executive budget recommendation and funded by the 2009 Legislative Assembly:

General Fund Projects

	Project	Agency	Included in Executive Budget Recommendation	Funding Provided by 2009 Legislative Assembly
1	Statewide seamless base map	Adjutant General	Yes	Yes
2	Computer-aided dispatch - Phase 2	Adjutant General	Yes	Yes
3	Additional State Radio towers	Adjutant General	Yes	Yes
4	Statewide Longitudinal Data System Initiative	Information Technology Department	Yes	Yes
5	Eligibility determination system replacement	Department of Human Services	No	No
6	North Dakota business development engine	Secretary of State	No	Yes
6	Elementary and secondary education PowerSchool hosting	Information Technology Department	Yes	Yes
8	Taxpayer access program/financial institution tax	Tax Department	Yes	Yes
9	Criminal Justice Information Sharing Initiative project pool	Information Technology Department	Yes	Yes
10	Oil and gas taxes - GenTax integration	Tax Department	Yes	Yes
11	Business intelligence and data warehouse	Office of Management and Budget	Yes	Yes
12	Data center remodel	Information Technology Department	No	No
13	Integrate offender management systems	Department of Corrections and Rehabilitation	No	No

Special Funds Projects

	Project	Agency	Included in Executive Budget Recommendation	Funding Provided by 2009 Legislative Assembly
1	Student loan lender system	Bank of North Dakota	Yes	Yes
2	Laboratory information management system replacement	Attorney General	Yes	Yes
3	Driver's license system replacement	Department of Transportation	Yes	No
4	System web portal	Workforce Safety and Insurance	Yes	Yes
5	Enterprise e-mail retention	Information Technology Department	No	No
6	FileNet - Phase 2	Workforce Safety and Insurance	Yes	Yes
7	Claims scanning	Workforce Safety and Insurance	Yes	Yes

Federal Funds Projects

	Project	Agency	Included in Executive Budget Recommendation	Funding Provided by 2009 Legislative Assembly
1	Offender check-in	Attorney General	Yes	Yes
2	Longitudinal data system	Department of Public Instruction	Yes	Yes
3	Asset management analysis	Department of Transportation	Yes	Yes

[2]The Legislative Assembly provided an appropriation of $2,466,325, of which $202,442 is from the general fund and $2,263,883 is from federal fiscal stimulus funds, for the Statewide Longitudinal Data System Initiative. In addition, the Legislative Assembly provided a $2,263,883 contingent general fund appropriation to the Information Technology Department for costs associated with the Statewide Longitudinal Data System Initiative. The Information Technology Department may spend the general fund money only to the extent that federal funds are not available to provide the $2,263,883 appropriated from federal fiscal stimulus funds and subject to Budget Section approval.

ANALYSIS OF THE BEGINNING FARMER REVOLVING LOAN FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning cash balance		$4,835,305		$4,533,412
Add estimated revenues				
Loan principal payments	$5,302,000		$5,500,000	
Loan interest payments	938,000		900,000	
Investment interest	145,000		90,000	
Total estimated revenues		6,385,000		6,490,000
Total available		$11,220,305		$11,023,412
Less estimated expenditures and transfers				
New chattel loans	$4,380,000		$4,500,000	
Buydown interest disbursed	2,144,000		2,200,000	
Public Service Commission for the rail rate complaint case (2007 SB 2008; 2009 HB 1008)			800,000[1]	
ENVEST program (2007 HB 1135)	38,511[2]		965,489[2]	
Biomass incentive and research fund (2007 HB 1515)	30,000			
Administrative fees	86,382		90,000	
Audit fees	8,000		8,500	
Total estimated expenditures and transfers		6,686,893		8,563,989
Estimated ending cash balance		$4,533,412[3]		$2,459,423[4]

[1]Public Service Commission - House Bill No. 1008 (2005) appropriated $800,000 to the Public Service Commission for part of the cost of filing a "simplified" rail rate complaint case with the Surface Transportation Board. A rail rate complaint case was not filed during the 2005-07 biennium and no cases are anticipated to be filed during the 2007-09 biennium. Senate Bill No. 2008 (2007) and House Bill No. 1008 (2009) provide for a carryover of $800,000 to the Public Service Commission for the 2007-09 and 2009-11 bienniums, respectively. Any unexpended funds from the rail rate complaint case line item are available for use for expenditures relating to the agriculture rail rate and service fund.

[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 buydown on loans made for investment in a feedlot or dairy operation.

[3]In addition to the cash balance as of June 30, 2009, the beginning farmer revolving loan fund is estimated to have net loans outstanding of $8.4 million.

[4]In addition to the cash balance as of June 30, 2011, the beginning farmer revolving loan fund is estimated to have net loans outstanding of $8.5 million.

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 of North Dakota 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 of North Dakota. The maximum term of a real estate loan is 25 years, and the maximum term of a farm equipment or livestock loan is 7 years.

North Dakota Century Code 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 STATE BONDING FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$2,302,806		$2,422,044
Add estimated revenues				
Investment income	($400,000)[1]		$150,000	
State bonding fund claims collections	90,000		90,000	
Transfer from the insurance regulatory trust fund (2009 HB 1010)	500,000			
Other income	7,000		7,000	
Total estimated revenues		197,000		247,000
Total available		$2,499,806		$2,669,044
Less estimated expenditures and transfers				
Insurance Department administration (2007 SB 2010; 2009 HB 1010)	$44,262		$41,518	
State bonding fund claims losses - Net of subrogated and dismissed claims	[2]		125,000	
Investment expense	30,000		10,000	
Claims-related expenditures	3,500		15,000	
Total estimated expenditures and transfers		77,762		191,518
Estimated ending balance		$2,422,044		$2,477,526

[1]Through March 2009 the state bonding fund has had a decline in investment value of 16.91 percent during fiscal year 2009.

[2]No amount is shown for claims losses due to the dismissal of a claim that was originally anticipated to be paid and adjustments made to reflect the estimated amount of reserves needed for claims against the fund.

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, as amended by the 2003 Legislative Assembly in Senate Bill No. 2015, provides that premiums for bond coverage are to be determined by the Insurance Commissioner but must be waived if the state bonding fund's balance is in excess of $2 million. Senate Bill No. 2015 (2003) lowered the minimum fund balance from $2.5 million to $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 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$200,000,000		$324,936,548
Add estimated revenues				
Transfer from general fund	$124,936,548[1,2]		$0	
Investment income	0[2]		0[2]	
Total estimated revenues		124,936,548		0
Total available		$324,936,548		$324,936,548
Less estimated expenditures and transfers				
None				
Total estimated expenditures and transfers		0[2,3]		0[3]
Estimated ending balance		$324,936,548[2]		$324,936,548

[1]North Dakota Century Code Chapter 54-27.2 provides that 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 beginning July 1, 2009, the balance in the budget stabilization fund may not exceed 10 percent of the general fund budget approved by the most recently adjourned Legislative Assembly.

[2]**As of March 31, 2009, the budget stabilization fund's market value of investments was $183.4 million, $16.6 million less than the original investment value of $200 million.** The reduction is the result of investment losses based on the current market value of the investments. The Office of Management and Budget does not plan to transfer any additional funds to the budget stabilization fund from the general fund on June 30, 2009, to restore any losses based on the market value of investments. The Office of Management and Budget anticipates holding the investments until maturity which it believes will not result in a loss to the fund over the term of these investments.

[3]No transfers from the budget stabilization fund are anticipated.

FUND HISTORY

The budget stabilization fund was established by the 1987 Legislative Assembly in House Bill No. 1596. Major provisions include:

- Section 54-27.2-01 establishes the budget stabilization fund and provides that any interest earned on the balance of the budget stabilization fund must be retained in the fund. The section originally provided that any money in the fund in excess of 5 percent of the general fund budget as approved by the most recently adjourned Legislative Assembly must be deposited in the state general fund. The 2007 Legislative Assembly approved House Bill No. 1429 which transferred $100,527,369 from the ending 2005-07 biennium general fund balance into the fund providing a total of $200 million in the fund. The bill also increased, effective July 1, 2009, the maximum balance allowed in the fund from 5 percent to 10 percent of the general fund budget approved by the most recently adjourned Legislative Assembly.
- Section 54-27.2-02 provides that any amount in the state 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 that 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 projects general fund revenues for the biennium to 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 the Office of Management and Budget. Any transfer made must be reported to the Budget Section.

ANALYSIS OF THE CAPITOL BUILDING FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS[1]

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$905,223		$1,458,018
Add estimated revenues				
Investment income	$63,370		$33,115	
Rentals, royalties, bonuses, and contracts	1,009,451		277,634	
Total estimated revenues		1,072,821		310,749
Total available		$1,978,044		$1,768,767
Less estimated expenditures and transfers				
Administrative expenses	$27,184		$29,402	
Income payments to counties	4,390[2]		4,390[2]	
Capitol Grounds Planning Commission operating expenses (2007 HB 1522)	488,452			
Capitol Grounds Planning Commission continuing appropriation (North Dakota Century Code Section 48-10-02)	0		100,000	
Total estimated expenditures and transfers		520,026		133,792
Estimated ending balance		$1,458,018		$1,634,975

[1]The analysis reflects the legislative appropriations for the 2007-09 and 2009-11 bienniums and does not include the land owned by the fund.

[2]The 1999 Legislative Assembly passed Senate Bill No. 2088, which provides that 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.

ANALYSIS OF THE COAL DEVELOPMENT TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium[1]		2009-11 Biennium[1]	
Beginning balance		$260,267		$402,499
Add estimated revenues				
Investment income	$1,579,852		$1,007,247	
School construction loan income	1,339,872		1,740,000	
Oil, gas, and coal impact loan income	422,288		399,323	
Total estimated revenues		3,342,012		3,146,570
Total available		$3,602,279		$3,549,069
Less estimated expenditures and transfers				
Administrative expenses	$99,780		$89,858	
Transfer to the general fund	3,100,000		3,400,000	
Total estimated expenditures and transfers		3,199,780		3,489,858
Estimated ending balance		$402,499		$59,211

[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 (NDCC) Section 57-62-02 and Article X, Section 21, of the Constitution of North Dakota. As of March 31, 2009, the total value of permanent fund assets was $61.1 million, of which $34.2 million was school construction loans receivable, $5.2 million was coal impact loans receivable, and $21.7 million was either invested or was a receivable of investment or other earnings.

North Dakota Century Code 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.

FUND HISTORY

The coal development trust fund originated in 1979 with passage of House Bill No. 1257, now codified as various sections of NDCC 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.

North Dakota Century Code Section 57-62-02 provides that 30 percent of the coal severance tax must be deposited in the coal development trust fund. Section 57-62-02 provides that 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.

North Dakota Century Code 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) remain in the coal development trust fund to be used for the purposes provided in Section 57-62-02.

ANALYSIS OF THE COMMUNITY HEALTH TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$2,392,943		$926,086
Add estimated revenues and general fund transfers				
Transfers to date from the tobacco settlement trust fund	$6,149,540[1]			
Projected remaining transfers from the tobacco settlement trust fund			$4,388,119	
Contingent general fund transfer			2,405,371[2]	
Total estimated revenues		6,149,540[3]		6,793,490[3]
Total available		$8,542,483		$7,719,576
Less estimated expenditures and transfers				
State Department of Health (2007 HB 1004; 2009 SB 2004; 2009 SB 2227)				
Tobacco prevention and control	$4,700,000[4]		$2,302,098[4,18]	
Dentists' loan program	360,000[5]		483,448[5]	
Community health grant programs	160,000[6]			
Community Health Grant Program Advisory Committee	70,000[6]			
Tobacco Quitline	1,069,000[7]		1,069,000[7,18]	
Tobacco cessation coordinator and operating expenses	139,397[8]		139,397[8,18]	
Physician and medical loan repayment program	18,000[9]		272,500[9]	
Veterinarian loan repayment program			350,000[10]	
Women's Way program			304,332[11]	
Stroke registry and prevention program			472,700[12]	
Colorectal cancer screening initiative	150,000[13]		300,000[13]	
Emergency medical services grants	300,000[14]		300,000[14]	
Dental grant program (2007 SB 2152)	[15]		10,000[15]	
Governor's office				
Governor's Prevention and Advisory Council (2007 SB 2276)	100,000[16]			
Department of Human Services				
Breast and cervical cancer assistance (2007 SB 2012; 2009 HB 1012)	550,000[17]		790,015[17]	
Total estimated expenditures and transfers		7,616,397		6,793,490
Estimated ending balance		$926,086		$926,086

[1]For the 2007-09 biennium, five transfers totaling $6,149,540 have been made from the tobacco settlement trust fund as of May 2009. Total transfers of $25,817,067 have been made from the tobacco settlement trust fund to the community health trust fund.

[2]Contingent general fund transfer - Section 4 of 2007 Senate Bill No. 2004 provides for a general fund transfer of up to $2,405,371 to the community health trust fund if money in the community health trust fund is not sufficient to provide for legislative appropriations for the biennium beginning July 1, 2009, and ending June 30, 2011.

[3]Revenues - Interest earned on the community health trust fund is deposited in the state general fund.

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. Due to the uncertainty of the lawsuit, the Office of Management and Budget has reduced the estimated tobacco settlement revenues for the 2009-11 biennium by 3 percent. The community health trust fund share of the 3 percent reduction is $221,062 for the 2009-11 biennium.

Initiated measure No. 3, approved by voters in the November 2008 general election, amends North Dakota Century Code (NDCC) Section 54-27-25 to provide that 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 continue 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, will be 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. Remaining community health trust fund revenues have been estimated based on the Office of Management and Budget revised estimated collections less anticipated strategic contribution payments of $13,797,729 per year, which was the actual amount of the 2008 strategic contribution payment. The measure provides that at least 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.

Initiated measure No. 3 will result in the following estimated allocation of the revised estimated collections for tobacco settlement payments through 2025:

	Actual and Estimated Total Tobacco Settlement Proceeds	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	$36.5 million	N/A	$16.4 million	$16.4 million	$3.7 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Estimated 2009-11 biennium	71.5 million	27.6 million	19.8 million	19.8 million	4.3 million
Estimated 2011-13 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2013-15 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2015-17 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 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	$578.3 million	$124.5 million	$204.3 million	$204.3 million	$45.2 million

[4]North Dakota Century Code Section 54-27-25 provides that 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 2009 Legislative Assembly appropriated $2.3 million, $2.4 million less than the 2007-09 biennium appropriation, to the State Department of Health for tobacco prevention and control programs.

[5]The dentists' loan repayment program, which is administered by the Health Council, was established in 2001 Senate Bill No. 2276 (NDCC Chapter 43-28.1). Each year the Health Council is to select up to three dentists who agree to provide dental services in the state. The dentists are eligible to receive funds, not to exceed a total of $80,000 per applicant, for the repayment of their educational loans. The funds are payable over a four-year period ($20,000 per year). The dental loan repayment program is to provide the highest priority for acceptance into the program to dentists willing to serve the smallest and most underserved communities in North Dakota. Senate Bill No. 2152 (2007) provides that a dentist practicing in Bismarck, Fargo, or Grand Forks must have received dental medical payments of at least $20,000 in the form of medical assistance reimbursement or practiced at least two full workdays per week at a public health clinic or nonprofit dental clinic in order to qualify for the dentists' loan repayment program. 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 to date)	Park River Bismarck Grand Forks Cando/Devils Lake Rugby Wishek

In addition, the 2009 Legislative Assembly provided, in Senate Bill No. 2358, an appropriation of $180,000 from the general fund for a loan repayment program for dentists in public health and nonprofit dental clinics. The bill created a new section to NDCC Chapter 43-28.1 and provides that if funds are appropriated, the Health Council is to select up to three dentists who provide or will provide dental services for three years in a public health clinic or nonprofit dental clinic that uses a sliding fee schedule to bill patients for loan repayment grants. The grant award is $60,000 per recipient and is paid over a two-year period.

[6]The community health grant program was established in 2001 Senate Bill No. 2380 (NDCC Section 23-38-01) with the intent to prevent or reduce tobacco usage. The Community Health Grant Program Advisory Committee is to advise the State Department of Health regarding the community health grant program. The 2007 Legislative Assembly authorized $360,000 for tobacco cessation grants ($260,000) and the Community Health Grant Program Advisory Committee ($100,000). The grants to cities and counties for cessation programs are to be matched with $1 of local funds for every $3 of state funds. The 2009 Legislative Assembly did not include funding for the community health grant program.

[7]The 2003 Legislative Assembly authorized the establishment of a telephone "Tobacco Quitline." The 2007 Legislative Assembly appropriated $1,069,000, an increase of $185,000 from the 2005-07 biennium appropriation of $884,000, to operate the quitline for the 2007-09 biennium. The 2007 Legislative Assembly increased the funding for the quitline to provide nicotine replacement therapy and cessation counseling. The 2009 Legislative Assembly appropriated $1,069,000 to fund the quitline for the 2009-11 biennium, the same as the 2007-09 biennium appropriation.

[8]The 2007 Legislative Assembly authorized 1 FTE tobacco prevention coordinator position and related funding for salaries and wages ($117,101) and operating expenses ($22,296) for the position. The 2009 Legislative Assembly appropriated $139,397 for the tobacco prevention coordinator position, the same as the 2007-09 biennium appropriation.

[9]North Dakota Century Code Chapter 43-17.2 provides for the state community matching physician loan repayment program. A qualifying physician may receive up to $22,500 per year for up to two years for a total of $45,000. Section 43-12.2-01 provides for mid-level practitioners to receive up to $2,500 per year for up to four years for a total of $10,000. Communities must contribute an amount at least equal to the amount of the state contribution for the physicians and mid-level practitioners. The 2007 Legislative Assembly appropriated $150,000 from the community health trust fund for this program. The total 2007-09 biennium funding for this program is $75,000 from the general fund and $150,000 from the community health trust fund. The 2009 Legislative Assembly appropriated $75,000 from the general fund and $272,500 from the community health trust fund for the program, including $67,500 provided in Senate Bill No. 2227 which removes the limit on the number of recipients and increases the limit on the maximum loan repayment from $10,000 to $30,000 for the medical personnel loan repayment program relating to mid-level practitioners. Physicians and mid-level practitioners accepted into the program per biennium include:

Biennium (Number of Physicians Accepted Into Program)	Communities Served
2007-09 biennium (4 to date)	Dickinson (2) Devils Lake Wishek

Biennium (Number of Mid-Level Practitioners Accepted Into Program)	Communities Served
2007-09 biennium (3 to date)	Grafton Turtle Lake/McClusky Williston

[10]The 2009 Legislative Assembly appropriated $350,000 from the community health trust fund for the veterinarian loan repayment program, $250,000 more than the 2007-09 biennium appropriation from the general fund.

[11]The 2009 Legislative Assembly provided $404,332 for the Women's Way program, of which $304,332 is from the community health trust fund and $100,000 is from the general fund. The 2009-11 appropriation is $304,332 more than the 2007-09 biennium appropriation of $100,000 from the general fund.

[12]The 2009 Legislative Assembly appropriated $472,700 from the community health trust fund for a stroke registry and prevention program.

[13]The 2007 Legislative Assembly appropriated $150,000 from the community health trust fund and $50,000 from the general fund for a grant to the North Dakota Cancer Coalition to provide for a colorectal cancer screening initiative. The 2009 Legislative Assembly provided, in Section 9 of Senate Bill No. 2004 that any unexpended funds from the 2007-09 appropriation may be expended during the 2009-11 biennium and appropriated an additional $300,000 from the community health trust fund for grants to continue the current program and to provide a colorectal cancer screening pilot initiative for low-income underinsured and uninsured men and women aged 50 to 64 living in counties with a population exceeding 15,000, including $34,225 for the department to contract for program management, data management, and outreach oversight.

[14]The 2007 Legislative Assembly appropriated $300,000 from the community health trust fund for emergency medical services training grants. The 2009 Legislative Assembly appropriated $300,000 for emergency medical services training grants, the same as the 2007-09 biennium appropriation.

[15]Senate Bill No. 2152 (2007) provides 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 Health 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 2007 Legislative Assembly appropriated $60,000 for the dental grant program; however, the department does not anticipate spending any of the funds for the program for the 2007-09 biennium. The 2009 Legislative Assembly appropriated $10,000 from the community health trust fund for the dental grant program, $50,000 less than the 2007-09 appropriation of $60,000.

[16]Senate Bill No. 2276 (2007) provided an appropriation from the community health trust fund to the Governor for the Governor's Prevention and Advisory Council. The 2009-11 executive budget recommendation provided funding of $200,000 from the general fund to the Department of Human Services (2009 House Bill No. 1012) for the Governor's Prevention and Advisory Council. The 2009 Legislative Assembly reduced this funding to $100,000 from the general fund.

[17]The 2007 Legislative Assembly appropriated $213,904, a decrease of $40,452 from the 2005-07 biennium appropriation of $254,356, to the Department of Human Services for providing the state matching funds for medical assistance coverage for women screened and found to have breast and cervical cancer. Because of greater than anticipated demand for the services, the department anticipates using additional special funds spending authority from within its 2007-09 biennium budget and spending a total of $550,000 from the community health trust fund for the program for the 2007-09 biennium. The 2009 Legislative Assembly appropriated $790,015 for breast and cervical cancer assistance for the 2009-11 biennium, $576,111 more than the 2007-09 appropriation.

[18]Initiated measure No. 3 provides that at least 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 the estimated 2009-11 biennium transfers to the community health trust fund from the tobacco settlement trust fund of $4,388,119, a minimum of $3,510,495 (80 percent) is to be provided for tobacco prevention and control. Using the appropriations of $2,302,098 for tobacco prevention and control, $1,069,000 for the Tobacco Quitline, and $139,397 for the tobacco cessation coordinator and operating expenses, the 2009 Legislative Assembly appropriated $3,510,495 for tobacco prevention and control from the community health trust fund for the 2009-11 biennium, or 80 percent.

FUND HISTORY

North Dakota Century Code 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:

- 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.

In the November 2008 general election voters approved initiated measure No. 3 that amended NDCC 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 continue 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 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.

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 NDCC 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.

ANALYSIS OF THE ENVIRONMENT AND RANGELAND PROTECTION FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$979,801		$672,073
Add estimated revenues				
Pesticide registration fees	$3,180,000[1]		$3,710,000[1]	
Transfer from general fund (2007 SB 2009)	150,000[2]			
Transfer from pesticide enforcement fund (2007 SB 2009)	50,000[3]			
Weed seed-free forage (2009 HB 1270)			48,922[6]	
Total estimated revenues		3,380,000		3,758,922
Total available		$4,359,801		$4,430,995
Less estimated expenditures and transfers				
Agriculture Commissioner				
Noxious weed control (2007 SB 2009; 2009 HB 1009)	$1,683,355		$1,794,069	
Pesticide disposal project (Safe Send) (2007 SB 2009; 2009 HB 1009)	597,462		609,346	
Pesticide programs (2007 SB 2009; 2009 HB 1009)	506,792		909,700	
Agriculture in the Classroom project (2007 SB 2009; 2009 HB 1009)	100,000		110,000	
Farmer's market	29,500		29,500	
Endangered species (2007 SB 2009; 2009 HB 1009)	200,000		287,041	
Blackbird research (2007 SB 2179)	79,500			
Livestock pollution prevention (2009 HB 1009)			50,000	
Crop Protection Product Harmonization and Registration Board[4]				
Crop protection product registration, labeling, and grants (2007 SB 2009; 2009 HB 1009)	25,000		50,000	
Minor use pesticide registration (2007 SB 2009)	200,000[5]			
Weed seed-free forage (2009 HB 1270; 2009 HB 1009)			48,922[6]	
State Department of Health				
Ground water testing (2007 HB 1004; 2009 SB 2004)	216,119		222,310	
North Dakota Stockmen's Association environmental services program (2007 HB 1004; 2009 SB 2004)	50,000		50,000	
Total estimated expenditures and transfers		3,687,728		4,160,888
Estimated ending balance		$672,073		$270,107

[1]The 1999 Legislative Assembly approved Senate Bill No. 2009, which included a provision increasing the biennial pesticide registration fee by $50, from $300 to $350, only for the 1999-2001 biennium. The $350 pesticide registration fee was extended for the 2001-03 biennium (2001 House Bill No. 1009), the 2003-05 biennium (2003 Senate Bill No. 2319), and the 2005-07 biennium (2005 House Bill No. 1009). The $350 pesticide registration fee was continued, without an expiration date, by 2007 Senate Bill No. 2323. The 2009 Legislative Assembly 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. The estimated effect of this change is an additional $550,000 of deposits in the environment and rangeland protection fund each biennium.

[2]Transfer from the general fund - Senate Bill No. 2009 (2007) provides for a transfer of $150,000 from the general fund to the environment and rangeland protection fund for the endangered species program for the 2007-09 biennium.

[3]Transfer from pesticide enforcement fund - Senate Bill No. 2009 (2007) provides for a transfer of $50,000 from the North Dakota State University Extension Service pesticide enforcement fund to the environment and rangeland protection fund for the endangered species program for the 2007-09 biennium.

[4]North Dakota Century Code (NDCC) Section 4-35-30, as created by House Bill Nos. 1328 and 1009 (2001), 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 agriculture 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 Legislative Council chairman.
- 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 Council (nonvoting).
- The director of the Agricultural Experiment Station (nonvoting).

[5]This amount is transferred to the minor use pesticide fund and appropriated to the Crop Protection Product Harmonization and Registration Board on a continuing basis. House Bill No. 1328 (2001) changed the control of the minor use pesticide fund from the Agriculture Commissioner to the Crop Protection Product Harmonization and Registration Board.

[6]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.

FUND HISTORY

North Dakota Century Code 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. The biennial fee is $350 per pesticide product registered in the state. Of this amount, $300 is 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 will be 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 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$28,222,236		$20,469,494
Add estimated revenues				
Premium collections	$6,550,000		$7,000,000	
Investment income	(4,500,000)[1]		2,000,000	
Boiler inspection fees	325,000		350,000	
Loss claims and insurance recoveries	7,800,000		1,000,000	
Anhydrous ammonia storage facility inspection fund (2007 SB 2010; 2009 HB 1010)	94,000		150,000	
Total estimated revenues		10,269,000		10,500,000
Total available		$38,491,236		$30,969,494
Less estimated expenditures and transfers				
Loss claims payments	$12,644,088		$5,000,000	
Claims-related payments	3,800,000		3,900,000	
Insurance Department administration and anhydrous ammonia inspection costs	1,157,654		1,454,159	
State Fire Marshal program (2007 SB 2003; 2009 HB 1003)	250,000		310,000	
North Dakota Firefighters Association grant (2007 SB 2010; 2009 HB 1010)	170,000		170,000	
Total estimated expenditures and transfers		18,021,742		10,834,159
Estimated ending balance		$20,469,494		$20,135,335

[1]Through March 2009 the fire and tornado fund has had a decline in investment value of 16.85 percent for fiscal year 2009.

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 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$29,009,838		$63,344,306
Add estimated revenues				
Oil extraction tax allocations	$34,334,468[1]		$24,892,171[1]	
Total available		34,334,468		24,892,171
Less estimated expenditures and transfers				
Transfer to foundation aid program	$0[2]		$0[2]	
Estimated ending balance		$63,344,306		$88,236,477

[1]Estimated revenues - Based on actual oil extraction tax collections transferred to the fund through May 2009 and estimated allocations for the remainder of the 2007-09 biennium and the 2009-11 biennium per the February 2009 legislative revenue forecast.

[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 for the 2007-09 biennium or the 2009-11 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:

- Fifty percent (of the 20 percent) to the common schools trust fund.
- **Fifty 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, 2007, through April 30, 2009, $1,196,593 of interest from the foundation aid stabilization fund has been allocated to the general fund.

ANALYSIS OF THE HEALTH CARE TRUST FUND
FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$2,821,191		$3,345,679
Add estimated revenues				
Investment earnings	$146,736		$118,339	
Loan repayments - Principal and interest	1,103,349		1,011,095	
Total estimated revenues		1,250,085		1,129,434
Total available		$4,071,276		$4,475,113
Less estimated expenditures and transfers				
State Department of Health quick response unit pilot project (2007 HB 1004; 2009 SB 2004)	$125,000		$125,000	
State Department of Health state trauma system evaluation (2007 HB 1290)	75,000			
Department of Human Services nursing home inflationary increases (medical assistance program) (2007 SB 2012)	525,597			
Department of Human Services nursing facilities (2009 HB 1012)			4,124,506	
Department of Human Services remodeling of a nursing facility to assisted living and basic care grant (2009 HB 1327)			200,000	
Total estimated expenditures and transfers		725,597		4,449,506
Estimated ending balance		$3,345,679		$25,607

NOTE: Section 24 of 2009 House Bill No. 1012 amends North Dakota Century Code Section 50-30-02 to provide that money in the health care trust fund may not be included in draft appropriation acts under Section 54-44.1-06.

FUND HISTORY

The health care trust fund was established by the 1999 Legislative Assembly (Senate Bill No. 2168) for providing nursing alternative loans or grants. The 2001 Legislative Assembly in 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 LANDS AND MINERALS TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$14,056,683		$26,805,940
Add estimated revenues				
Production royalties	$18,122,669		$8,889,008	
Mineral leases	432,599		432,599	
Oil and gas bonuses	10,829,114		2,287,157	
Investment earnings	1,138,003		1,352,447	
Loan repayments from facilities providing services to the developmentally disabled (1983 SB 2020; 1985 SB 2249)	835,306		372,372	
Total estimated revenues		31,357,691		13,333,583
Total available		$45,414,374		$40,139,523
Less estimated expenditures and transfers				
Payments to common schools trust fund - Developmentally disabled loan fund Nos. 2 and 3 (2005 SB 2013 - Continuing appropriation)	$1,417,504[1]		$717,182[1]	
Industrial Commission - Department of Mineral Resources contingency (2007 HB 1014; 2009 SB 2014)	285,000[2]		515,207[2]	
Transfer to the general fund (2007 HB 1014; 2009 SB 2013)	15,000,000		35,000,000	
Office of Management and Budget - Heritage Center expansion (2007 SB 2341)	1,000,164[3]			
State Historical Society - Cold War missile site (2007 SB 2018)	250,000			
Administrative costs/other fees	655,766		222,227	
Total estimated expenditures and transfers		18,608,434		36,454,616
Estimated ending balance		$26,805,940		$3,684,907

[1]Payments to common schools trust fund - North Dakota Century Code (NDCC) Section 15-08.1-09 provides an annual continuing appropriation from the lands and minerals trust fund of the amount necessary to make payments of principal and interest to the common schools trust fund for loans made to developmentally disabled loan fund Nos. 2 and 3.

[2]Industrial Commission - Department of Mineral Resources contingency - House Bill No. 1014 (2007) provides a $285,000 contingency appropriation from the lands and minerals trust fund to the Oil and Gas Division for the purpose of hiring, upon Emergency Commission approval, up to 2 FTE positions if the average drilling rig count exceeds 30 active rigs for each month in any consecutive three-month period. The Emergency Commission approved a transfer of $285,000 at its March 14, 2008, meeting. Senate Bill No. 2014 (2009) provides a $515,207 contingency appropriation from the lands and minerals trust fund. If funds are required due to the average drilling rig count exceeding 100 active rigs for each month in any consecutive three-month period, the Oil and Gas Division may spend $319,041 of these funds and hire up to 2 FTE positions, upon Emergency Commission approval. If funds are required due to receipt of an application for solution mining of potash or uranium, the Geological Survey Division may spend $196,166 of these funds and hire up to 1 FTE position, upon Emergency Commission approval.

[3]Office of Management and Budget - Senate Bill No. 2341 (2007) provided a contingent appropriation of $1.5 million from the lands and minerals trust fund to the Office of Management and Budget for the Heritage Center expansion project. The appropriation was only available when the State Historical Society certified to the Office of Management and Budget that $1.5 million of other funds had been received or pledged for the project. The State Historical Society certified to the Office of Management and Budget in May 2007 that $1.5 million of other funds had been received or pledged for the project. The Office of Management and Budget estimates $1,000,164 of the $1.5 million will be spent from the lands and minerals trust fund for the Heritage Center expansion project.

FUND HISTORY

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 lands and minerals trust fund pursuant to NDCC Section 15-08.1-08. The principal and interest of the trust fund may be used only for purposes approved by the Legislative Assembly.

ANALYSIS OF THE LIGNITE RESEARCH FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$11,800,728		$10,557,380
Add estimated revenues				
Separate two-cent coal severance tax	$1,200,000		$1,200,000	
Fifty percent of coal severance taxes deposited in the coal development trust fund (result of passage of measure No. 3 in June 1990)	3,375,000		3,375,000	
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)	1,350,000		1,350,000	
Investment income on Dakota Gasification Company ammonia plant and Red Trail	2,415,420		2,893,440	
Three and one-half percent of the general fund share of coal conversion tax (2007 HB 1093)	1,750,000[1]			
Five percent of the general fund share of coal conversion tax (2007 HB 1093)			2,500,000[1]	
Revenue bonds/short-term loan			1,000,000[2]	
Interest income and return of funds	925,000		300,000	
Total estimated revenues		11,015,420		12,618,440
Total available		$22,816,148		$23,175,820
Less estimated expenditures and transfers[3,4]				
Administration	$200,000		$400,000	
Lignite feasibility studies (nonmatching grants)	760,000		1,000,000	
Small research grants	1,500,000		1,296,300	
Lignite marketing	2,000,000		1,600,000	
Lignite litigation	100,000[5]		400,000	
Demonstration projects	7,698,768		18,275,000	
Total estimated expenditures and transfers		12,258,768[6]		22,971,300[6]
Estimated ending balance		$10,557,380		$204,520

[1]House Bill No. 1093 (2007) provides that 3.5 percent of the general fund share of coal conversion taxes be allocated to the lignite research fund for the period beginning July 1, 2007, and ending June 30, 2009. After June 30, 2009, 5 percent of the general fund share of coal conversion taxes is to be allocated to the lignite research fund through July 31, 2018.

[2]Pursuant to North Dakota Century Code (NDCC) Section 54-17.5-04, the Industrial Commission may issue revenue bonds or borrow short-term funds from the Bank of North Dakota.

[3]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 project can receive more than 37.5 percent of available funds.

[4]The Industrial Commission has waived the fund allocation policy and has committed $22,000,000 through the 2009-11 biennium, with $1,360,750 to be spent during the 2003-05 biennium, $2,243,391 during the 2005-07 biennium, $5,475,000 during the 2007-09 biennium, and $11,575,000 during the 2009-11 biennium, for the Lignite Vision 21 Project. 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.)

[5]Lignite litigation - House Bill No. 1093 (2007) 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 $100,000 anticipated to be spent during the 2007-09 biennium and $400,000 during the 2009-11 biennium.

[6]The 2007 Legislative Assembly appropriated $19,410,600 for lignite research grants; however, the Industrial Commission anticipates spending $12,258,768 for lignite research grants during the 2007-09 biennium. The legislative appropriation for the 2009-11 biennium is $22,971,300.

FUND HISTORY

North Dakota Century Code 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 PERMANENT OIL TAX TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$143,270,662		$474,841,147
Add estimated revenues				
Oil and gas gross production and extraction tax collections	$477,537,026		$354,092,000	
Total estimated revenues		477,537,026[1]		
Other adjustments				
Changes allocations to the oil and gas impact grant fund (2009 HB 1304)			(2,000,000)	
Increases allocation to the oil and gas research fund (2009 SB 2051)			(1,000,000)	
Changes cap on allocation to counties (2009 HB 1304)			(28,000,000)	
Total adjustments				323,092,000[2,3]
Total available		$620,807,688		$797,933,147
Less estimated expenditures and transfers				
Transfer to the general fund (2007 SB 2032; 2009 HB 1015)	$115,000,000		$140,000,000	
Office of Management and Budget - Centers of excellence (2007 HB 1018)	15,000,000			
Higher education (2007 HB 1003; 2009 SB 2003)	7,783,315		10,750,000	
Grant assistance payments to tribally controlled community colleges (2007 HB 1395; 2009 HB 1394)	700,000		700,000	
Veterans' Home facility (2007 SB 2418)	6,483,226			
Agricultural research and extension services operating pool (2007 HB 1020)	750,000			
Livestock disaster assistance (2009 HB 1015)	250,000			
Dickinson Research Center (2009 SB 2020)			925,000	
Property tax relief - Transfer to general fund (2009 SB 2199)			295,000,000	
Property tax relief - Transfer to property tax relief sustainability fund (2009 SB 2199)			295,000,000	
Water project grants (2009 HB 1305)			2,792,000	
Prairie Public Broadcasting (2009 HB 1015)			1,008,100	
Total estimated expenditures and transfers		145,966,541		746,175,100
Estimated ending balance		$474,841,147		$51,758,047

[1]Estimated revenues - 2007-09 - The February 2009 legislative revenue forecast for the 2007-09 biennium projects state oil and gas gross production tax and oil extraction tax revenues to exceed $71 million by $477.5 million; therefore, $477.5 million is projected to be transferred to the permanent oil tax trust fund during the biennium.

[2]Estimated revenues - 2009-11 - The February 2009 legislative revenue forecast for the 2009-11 biennium projects state oil and gas gross production tax and oil extraction tax revenues to exceed $71 million by $354.1 million; however, the 2009 Legislative Assembly approved bills that increase the county share of taxes and allocation to the oil and gas impact grant fund (House Bill No. 1304) and increase the transfer to the oil and gas research fund (Senate Bill No. 2051) which are anticipated to reduce oil and gas tax collections by $31 million. Therefore, $323.1 million is projected to be transferred to the permanent oil tax trust fund during the biennium.

[3]Oil extraction tax incentive rates under North Dakota Century Code Chapter 57-51.1 did not become effective on May 1, 2009, as anticipated in the February 2009 legislative forecast. As a result, oil extraction tax rate incentives approved by the 2009 Legislative Assembly in House Bill No. 1235 became effective. The net effect of these two changes, if they do not change again prior to June 30, 2011, is estimated to increase permanent oil tax trust fund revenues by $16.5 million for the period beginning May 1, 2009, and ending June 30, 2011. The amount shown does not reflect this estimated increase. Depending on oil prices, the incentive rates under Chapter 57-51.1 could become effective in October 2009.

The forecasted oil tax revenue collections are based on a number of factors, including tax rate incentives and exemptions, oil prices, oil production, etc. Actual prices, production, and other factors throughout the 2009-11 biennium could increase or decrease actual oil tax revenue collections by amounts that increase or decrease the $16.5 million discussed above.

FUND HISTORY

North Dakota Century Code Section 57-51.1-07.2 (1997 Senate Bill No. 2366) establishes a permanent oil tax trust fund and provides that all revenues deposited in the general fund during a biennium and derived from taxes imposed on oil and gas under Chapter 57-51 (Oil and Gas Gross Production Tax) and Chapter 57-51.1 (Oil Extraction Tax) which exceed $71 million are to be transferred into the permanent oil tax trust fund. The State Treasurer is to transfer the interest earned on the fund to the general fund at the end of each fiscal year. The principal of the permanent oil tax trust fund may only be spent upon a two-thirds vote of the members elected to each house of the Legislative Assembly.

ANALYSIS OF THE RESOURCES TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$32,655,609		$79,318,154
Add estimated revenues				
Oil extraction tax collections	$70,948,545		$49,784,341	
Repayments and reimbursements	3,014,000		2,009,000	
Investment earnings/miscellaneous income	2,700,000		1,000,000	
Total estimated revenues		76,662,545[1]		52,793,341
Total available		$109,318,154		$132,111,495
Less estimated expenditures and transfers				
State Water Commission - Grants, projects, and project administration (2009 HB 1020)	$30,000,000[2]		$131,769,495[3]	
State Water Commission - Beaver Bay embankment feasibility study (2009 SB 2305)			342,000	
Total estimated expenditures and transfers		30,000,000		132,111,495[3]
Estimated ending balance		$79,318,154		$0

[1]Estimated revenues - 2007-09 - The estimated revenues for the 2007-09 biennium reflect actual revenues through April 2009 and estimated revenues for the remainder of the biennium based on the February 2009 legislative revenue forecast.

[2]Section 4 of Senate Bill No. 2020 (2007) appropriated $69,352,698, or any additional amounts that become available, from the resources trust fund for defraying the expenses of the State Water Commission. The State Water Commission estimates 2007-09 expenditures from the resources trust fund to be approximately $30 million.

[3]Sections 1 and 5 of House Bill No. 1020 (2009) appropriate $188.4 million, or any additional amounts that become available, from the resources trust fund for defraying the expenses of the State Water Commission for the 2009-11 biennium. In addition, Senate Bill No. 2305 (2009) provides a $342,000 appropriation from the resources trust fund to the State Water Commission for conducting a Beaver Bay embankment feasibility study. Total expenditures will be limited to funding available.

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:

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

North Dakota Century Code Section 57-51.1-07 provides that oil extraction tax revenues be distributed as follows:

- Twenty percent to the resources trust fund.
- Twenty percent allocated as provided in Article X, Section 24, of the Constitution of North Dakota.
- Sixty percent to the general fund.

ANALYSIS OF THE RISK MANAGEMENT FUND
FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$3,619,197		$4,201,048
Add estimated revenues				
Premiums	$3,454,383[1]		$2,649,997[2]	
Total estimated revenues		3,454,383		2,649,997
Total available		$7,073,580		$6,851,045
Less estimated expenditures and transfers				
Administration	$1,000,000		$1,030,000	
Claims-related expenses	10,000		10,300	
Claims and litigation	1,862,532		3,536,000	
Total estimated expenditures and transfers		2,872,532		4,576,300
Estimated ending balance		$4,201,048		$2,274,745

[1]In response to an actuarial review completed in 2006 by Aon Risk Services, the Risk Management Division is assessing a total of $3,454,383 in risk management premiums to state agencies, boards, and commissions and the North Dakota University System for the 2007-09 biennium.

[2]In response to an actuarial review completed in 2008 by Aon Risk Services, the Risk Management Division is assessing a total of $2,649,997 in risk management premiums to state agencies, boards, and commissions and the North Dakota University System for the 2009-11 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. Total discounts are estimated to be at or below $300,000.

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 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$0		$0
Add estimated revenues				
Allocation from sales, use, and motor vehicle excise tax collections	$2,407,214[1]		$2,667,000	
Total estimated revenues		2,407,214		2,667,000
Total available		$2,407,214		$2,667,000
Less estimated expenditures				
State Treasurer - County senior citizen matching grants	$2,379,226[2]		$2,667,000	
Transfer to general fund	27,988[3]			
Total estimated expenditures and transfers		2,407,214		2,667,000
Estimated ending balance		$0		$0

[1]The amount shown represents actual sales, use, and motor vehicle excise tax collections for fiscal years 2008 and 2009. For property taxes levied in 2007 and paid in 2008, a one mill statewide property tax levy generated $1,953,097 in property taxes.

[2]The amount shown represents actual senior citizen matching grants for fiscal years 2008 and 2009.

[3]Any funds remaining at the end of each biennium are transferred to the general fund.

FUND HISTORY

The 2005 Legislative Assembly 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. 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 two-thirds 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. The amount of each county's annual grant is equal to two-thirds of the amount levied 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 that for the 2005-07 biennium any remaining money in the fund at the end of the biennium is allocated to those counties that are levying the statutory maximum for senior citizen programs in proportion to the amounts generated by those levies in those counties.

ANALYSIS OF THE STATE AID DISTRIBUTION FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$0		$0
Add estimated revenues				
Sales, use, and motor vehicle excise taxes (based on 4/10 of 1%)	$106,443,764		$107,566,783	
Other adjustments resulting from 2009 legislative action				
HB 1083 - Changes filing date for monthly sales tax filers for May in odd-numbered years	(1,353,043)			
SB 2201 - Motor vehicle excise tax exemption for manufacturers' incentives and discounts	(42,783)			
HB 1289 - Sales tax exemption for irrigation equipment repair parts			(24,000)	
SB 2040 - Sales tax exemption for telecommunications infrastructure			(412,000)	
SB 2053 - Sales tax exemption for purchases by Indian tribes			(2,800)	
SB 2090 - Sales tax exemption for Montana residents	(4,000)		(12,000)	
SB 2184 - Motor vehicle excise tax exemption for manufacturers' incentives and discounts			(384,000)	
Total adjustments		105,043,938		106,731,983
Total available		$105,043,938		$106,731,983
Less estimated expenditures and transfers				
Payments to political subdivisions				
County share (53.7%)	$56,408,595		$57,315,075	
City share (46.3%)	48,635,343		49,416,908	
Total estimated expenditures and transfers		105,043,938		106,731,983
Estimated ending balance		$0		$0

NOTE: The amounts shown reflect the 2007-09 revised revenue forecast (February 2009) and the 2009-11 revenue forecast as approved by the 2009 Legislative Assembly.

FUND HISTORY

North Dakota Century Code (NDCC) 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 NDCC 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.

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			
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%

ANALYSIS OF THE STUDENT LOAN TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium[1]		2009-11 Biennium[1]	
Beginning balance		$21,625,000		$19,237,800
Add estimated revenues				
Fund earnings (net)	$1,200,000[2]		$1,150,000[2]	
Total available		$22,825,000		$20,387,800
Less estimated expenditures and transfers				
Transfer to the general fund	$3,100,000[3]			
Funding for the veterinary medical education program	487,200[4]		$990,970[5]	
Funding for North Dakota University System information technology services			1,020,600[6]	
Total estimated expenditures and transfers		3,587,200		2,011,570
Estimated ending balance		$19,237,800		$18,376,230

[1]This analysis reflects the estimated revenues, expenditures, and ending balance for the 1979 bond resolution only. The estimated June 30, 2011, ending balance for the 1996 bond resolution is $29,014,000.

[2]The projected income is based on interest rates as of May 1, 2009, and the actual income for fiscal year 2008 of $832,000.

[3]The 2007 Legislative Assembly provided for a transfer of $3.1 million from the student loan trust fund to the general fund. The $3.1 million is the projected income for both the 1979 and the 1996 student loan trust resolutions; however, the transfer to the general fund is only being made from the 1979 resolution.

[4]The 2007 Legislative Assembly provided a $523,380 appropriation from the student loan trust fund for continuing the Kansas State University veterinary medical education program. As of May 29, 2009, it is estimated that the amount to be used will be $487,200.

[5]The 2009 Legislative Assembly provided a $990,970 appropriation from the student loan trust fund for continuing the Kansas State University veterinary medical education program.

[6]The 2009 Legislative Assembly provided a $1,020,600 appropriation from the student loan trust fund to the North Dakota University System information technology services pool for ConnectND positions within the University System. The positions were previously paid for with funding from the Bank of North Dakota.

FUND HISTORY

The 1971 Legislative Assembly 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 taxable and 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 of North Dakota continues to service those loans which the student loan trust fund holds.

The student loan trust 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 issuances prior to 2004 with bonds outstanding are 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 general bond resolutions have matured, been redeemed or defeased, and all expenses paid, any remaining assets held under the general bond resolution would be transferred to the Industrial Commission for use at its discretion. In order to use assets held under the 1979 general bond resolution for a purpose other than those stated in the general bond resolution, the administrators of the student loan trust fund must receive a certification from the trustee of the bond (Bank of North Dakota) that sufficient reserves remain for bond payments and other related program costs. In order to use assets held under the 1996 general bond resolution for a purpose other than those stated in the general bond resolution, the administrator of the student loan trust fund must receive permission from the bond issuer, and the trustee of the bond (Bank of North Dakota) would have to certify that sufficient reserves remain for bond payments and other related program costs.

North Dakota Century Code Section 54-17-25 provides that 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 TOBACCO PREVENTION AND CONTROL TRUST FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$0[1]		$14,104,952
Add estimated revenues				
Tobacco settlement revenues collected to date	$14,138,011[1]			
Projected tobacco settlement revenues			$27,595,458[1]	
Investment income	29,344		345,463	
Total estimated revenues		14,167,355		27,940,921
Total available		$14,167,355		$42,045,873
Less estimated expenditures and transfers				
Appropriated expenditures	$62,403[2]		$12,882,000[2]	
Total estimated expenditures and transfers		62,403		12,882,000
Estimated ending balance		$14,104,952		$29,163,873

[1]Revenue - In the November 2008 general election voters approved initiated measure No. 3 that amends North Dakota Century Code (NDCC) Section 54-27-25 to create a tobacco prevention and control trust fund to receive tobacco settlement funds under subsection IX(c)(2) of the Master Settlement Agreement, which began in April 2008 and continues through 2017. The strategic contribution amount received under subsection IX(c)(2) of the Master Settlement Agreement consists of a base amount to which the Master Settlement Agreement provides adjustments. The $14.1 million shown for 2007-09 is the actual amount received in May 2009. The 2009-11 biennium strategic contribution payments have been estimated based on the amount received in 2008 of $13,797,729.

Total tobacco settlement revenues of $27,935,740 have been received under subsection IX(c)(2) of the Master Settlement Agreement, of which $14,138,011 has been deposited in the tobacco prevention and control trust fund.

The measure provides that interest earned on the balance in this fund be deposited in the fund, and 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 2009 Legislative Assembly, in Section 39 of House Bill No. 1015, provided that any money deposited in the water development trust fund under NDCC Section 54-27-25 may only be spent pursuant to legislative appropriation.

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	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	$36.5 million	N/A	$16.4 million	$16.4 million	$3.7 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Estimated 2009-11 biennium	71.5 million	27.6 million	19.8 million	19.8 million	4.3 million
Estimated 2011-13 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2013-15 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2015-17 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2017-19 biennium	52.5 million	N/A	23.6 million	23.6 million	5.3 million

	Actual and Estimated Total Tobacco Settlement Proceeds	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
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	$578.3 million	$124.5 million	$204.3 million	$204.3 million	$45.2 million

[2]Because the tobacco prevention and control trust fund was established in December 2008, no expenditures or transfers were appropriated from the fund for the 2007-09 biennium; however, the 2009 Legislative Assembly, in Section 36 of House Bill No. 1015, appropriated $62,403 from the fund to the Tobacco Prevention and Control Executive Committee for expenses of the committee for the period beginning January 1, 2009, and ending June 30, 2009. In addition, Section 35 of House Bill No. 1015 appropriated $12,882,000 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 2009-11 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 the North Dakota Century Code and amended NDCC 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 begin on April 15, 2008, and continue each April 15 thereafter through 2017. North Dakota Century Code 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 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 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 2009 Legislative Assembly, in Section 39 of House Bill No. 1015, provided that any money deposited in the water development trust fund under NDCC 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 NDCC Section 54-27-25 prior to amendment by the measure. Beginning in 2009 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.

ANALYSIS OF THE TOBACCO SETTLEMENT TRUST FUND
FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$0		$0
Add estimated revenues				
Tobacco settlement revenues collected to date	$61,495,398[1]		$0	
Projected tobacco settlement revenues			43,881,191	
Total estimated revenues		61,495,398[2]		43,881,191[2]
Total available		$61,495,398[4]		$43,881,191[3,4]
Less estimated expenditures and transfers				
Transfers to the community health trust fund	$6,149,540		$4,388,119	
Transfers to the common schools trust fund	27,672,929		19,746,536	
Transfers to the water development trust fund	27,672,929		19,746,536	
Total estimated expenditures and transfers		61,495,398[4]		43,881,191[4]
Estimated ending balance		$0		$0

[1]As of May 2009 the state has received five tobacco settlement payments totaling $61,495,398 for the 2007-09 biennium. The state has received total tobacco settlement collections of $258,170,673 into the tobacco settlement trust fund, including $244,372,944 under subsection IX(c)(1) of the Master Settlement Agreement and $13,797,729 under subsection IX(c)(2) of the Master Settlement Agreement.

[2]Revenues - House Bill No. 1475 (1999) (North Dakota Century Code (NDCC) Section 54-27-25) provides that 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 NDCC Section 54-27-25 to provide that 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 continue 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, will be 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, is included in the tobacco settlement revenues collected to date above. Remaining tobacco settlement trust fund revenues have been estimated based on the Office of Management and Budget revised estimated collections less anticipated strategic contribution payments of $13,797,729 per year, which were estimated based on the actual amount of the 2008 strategic contribution payment. 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 2009 Legislative Assembly, in Section 39 of 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.

[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. Due to the uncertainty of the lawsuit, the Office of Management and Budget has reduced the estimated tobacco settlement revenues for the 2009-11 biennium by 3 percent, or $2,210,618, for the biennium. 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 estimated collections as revised by the Office of Management and Budget to reflect anticipated volume adjustments and legal challenges are:

Biennium	1999 Original Estimated Collections	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	43,654,951
2007-09	82,231,080	70,739,775
2009-11	82,231,080	71,476,648
2011-17 ($82,231,080/$73,687,266 per biennium)	246,693,240	221,061,798
2017-25 ($58,591,490/$52,503,832 per biennium)	234,365,960	210,015,328
Total	$866,801,136	$769,795,657

[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	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	$36.5 million	N/A	$16.4 million	$16.4 million	$3.7 million
Actual payment April 2009	39.2 million	$14.1 million	11.3 million	11.3 million	2.5 million
Estimated 2009-11 biennium	71.5 million	27.6 million	19.8 million	19.8 million	4.3 million
Estimated 2011-13 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2013-15 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 million
Estimated 2015-17 biennium	73.7 million	27.6 million	20.8 million	20.8 million	4.5 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	$578.3 million	$124.5 million	$204.3 million	$204.3 million	$45.2 million

FUND HISTORY

North Dakota Century Code 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:

- 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.

In the November 2008 general election, voters approved initiated measure No. 3 that amended NDCC 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 continue 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, will be deposited beginning 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 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 NDCC 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.

ANALYSIS OF THE STATE TUITION FUND
FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$1,133,040[1]		$1,125,088[1]
Add estimated revenues				
Fines for violation of state laws	$9,392,048[2]		$9,300,000[2]	
Transfers from the common schools trust fund	66,800,000		77,000,000	
Total estimated revenues		76,192,048		86,300,000
Total available		$77,325,088		$87,425,088
Less estimated expenditures and transfers				
State aid to schools	$76,200,000[3]		$86,300,000[3]	
Total estimated expenditures and transfers		76,200,000[1]		86,300,000[1]
Estimated ending balance		$1,125,088[1]		$1,125,088[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 - The amount of state tuition fund distributions from fines proceeds is shown below:

Fiscal Year	Revenue From Fines	Percentage Increase (Decrease) From Previous Year
1998	$3,384,890 (actual)	
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	$4,700,000 (estimate)	0.2%
2010	$4,650,000 (estimate)	(1.1%)
2011	$4,650,000 (estimate)	0.0%

[3]State aid to schools - The 2007 Legislative Assembly, in 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.

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.

North Dakota Century Code Section 15.1-28-01 provides that 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 state 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 of Public Instruction 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 2007 Legislative Assembly, in 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 of Public Instruction 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 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium		2009-11 Biennium	
Beginning balance		$5,117,955		$3,546,685
Add estimated revenues				
Investment income (loss)	($1,200,000)		$200,000	
Sale of vans	7,000			
Total estimated revenues		(1,193,000)		200,000
Total available		$3,924,955		$3,746,685
Less estimated expenditures and transfers				
Grants	$285,000			
Administrative committee travel	5,000			
Veterans' Home activities	32,770			
Vehicles - Vans	35,000			
Veterans' transportation programs	5,500			
Other veterans' programs	10,000			
Appeals Committee	1,000			
New Veterans' Home construction project	[1]			
Stand Down (outreach to homeless veterans)	4,000			
Total estimated expenditures and transfers		378,270		0[2]
Estimated ending balance		$3,546,685		$3,746,685

[1]The Administrative Committee on Veterans' Affairs pledged $150,000 to enable the Veterans' Home to secure additional federal Department of Veterans' Affairs grants for construction of the new Veterans' Home but does not anticipate these funds will be spent because the 2009 Legislative Assembly has appropriated funds from the general fund to secure the grants.

[2]The Administrative Committee on Veterans' Affairs has not yet determined its anticipated expenditures from the fund for the 2009-11 biennium. It plans to identify the anticipated expenditures in the summer of 2009.

NOTE: Since the 1993-95 biennium, the **principal balance of the fund has been identified as $4,101,849**; however, due to reductions in the value of the fund's investments, as of April 30, 2009, the fund balance was $3,881,618.

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 $3,700,000.
- 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 North Dakota Century Code 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.

ANALYSIS OF THE WATER DEVELOPMENT TRUST FUND FOR THE 2003-05 AND 2005-07 BIENNIUMS

	2003-05 Biennium		2005-07 Biennium	
Beginning balance		$9,409,511		$9,347,056
Add estimated revenues				
Transfers to date from tobacco settlement trust fund	$20,839,504[1,2]			
Remaining transfers from tobacco settlement trust fund			$20,674,860	
Reimbursement from bonding proceeds	9,646,000[3]			
Total estimated revenues		30,485,504		20,674,860
Total available		$39,895,015		$30,021,916
Less estimated expenditures				
Transfer to the general fund	$10,070,373[4]			
State Water Commission				
Water projects	13,021,452[5]		$6,553,431[7]	
Bond payments	5,424,773[5,6]		14,332,160[7]	
Administrative expenses (HB 1021, 1050)			9,116,325[7]	
Legislative Assembly for Legislators' Forum dues (HB 1015)			20,000	
Repayment of 2001-03 loans used for the state's matching share of federal disaster relief funding				
University of North Dakota (HB 1003)	1,193,146			
North Dakota State University (HB 1003)	262,928			
Parks and Recreation Department (SB 2021)	575,287			
Total estimated expenditures		30,547,959		30,021,916
Estimated ending balance		$9,347,056		$0

[1]As of May 2005 six transfers have been made from the tobacco settlement trust fund totaling $20,839,504. Total transfers of $68,781,220 have been made to date 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 state general fund. The tobacco settlement revenues for the water development trust fund were estimated to be $23,072,046 for the 2003-05 biennium at the end of the 1999 legislative session. The decrease in the amount of revenues collected from the tobacco settlement trust fund of $2,232,542 is the result of volume adjustments made to payments received. A volume adjustment is an adjustment made to a settlement payment to reflect increases or decreases in tobacco manufacturers' operating income from cigarette sales. The original estimate was calculated before the anticipated effect of volume adjustments on tobacco settlement collections was determined. The revenues for the water development trust fund originally estimated during the 1999 legislative session and the estimated collections as revised by the Office of Management and Budget to reflect anticipated volume adjustments are:

Biennium	1999 Original Estimated Collections	Office of Management and Budget Revised Estimated Collections
1999-2001	$25,917,197	$23,805,353
2001-03	27,514,610	24,136,363
2003-05	23,072,046	20,839,504
2005-07	23,072,046	20,674,860
2007-17 ($37,003,986/$33,159,270 per biennium)	185,019,930	165,796,350
2017-25 ($26,366,170/$23,626,724 per biennium)	105,464,680	94,506,896
Total	$390,060,509	$349,759,326

[3] The State Water Commission plans to reimburse the water development trust fund for a portion of 2003-05 biennium expenditures from bond proceeds prior to the end of the 2003-05 biennium. Actual water project expenditures of $8.6 million have been incurred from the water development trust fund as of May 1, 2005.

[4]The 2003 Legislative Assembly, in Section 15 of Senate Bill No. 2022 (2003), provided for a transfer of $10,070,373 from the water development trust fund to the general fund. As of May 3, 2005, the entire $10,070,373 has been transferred to the general fund. The 2003-05 biennium appropriation for the State Water Commission administrative expenses of $9,385,396 is from the general fund.

[5]Senate Bill No. 2022 (2003) appropriated $32,946,225 from the water development trust fund to the State Water Commission. The funding is for bond payments (approximately $5.4 million), reimbursement to the State Department of Health for nonpoint sources of pollution control expenses (up to $300,000), and other water control projects (approximately $27.2 million). The Emergency Commission and the Budget Section approved a transfer of $14.5 million of spending authority within the special funds line item from the water development trust fund to the resources trust fund for water projects. The transfer of spending authority was requested to more accurately reflect the actual July 1, 2003, beginning balances and the corresponding 2003-05 biennium appropriation of each of the funds. Actual expenditures during the 2001-03 biennium were higher than projected from the water development trust fund and less than projected from the resources trust fund (the July 1, 2003, beginning balance of the water development trust fund was estimated to be $23.3 million at the close of the 2003 legislative session). The adjusted spending authority from the water development trust fund for water development projects ($13,021,452) and bond payments ($5,424,773) is $18,446,225.

[6]Senate Bill No. 2188 (1999) (North Dakota Century Code (NDCC) Section 61-02.1-02) authorized the State Water Commission to borrow up to $84.8 million for state water projects to be repaid from the water development trust fund. In March 2000 the State Water Commission issued bonds totaling $27.5 million--$23 million for Grand Forks flood control and $4.5 million for the Southwest Pipeline Project. The Legislative Assembly authorized, in Senate Bill No. 2022 (2003) and further amended in House Bill No. 1153 (2005), the State Water Commission to issue up to $60 million in bonds during the 2003-05 biennium. Bond payments on the March 2000 issuance for the 2003-05 biennium will be approximately $5.4 million. Principal and interest payments on the $60 million issuance will not be payable until the 2005-07 biennium.

[7]Section 5 of House Bill No. 1021 (2005) appropriated $29,963,873 from the water development trust fund for authorized uses by the State Water Commission. Any additional amount in the water development trust fund that becomes available is appropriated to the State Water Commission for defraying the expenses of the agency. Based on estimated revenues, approximately $6,553,431 will be available for water projects from the water development trust fund.

The total bond payments for the 2005-07 biennium, including anticipated principal and interest payments on the $60 million bonds issued during the 2003-05 biennium, will be approximately $14.3 million. The Legislative Assembly also authorized, in House Bill No. 1021 (2005), the State Water Commission to issue up to $7 million in bonds during the 2005-07 biennium. However, because the bonds are not anticipated to be issued until the second year of the biennium, principal and interest related to the issuance will not be payable until the 2007-09 biennium.

The Legislative Assembly appropriated $9,116,325 (including the appropriation included in House Bill No. 1050) from the water development trust fund for administrative expenses of the State Water Commission.

FUND HISTORY

North Dakota Century Code Section 54-27-25, created by 1999 House Bill No. 1475, established 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 as follows, within 30 days of its deposit in the fund:

- 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.

North Dakota Century Code Section 61-02.1-04, created by 1999 Senate Bill No. 2188, provides that 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.

GENERAL FUND STATEMENTS - HISTORY

The schedule below provides a summary of actual and estimated general fund balances, revenues, expenditures, and transfers:

	Actual			Estimated	
	2001-03	**2003-05**	**2005-07**	**2007-09**	**2009-11**
Beginning balance	$62,240,652	$14,790,311	$68,015,056	$295,541,176	$321,091,738
Revenues	1,559,444,550	1,739,132,961	2,162,706,208	2,468,201,627	2,480,779,286
Transfers to general fund	110,433,690	157,808,488	154,710,132	194,374,056	477,023,836
Federal fiscal relief funding		56,456,581[1]			
Total available	$1,732,118,892	$1,968,188,341	$2,385,431,396	$2,958,116,859	$3,278,894,860
Expenditures	($1,717,328,581)	($1,800,700,654)	($1,989,362,851)	($2,512,088,573)	($3,249,365,481)
Transfers to budget stabilization fund		(99,472,631)	(100,527,369)	(124,936,548)	
Total expenditures and transfers	($1,717,328,581)	($1,900,173,285)	($2,089,890,220)	($2,637,025,121)	($3,249,365,481)
Ending balance	$14,790,311	$68,015,056	$295,541,176	$321,091,738	$29,529,379

[1]This amount relates to $56,456,581 of federal fiscal relief funding received by the state, $50,000,000 in direct payments and $6,456,581 received as enhanced federal medical assistance percentage (FMAP) reimbursements relating to 2001-03 biennium expenditures which were not received until the 2003-05 biennium.

MEMORANDUM ON TOTAL GENERAL FUND AND SPECIAL FUNDS APPROPRIATIONS FOR THE 1967-69 THROUGH 2009-11 BIENNIUMS AND THE RELATIONSHIP TO TOTAL PERSONAL INCOME

The following schedule presents the general fund and special funds appropriations for the 1967-69 through 2009-11 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 1985-87 biennium and the lowest percentage occurring in the 1973-75 biennium. Regarding all funds appropriations, the highest percentage occurred in the 2009-11 biennium and the lowest percentage in the 1973-75 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 2009-11 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	$3,326,700,000[2]	4.38%	10.55%
1969-71	$183,686,131	$261,745,459	$445,431,590	$3,869,200,000[2]	4.75%	11.51%
1971-73	$226,255,732	$267,845,499	$494,101,231	$4,840,000,000[3]	4.67%	10.21%
1973-75	$297,820,935	$356,127,664	$653,948,599	$7,620,000,000[3]	3.91%	8.58%
1975-77	$442,529,561	$436,181,752	$878,711,313	$7,700,000,000[3]	5.75%	11.41%
1977-79	$575,067,852	$565,096,709	$1,140,164,561	$8,800,000,000[3]	6.53%	12.96%
1979-81	$680,417,154	$772,341,770	$1,452,758,924	$10,900,000,000[3]	6.24%	13.33%
1981-83	$910,249,232	$1,205,292,293	$2,115,541,525	$14,450,000,000[3]	6.30%	14.64%
1983-85	$1,017,861,170	$1,148,055,629	$2,165,916,799	$16,600,000,000[3]	6.13%	13.05%
1985-87	$1,134,183,661[4]	$1,339,411,840	$2,473,595,501	$16,800,000,000[3]	6.75%	14.72%
1987-89	$1,058,708,224[5]	$1,440,445,277	$2,499,153,501	$16,900,000,000[8]	6.26%	14.79%
1989-91	$1,061,507,822[6]	$1,760,553,694[7]	$2,822,061,516	$18,600,000,000[8]	5.71%	15.17%
1991-93	$1,202,891,103[9]	$2,028,208,088	$3,231,099,191	$20,900,000,000[8]	5.76%	15.46%
1993-95	$1,251,925,967	$2,162,505,820	$3,414,431,787	$22,500,000,000[10]	5.56%	15.18%
1995-97	$1,352,467,281	$2,242,848,894	$3,595,316,175	$26,462,000,000[11]	5.11%	13.59%
1997-99	$1,510,747,421	$2,485,617,317	$3,996,364,738	$29,003,000,000[11]	5.21%	13.78%
1999-2001	$1,614,882,210	$3,265,271,344	$4,880,153,554	$31,879,000,000[11]	5.07%	15.31%
2001-03	$1,728,640,384[12]	$3,049,996,983	$4,778,637,367	$33,908,000,000[11]	5.10%	14.10%
2003-05	$1,816,885,505	$3,289,715,994	$5,106,601,499	$37,571,000,000[11]	4.83%	13.60%
2005-07	$2,000,537,074	$3,785,221,167	$5,785,758,241	$41,553,000,000[11]	4.81%	13.92%
2007-09	$2,574,313,275	$4,049,667,487	$6,623,980,762	$48,241,000,000[13]	5.34%	13.73%
2009-11	$3,249,365,481	$5,598,909,384	$8,848,274,865	$51,818,000,000[11]	6.27%	17.08%

[1]Appropriation amounts are restated to reflect, where appropriate, deficiency appropriations provided by a subsequent Legislative Assembly.

[2]Source: *Personal Income and State Expenditures*, a report to the Legislative Council's Budget "B" Committee, June 11, 1975.

[3]Source: Chase Econometrics Associates, Inc., Regional Forecasting Service.

[4]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.

[5]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.

[6]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.

[7]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.

[8]Estimated amount from Wharton Econometric Forecasting Associates (WEFA), Inc., Regional Forecasting Service.

[9]In addition, the 1991 Legislative Assembly, in 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 1991 Legislative Assembly, 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.

[10]Source: WEFA, Inc. - *Regional Economic Service - State Summary, Spring 1999.*

[11]Source: Economy.com, Inc. - Economic Service.

[12]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.

[13]Source: United States Bureau of Economic Analysis.

COMPARISON OF EXECUTIVE BUDGET RECOMMENDATIONS TO FINAL BUDGETS APPROVED BY THE LEGISLATIVE ASSEMBLY FOR THE 1967-69 TROUGH 2009-11 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 HB 1505 (2003)		(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)	138,443,816	1,000,274,902	1,138,718,718	103,180,918
Legislative budget	$3,249,365,481	$5,598,909,384	$8,848,274,865	$3,278,894,860

[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 percent to 3 percent.
- The 1969 Legislative Assembly repealed the personal property tax, increased the sales tax from 3 percent 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 state general fund.
- The executive budget and legislative revenue estimates for the 1977-79 biennium reflect the reduction of the sales tax from 4 percent 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 percent 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 $86,030,000 to change the percentage of oil extraction tax going to the general fund from 30 percent to 90 percent; and provided major tax increases of $102,750,000 for personal and corporate income taxes, $41,590,000 in accelerated tax collections, $8,200,000 million in coal conversion taxes, $9,500,000 million in cigarette taxes, and $4,200,000 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 percent 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 $5,320,000 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; and 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 percent 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 was defeated in March 1987).

- The 1987 Legislative Assembly increased general fund revenues by $9,220,000 due to revised revenue estimates of the Executive Budget Office by $46,140,000 due to a temporary .5 percent sales, use, and aircraft excise tax increase from 5 percent 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 percent 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 percent to 6 percent (the actual increase was from 5.5 percent 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 percent 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 percent 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 percent 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 percent 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.

[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, in 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 2009-11 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]	295,000,000	295,000,000	
Transportation aid payments	38,500,000	38,500,000	43,500,000	10,000,000	
Total state school aid appropriation	$875,625,879	$875,625,879	#############	$489,644,337	64.5%
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%
General fund appropriation	$790,125,879	$790,125,879	#############	$393,900,000	57.6%
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%

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 state 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 $7,000,000 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.

MAJOR STATE APPROPRIATIONS AND REVENUE ALLOCATIONS FOR DIRECT ASSISTANCE TO POLITICAL SUBDIVISIONS FROM THE 1999-2001 THROUGH 2009-11 BIENNIUMS

	1999-2001	2001-03	2003-05	2005-07	2007-09	2009-11
Assistance to political subdivisions (excluding school-related funding)						
General fund appropriations						
Grants to public libraries	$888,745	$888,745	$844,307	$1,000,000	$1,200,000	$1,300,000
Homestead tax credit	4,540,813	4,540,813	4,000,000	4,500,000	8,104,000	5,964,000
Disabled veteran property tax credits						3,000,000
Aid to health districts	1,100,000	1,100,000	1,100,000	1,100,000	1,900,000	2,400,000
Weather-related transportation cost-sharing					52,400,000 [11]	
Local matching funds for federal disaster relief						250,000 [16]
Emergency medical training grants to rural law enforcement						128,400
Regional public health network pilot project						275,000
Funds to local public health units for immunization services						1,200,000 [17]
Grants to counties for portable personal computers for county veterans' service officers						20,000
Matching funds to counties and cities for senior citizen programs	1,982,945 [1]	2,132,945 [1]	2,382,945 [1]	720,000 [1]	1,000,000	1,091,200
Indian welfare assistance to counties	121,766 [2]	456,993 [2]	649,559	1,147,174	955,124	1,959,541
State administration of child support enforcement					7,490,245	2,315,025
Boys' and girls' clubwork	53,000	53,000	53,000	53,000	53,000	53,000
Gaming enforcement grants	419,591					
Soil conservation district grants	580,000	580,000	580,000	630,000	730,000	837,800
Noxious weed control	288,341	184,141	97,215	67,817	67,817	67,817
Payments in lieu of taxes on carbon dioxide pipeline property	783,413	1,932,419	1,910,000	1,545,000	1,365,000	1,151,000
Clerk of court	1,000,000	10,154,353	10,723,223	11,810,929	13,587,187	15,376,816
Grants to airports	550,000	550,000	522,500	550,187	550,000	550,000
Total general fund (excluding school-related funding)	$12,308,614	$22,573,409	$22,862,749	$23,124,107	$89,402,373	$37,939,599
Percentage of total general fund appropriations	0.8%	1.3% [10]	1.3%	1.2%	3.6%	1.2%
Special funds appropriations and revenue allocations						
Homestead tax credit (Housing Finance Agency reserves)						
Grants for local water projects and a feasibility study						$3,134,000
Noxious weed control	$910,555	$1,162,695	$1,402,639	$1,646,408	$1,646,408	1,646,408
State aid distribution funds to cities and counties[4]	63,203,392	66,383,566	74,180,584	84,212,635	105,043,938	106,731,983
Public transportation services (public transportation fund)[5]	2,848,000	3,000,000	3,000,000	4,650,000	5,700,000	5,800,000
Insurance tax to fire departments						
Insurance tax distribution fund	5,200,000	5,200,000	5,200,000	6,200,000	6,200,000	6,200,000
Insurance tax to emergency medical services operations						
Insurance tax distribution fund					1,250,000	2,750,000
Gaming enforcement grants		629,000	617,000	617,000	617,000	510,000
Community health grant program (community health trust fund)		4,700,000	4,700,000	4,700,000	4,700,000	2,302,098
Tobacco education and cessation program grants (community health trust fund)		250,000	500,000	395,000	260,000	
Matching funds to counties and cities for senior citizen programs						
Senior citizen services and programs fund				2,056,984	2,407,214 [12]	2,667,000 [12]
Health care trust fund		250,000 [1]				
Energy development impact grants (oil and gas impact grant fund)	4,888,100	4,888,100	4,888,100	4,888,100	5,888,100	7,888,100

	1999-2001	2001-03	2003-05	2005-07	2007-09	2009-11
Grants to airports (Aeronautics Commission special funds collections)	1,570,000	1,820,000	1,962,500	2,447,126	2,950,000	5,280,000
Indian welfare assistance to counties (Department of Human Services' "retained" funds)	1,654,654 [2]	2,068,007 [2]	1,964,607	1,964,607	1,964,607	1,964,607
Motor vehicle fuel tax and registration fee allocations[6]	112,600,000	116,500,000	118,400,000	129,600,000	129,900,000	142,700,000
Telecommunications tax allocations	8,400,000	16,800,000	16,800,000	16,800,000	16,800,000	16,800,000
Coal severance tax allocations[7]	15,235,854	14,685,000	15,800,000	15,400,000	15,341,000	15,284,000
Coal conversion tax allocations[7]	5,491,282	6,620,022	7,283,433	7,502,657	6,635,592	5,535,392
Oil and gas gross production tax allocations[8]	36,028,096	31,843,672	42,836,649	55,785,763	80,850,073	101,211,208
Financial institution tax allocations					20,000,000	23,750,000
Disaster relief funding						43,000,000 [13]
Water project grants						2,792,000 [14]
Cigarette tax allocations[9]	2,813,712	2,623,000	2,608,771	2,810,000	3,132,474	2,520,000
Total special funds (excluding school-related funding)	$260,843,645	$279,423,062	$302,144,283	$341,676,280	$411,286,406	$500,466,796
Total major direct assistance to political subdivisions (excluding school-related funding)	$273,152,259	$301,996,471	$325,007,032	$364,800,387	$500,688,779	$538,406,395
School-related assistance to political subdivisions						
General fund appropriations - School-related funding						
State school aid per student formula payments	$479,006,259	$473,971,648	$489,379,990	$484,053,759	$649,965,879	$636,425,958 [18]
Supplemental operations grants						16,795,584
Supplemental one-time grants						85,644,337
Teacher compensation payments to school districts		35,036,000	51,854,000	50,912,120		
Special education - Gifted and talented per student payments				37,000,000		
School district reorganization bonuses		1,665,000	500,000	759,000		
Educational Technology Council grants	6,000,000	922,822	512,822	578,590	800,000	604,750
Special education	46,600,000	49,898,695	49,898,695			
Revenue supplement payments to school districts	3,100,000	2,200,000	5,000,000	5,000,000		
Transportation aid payments to school districts				33,500,000	33,500,000	43,500,000 [15]
Special education contracts				15,500,000	17,500,000	15,500,000
Average daily membership and declining enrollment payments	3,500,000					
Joint powers agreement incentives				1,000,000		
Mill levy reduction grants						295,000,000
Vocational education	9,520,929	9,573,929	10,386,541	13,846,810	14,165,749	17,000,000
School food services	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,380,000
Adult education	900,000	900,000	920,000	1,055,000	1,055,000	1,850,000
EduTech services, including school district antivirus licenses		2,474,003	2,540,348	2,652,348	2,722,348	5,104,699
School district information technology network costs		4,920,824 [3]	3,382,023 [3]	3,395,550 [3]	3,413,972 [3]	5,568,970 [3]
Total general fund - School-related funding	$549,707,188	$582,642,921	$615,454,419	$650,333,177	$724,202,948	$1,124,374,298
Percentage of total general fund appropriations	34.0%	33.4%	33.9%	32.5%	28.1%	34.6%

	1999-2001	2001-03	2003-05	2005-07	2007-09	2009-11
Special fund appropriations and revenue allocations - School-related funding						
State tuition fund distributions	$53,528,217	$67,239,025	$69,495,371	$71,600,000	$76,200,000	$86,300,000
Grants for adult education programs (displaced homemaker fund)	237,500	240,000	240,000	240,000	240,000	240,000
Total special funds - School-related funding	$53,765,717	$67,479,025	$69,735,371	$71,840,000	$76,440,000	$86,540,000
Total major school-related assistance to political subdivisions	$603,472,905	$650,121,946	$685,189,790	$722,173,177	$800,642,948	$1,210,914,298
Total general fund assistance to political subdivisions	$562,015,802	$605,216,330	$638,317,168	$673,457,284	$813,605,321	$1,162,313,897
Total special funds assistance	$314,609,362	$346,902,087	$371,879,654	$413,516,280	$487,726,406	$587,006,796
Total major direct assistance to political subdivisions	$876,625,164	$952,118,417	$1,010,196,822	$1,086,973,564	$1,301,331,727	$1,749,320,693

[1] Consists of $720,000 of state funding to providers for matching federal Title III funds and $1,262,945 for senior mill levy match for the 1999-2001 biennium and $720,000 of state funding to providers for matching Title III funds and $1,662,945 for senior mill levy match for the 2001-03 biennium. Of the 2001-03 biennium total, $1,412,945 is from the general fund and $250,000 is from the health care trust fund. The 2003-05 appropriation consists of $720,000 of state funding to providers for matching federal Title III funds and $1,662,945 for senior citizen mill levy match. 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 1997 Legislative Assembly appropriated an additional $619,000, for a total of $1,059,000 from the general fund, to reduce the impact on Indian counties of House Bill No. 1041, which provided for a "swap" of state and county human services financial responsibilities. For the 1999-2001 biennium, the Legislative Assembly appropriated $121,766 from the general fund and $1,654,654 of "retained" funds for a total of $1,776,420. For the 2001-03 biennium, the Legislative Assembly appropriated a total of $2,525,000, of which $456,993 is from the general fund and $2,068,007 is from "retained" funds.

[3] The Legislative Assembly provides funding from the general fund for the statewide information technology network connections for kindergarten through grade 12 and public libraries, net of an e-rate credit.

[4] The 1987 Legislative Assembly in 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 in 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.

[5] 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 will be deposited in the highway tax distribution fund and the public transportation fund will receive 1.5 percent of distributions from the highway tax distribution fund.

[6] Prior to the 2009-11 biennium, the gas tax allocation is based on the provisions that collections equivalent to one cent per gallon is allocated to townships and 37 percent of the money in the highway tax distribution fund is allocated to counties and cities. The 2009-11 amount is based on counties and cities receiving 34.5 percent of distributions from the highway tax distribution fund and townships receiving 2.7 percent of distributions from the fund. In addition, the one cent per gallon originally deposited in the township highway aid fund is deposited in the highway tax distribution fund.

[7] 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.

[8] The oil and gas gross production tax allocation is based on a formula which provides for a varying percentage of revenue to go to the producing county based on the total amount of production tax revenue generated by the county. Prior to the 2009-11 biennium, the total a county may receive is capped based on the population of the county. The 2009-11 amount is based on a formula which provides for a varying percentage of revenue to go to the producing county based on the total amount of production tax revenue generated by the county but is not restricted by the population of the county.

[9] 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.

[10] Based on the 2001-03 general fund appropriation, excluding state agency allotments.

[11] The 2009 Legislaitve Assembly provided in Senate Bill No. 2012 weather-related transportation cost-sharing funds to counties and cities ($41,400,000), townships ($10,000,000), and the public transportation fund ($1,000,000).

[12] 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.

[13] The 2009 Legislative Assembly provided in Senate Bill No. 2012, $43 million from the state disaster relief fund for emergency snow removal grants ($20,000,000) and funding for the local match needed to receive federal disaster relief funding ($23,000,000).

[14] The 2009 Legislative Assembly provided in House Bill No. 1305, $2,792,000 from the permanent oil tax trust fund for grants to local water supply projects in Burke, Divide, Mountrail, and Williams Counties.

[15] 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 is 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.

[16] 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.

[17] 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 is contingent on total funds available to the state for immunization services under the federal American Recovery and Reinvestment Act of 2009. The State Department of Health may spend the general fund money only to the extent that federal funds are not available to provide $1.2 million.

[18] 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.