2015-17 BIENNIUM REVENUE - MONTHLY SUMMARY

This memorandum provides a summary of general fund revenue; oil production, oil prices, and rig counts; and oil tax revenue collections and allocations. The first section compares actual and forecasted general fund revenue. The second section compares actual and forecasted oil production, oil prices, rig counts, and oil tax revenue allocations.

GENERAL FUND REVENUE

General Fund Revenue Collections

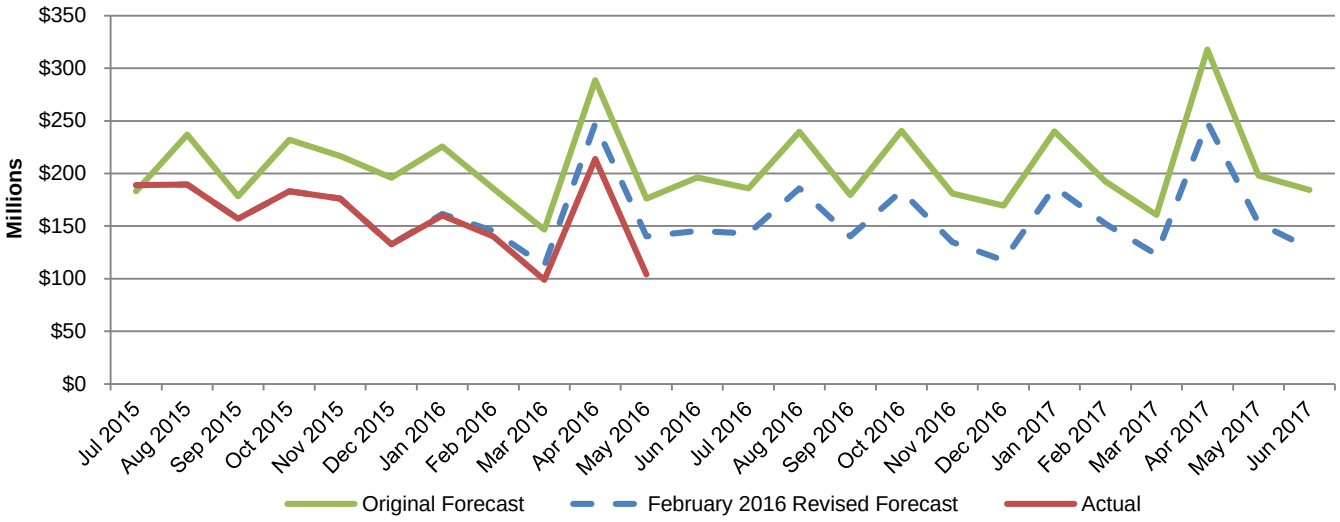
The schedule below provides a comparison of actual general fund revenue collections to the February 2016 revised forecast for the month of May 2016 and for the biennium-to-date.

	May 2016			Biennium-to-Date			
		Revised			Revised	Variance	
Category	Actual	Forecast[1]	Variance	Actual	Forecast[1]	Amount	Percentage
Ongoing Revenue							
Sales and use taxes	**$73,373,210**	$100,890,000	($27,516,790)	**$863,789,792**	$967,663,000	($103,873,208)	(10.7%)
Motor vehicle excise tax	**7,879,385**	11,098,000	(3,218,615)	**99,096,639**	106,343,000	(7,246,361)	(6.8%)
Individual income tax	**(1,424,944)**	6,449,000	(7,873,944)	**337,354,088**	334,998,000	2,356,088	0.7%
Corporate income tax	**4,154,429**	2,727,000	1,427,429	**81,701,176**	72,854,000	8,847,176	12.1%
Insurance premium tax	**11,286,150**	10,526,010	760,140	**53,001,959**	44,763,182	8,238,777	18.4%
Financial institutions tax	**212**	0	212	**324,145**	244,614	79,531	32.5%
Gross production tax	**0**	0	0	**83,379,177**	83,379,177	0	0.0%
Oil extraction tax	**0**	0	0	**116,620,823**	116,620,823	0	0.0%
Gaming tax	**621,268**	609,220	12,048	**3,333,437**	3,310,397	23,040	0.7%
Cigarette and tobacco tax	**2,110,287**	2,543,000	(432,713)	**26,537,523**	27,683,051	(1,145,528)	(4.1%)
Wholesale liquor tax	**730,861**	815,000	(84,139)	**8,258,323**	8,399,136	(140,813)	(1.7%)
Coal conversion tax	**1,719,693**	1,816,000	(96,307)	**18,631,802**	18,191,796	440,006	2.4%
Mineral leasing fees	**663,299**	819,488	(156,189)	**12,673,355**	12,439,877	233,478	1.9%
Departmental collections	**2,615,775**	1,791,224	824,551	**37,138,765**	34,990,325	2,148,440	6.1%
Interest income	**235,343**	278,973	(43,630)	**2,426,779**	2,512,657	(85,878)	(3.4%)
Total ongoing revenue	**$103,964,968**	$140,362,915	($36,397,947)	**$1,744,267,783**	$1,834,393,035	($90,125,252)	(4.9%)
Transfers							
Lottery	**$0**	$0	$0	**$0**	$0	$0	N/A
State Mill profits - Transfer	**0**	0	0	**0**	0	0	N/A
Major special funds - Transfer	**0**	0	0	**657,000,000**	657,000,000	0	0.0%
Other transfers	**785**	0	785	**1,091,154**	1,080,452	10,702	1.0%
Total transfers	**$785**	$0	$785	**$658,091,154**	$658,080,452	$10,702	0.0%
Total revenue	**$103,965,753**	$140,362,915	($36,397,162)	**$2,402,358,937**	$2,492,473,487	($90,114,550)	(3.6%)

[1]The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the February 2016 revised revenue forecast for general fund revenue. The amounts shown for the gross production tax and the oil extraction tax forecast have been revised to reflect the actual allocations, because the allocations are limited to $300 million per biennium.

Ongoing General Fund Revenue

The chart and schedule below provide a comparison of actual ongoing general fund revenue collections to the original May 2015 legislative forecast and to the February 2016 revised forecast.



	Actual	Original Forecast		February 2016 Revised Forecast		
		Amount	Variance	Amount	Variance	Percentage
July 2015	**$188,734,824**	$183,033,628	$5,701,196	$188,734,824	$0	0.0%
August 2015	**189,384,797**	236,832,276	(47,447,479)	189,384,797	0	0.0%
September 2015	**157,073,450**	178,391,640	(21,318,190)	157,073,450	0	0.0%
October 2015	**183,024,353**	231,971,867	(48,947,514)	183,024,353	0	0.0%
November 2015	**176,252,034**	216,577,498	(40,325,464)	176,252,034	0	0.0%
December 2015	**132,744,702**	195,939,463	(63,194,761)	132,744,702	0	0.0%
January 2016	**160,052,256**	225,566,423	(65,514,167)	161,476,651	(1,424,395)	(0.9%)
February 2016	**140,320,653**	185,977,626	(45,656,973)	145,387,626	(5,066,973)	(3.5%)
March 2016	**98,779,370**	146,555,768	(47,776,398)	112,599,768	(13,820,398)	(12.3%)
April 2016	**213,936,376**	288,703,915	(74,767,539)	247,351,915	(33,415,539)	(13.5%)
May 2016	**103,964,968**	175,987,915	(72,022,947)	140,362,915	(36,397,947)	(25.9%)
Biennium-to-date	**$1,744,267,783**	$2,265,538,019	($521,270,236)	$1,834,393,035	($90,125,252)	(4.9%)

OIL TAX REVENUE ALLOCATIONS

Oil Production, Oil Prices, and Rig Counts

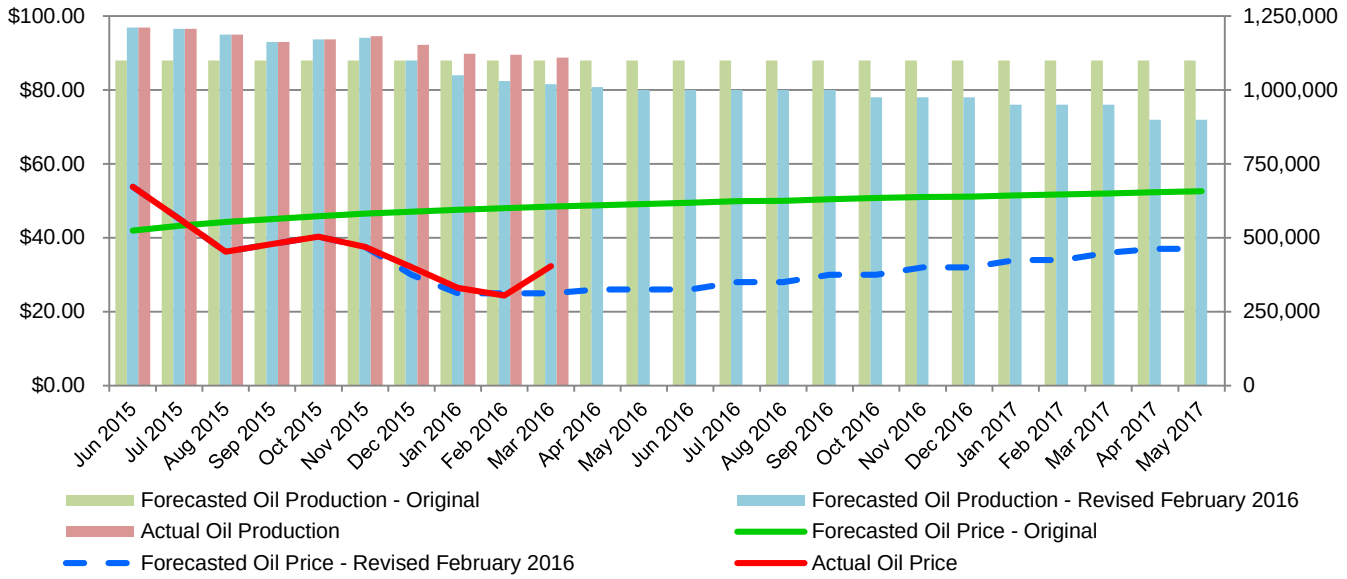
The schedule below provides a comparison of actual to forecasted amounts for oil production, oil prices, and rig counts for March 2016 and for the biennium-to-date. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil price and production are reported from June 2015 to May 2017.

	March 2016	Biennium-to-Date Average
Average daily production of oil in barrels		
Actual	1,109,246	1,162,452
Revised forecast[1]	1,020,000	1,131,555
Average daily oil price		
Actual - Flint Hills Resources (FHR)	$26.62	$30.69
Actual - West Texas Intermediate (WTI)	$37.96	$42.60
Actual - Average of FHR and WTI	$32.29	$36.65
Revised forecast[1]	$25.00	$35.63
Average daily rig counts		
Actual	32	62
Revised forecast (Unofficial - Reflects a decrease to 35 drilling rigs by the end of the first year and an increase from 35 to 50 drilling rigs for the second year)	35	62

[1]The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the February 2016 revised revenue forecast for oil tax revenue.

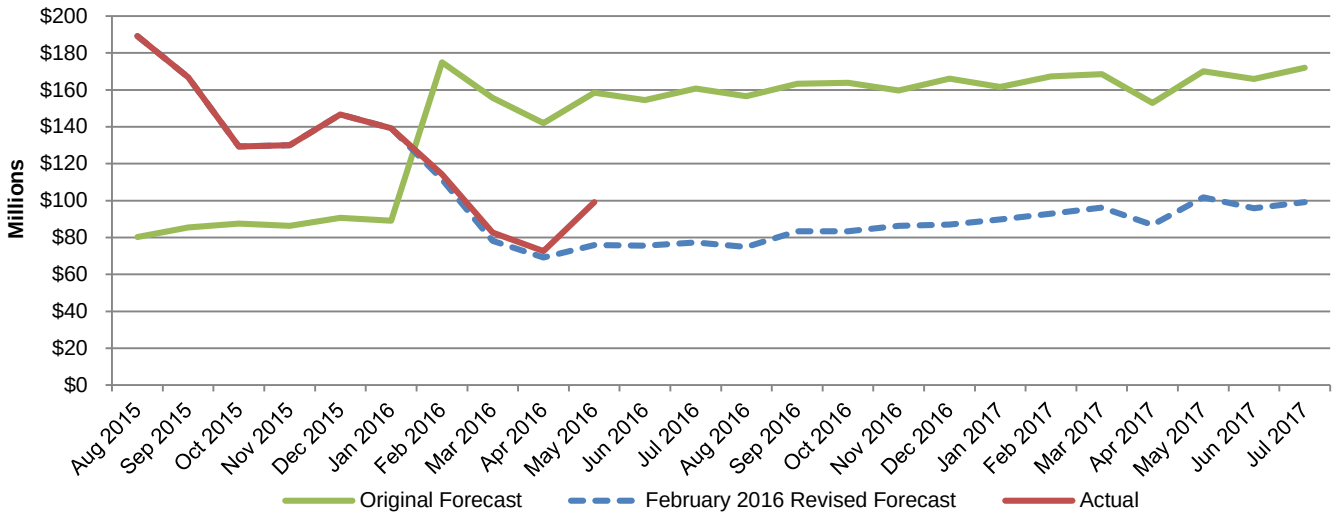
Oil Production and Prices

The chart below provides information on oil production and oil prices for the biennium-to-date. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil price and production are reported from June 2015 to May 2017. **The amounts shown for the actual oil price reflect the average of the FHR price and the WTI price.**



Oil Tax Revenue Collections

The chart and schedule below provide a comparison of actual to forecasted oil tax revenue collections for the biennium-to-date.



		Original Forecast		February 2016 Revised Forecast		
	Actual	**Amount**	**Variance**	**Amount**	**Variance**	**Percentage**
August 2015	**$189,128,527**	$80,330,580	$108,797,947	$189,128,527	$0	0.0%
September 2015	**166,733,048**	85,500,294	81,232,754	166,733,048	0	0.0%
October 2015	**129,281,384**	87,557,206	41,724,178	129,281,384	0	0.0%
November 2015	**130,038,372**	86,283,120	43,755,252	130,038,372	0	0.0%
December 2015	**146,746,620**	90,583,240	56,163,380	146,746,620	0	0.0%
January 2016	**139,202,168**	89,039,280	50,162,888	139,202,168	0	0.0%
February 2016	**114,171,236**	174,991,652	(60,820,416)	111,507,000	2,664,236	2.4%
March 2016	**82,627,992**	155,757,888	(73,129,896)	78,120,000	4,507,992	5.8%
April 2016	**72,580,606**	141,985,536	(69,404,930)	69,216,000	3,364,606	4.9%
May 2016	**99,139,519**	158,442,240	(59,302,721)	75,888,000	23,251,519	30.6%
Biennium-to-date	**$1,269,649,472**	$1,150,471,036	$119,178,436	$1,235,861,119	$33,788,353	2.7%

Oil Tax Revenue Allocations

The schedule below provides a comparison of actual to forecasted oil tax revenue allocations for the period August 2015 through May 2016. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil tax revenue allocations are reported from August 2015 to July 2017, and oil price and production are reported from June 2015 to May 2017. The amounts shown for the 2015-17 biennium forecast reflect the February 2016 revised revenue forecast.

	2015-17 Biennium-to-Date		Variance	
	Actual	**Forecast**	**Amount**	**Percentage**
Legacy fund	**$352,656,671**	$342,498,025	$10,158,646	3.0%
Three Affiliated Tribes	**94,126,697**	94,200,493	(73,796)	(0.1%)
Oil and gas research fund	**9,605,901**	8,554,641	1,051,260	12.3%
Oil and gas impact grant fund	**25,550,287**	22,009,062	3,541,225	16.1%
Political subdivisions	**233,115,382**	223,244,475	9,870,907	4.4%
Abandoned well reclamation fund	**4,351,556**	3,476,266	875,290	25.2%
North Dakota outdoor heritage fund	**8,052,899**	6,302,321	1,750,578	27.8%
Foundation aid stabilization fund	**53,736,507**	53,651,241	85,266	0.2%
Common schools trust fund	**53,736,507**	53,651,241	85,266	0.2%
Resources trust fund	**107,473,014**	107,302,482	170,532	0.2%
General fund	**200,000,000**	200,000,000	0	0.0%
Tax relief fund	**127,243,518**	120,970,339	6,273,179	5.2%
Strategic investment and improvements fund	**533**	533	0	0.0%
Political subdivision allocation fund	**0**	0	0	N/A
State disaster relief fund	**0**	0	0	N/A
Total oil and gas tax revenue allocations	**$1,269,649,472**	$1,235,861,119	$33,788,353	2.7%