

GENERAL FUND APPROPRIATIONS - MAJOR CHANGES AND KEY RECOMMENDATIONS

The following schedule compares general fund appropriations recommended in the 2005-07 executive budget to the 2003-05 appropriations approved by the 2003 Legislative Assembly and lists major changes:

	2003-05 Original Legislative Appropriations	Increase (Decrease) From 2003-05	2005-07 Executive Budget
General fund appropriations	\$1,803,661,161	\$203,340,108	\$2,007,001,269
Major changes include:			
Recommended salary and fringe benefits increase		\$23,851,554	
Department of Human Services		72,507,377	
Department of Public Instruction		29,188,237	
Higher education		26,696,649	
Department of Corrections and Rehabilitation		16,043,659	
Judicial branch		9,507,889	
State Water Commission		(7,402,320)	
Adjutant General		7,016,783	
Other net changes		25,930,280	
Total		\$203,340,108	

Major changes and key recommendations affecting 2005-07 general fund appropriations include:

- **Recommended salary and fringe benefits increase - \$23,851,554.** The executive budget recommends funding for state employee salary increases of 4 percent effective July 1, 2005, and 3 percent effective July 1, 2006. Agencies are authorized to provide an additional 1 percent increase on July 1, 2006, if funds can be generated through efficiencies in the budget. The general fund portion of the executive budget salary and fringe benefits increase package is \$23.9 million. See "State Employees" section for additional information on state employee salary increases.
- **Department of Human Services - \$72,507,377.** The executive budget increases the general fund share of medical assistance payments by \$32 million due to the reduction in the federal medical assistance percentage (FMAP), provides \$16.2 million for an anticipated caseload and utilization increase of the department's programs, adds \$12.2 million for funding increases required by statute for nursing and basic care facilities, adds \$6.1 million to allow a 2 percent annual inflationary increase for the department's other service providers, and adds \$3.7 million to rewrite the department's Medicaid management information computer system. See "Human Services" section for additional information.
- **Department of Public Instruction - \$29,188,237.** The executive budget provides a general fund appropriation of \$512,153,759 for state school aid, an increase of \$22,773,769 from the 2003-05 legislative appropriation of \$489,379,990 and provides a general fund appropriation of \$7.5 million for revenue supplemental payments, an increase of \$2.5 million from the 2003-05 legislative appropriation of \$5 million. The executive budget recommends increasing funding from the general fund for special education by \$2,601,305 from \$49,898,695 to \$52.5 million and provides funding of \$2 million from the general fund for joint powers agreement incentives. See "Elementary Education" section for additional information.
- **Higher education - \$26,696,649.** For higher education, the executive budget increases funding for campus operations by approximately \$24.8 million and provides a \$2 million general fund appropriation for a student financial assistance grant child care component.

- **Department of Corrections and Rehabilitation - \$16,043,659.** The executive budget increases funding from the general fund as follows:
 - \$2.2 million of additional funding for housing female inmates at the Dakota Women's Correctional Rehabilitation Center in New England.
 - \$1 million for a salary equity pool.
 - \$1.9 million of additional funding for housing male inmates.
 - \$3 million of additional funding for the department's bond payments for the 2005-07 biennium.
 - \$1.5 million of increased funding for the Tompkins Rehabilitation and Correction Center in Jamestown.
 - \$1.3 million for 31.10 new full-time equivalent (FTE) positions.
 - \$900,000 for male inmate transition beds.
 - \$1.1 million for transition centers.
 - \$500,000 for the Division of Juvenile Services intensive in-home program to replace federal funds no longer available.
- **Judicial branch - \$9,507,889.** The executive budget increases funding from the general fund for indigent defense costs by \$5.7 million, increases operating expenses by \$1.6 million, and provides \$800,000 for a 5.78 percent and 4 percent salary increase for justices and judges, and \$1.1 million for the judicial branch salary schedule, including funding for continuing step increases.
- **State Water Commission - (\$7,402,320).** The executive budget provides funding from the general fund for the administrative and support services program of \$2,036,357. The 2003-05 biennium legislative appropriation provided \$9.4 million from the general fund for administrative expenses, including the administrative expenses of the water and atmospheric resources program. Section 15 of Senate Bill No. 2022 (2003) provided for a corresponding transfer of \$10,070,373 from the water development trust fund to the general fund during the 2003-05 biennium. The 2005-07 executive budget recommendation does not provide for a corresponding transfer from the water development trust fund to the general fund.
- **Adjutant General - \$7,016,783.** The executive budget increases funding from the general fund for the tuition assistance program by \$1 million from \$1,007,500 to \$2,007,500 and provides \$5 million from the general fund for bonus payments to qualifying National Guard, reservists, and active duty North Dakota military personnel.