



North Dakota Legislative Council

Prepared by the Legislative Council staff
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SUMMARY OF THE STATE BUDGET - TENTATIVE FINAL APRIL 29, 2021

GENERAL FUND STATUS

	2021-23 Base Level	2021-23 Budget	Increase (Decrease)
Estimated beginning balance ¹	\$560,493,085	\$710,259,973	\$149,766,888
Estimated ongoing general fund revenues ¹	3,947,799,857	3,936,281,995	(11,517,862)
Estimated one-time general fund revenues	0	410,000,000	410,000,000
Total available	\$4,508,292,942	\$5,056,541,968	\$548,249,026
Less:			
Ongoing general fund appropriations ²	4,794,924,098	4,878,856,119	83,932,021
One-time general fund appropriations ²	0	114,101,131	114,101,131
Estimated ending balance	(\$286,631,156)	\$63,584,718	\$350,215,874

¹The 2021-23 base level amounts shown for the beginning balance and general fund revenues reflect the January 2021 legislative base revenue forecast.

²The executive budget, as proposed by Governor Burgum, recommended \$4,733,915,909 in ongoing general fund appropriations and \$101,754,458 in one-time general fund appropriations.

TOTAL STATE BUDGET - 2019-21 AND 2021-23 BIENNIUMS

	2019-21 Biennium ¹	2021-23 Biennium	Increase (Decrease)	
			Amount	Percent
General fund appropriations	\$4,843,563,166	\$4,992,957,330	\$149,394,164	3.1%
Estimated income	9,847,034,571	11,943,388,235	2,096,353,664	21.3%
Total all funds appropriations	\$14,690,597,737	\$16,936,345,565	\$2,245,747,828	15.3%

¹The 2019-21 biennium amounts do not reflect Emergency Commission action nor deficiency appropriations approved by the 67th Legislative Assembly.

²The 2021-23 biennium estimated income amount includes \$2,063,552,784 of federal coronavirus-related funding, and \$680,000,000 of bonding authority.

MAJOR SPECIAL FUNDS STATUS - 2021-23 BIENNIUM

Appropriations and transfers for the 2021-23 biennium from the **strategic investment and improvements fund** total \$531.1 million and include:

- **\$29 million** to the Department of Commerce for the unmanned aircraft systems program and other grant programs;
- **\$30 million** for fuel production facility loan guarantees;
- **\$19 million** to the North Dakota University System capital building fund for the 3-tier capital building fund program;
- **\$410 million** transfer to the general fund.

Appropriations and transfers for the 2021-23 biennium from the **foundation aid stabilization fund** total \$143.5 million, all of which is appropriated to the Department of Public Instruction for state school aid.

The **budget stabilization fund** is estimated to have a July 1, 2021, balance of **\$748.9 million**.

MAJOR 2021-23 BIENNIUM GENERAL FUND APPROPRIATION ADJUSTMENTS

Agency/Item	2021-23 General Fund Adjustment	
	Amount ¹	Percent
Department of Human Services ²	\$118,651,701	8.1%
Higher education ³	49,085,721	7.6%
Clean sustainable energy authority ⁴	25,000,000	N/A
Agriculture Commissioner ⁵	13,259,283	123.9%
Information Technology Department ⁶	11,810,642	68.8%
Tax Commissioner ⁷	10,169,700	18.8%
Agriculture diversification and development ⁸	10,000,000	N/A
Housing Finance Agency ⁹	9,500,000	N/A
Department of Public Instruction ¹⁰	(62,764,264)	(3.6%)
Department of Corrections and Rehabilitation ¹¹	(10,121,017)	(4.4%)
Highway Patrol ¹²	(7,885,813)	(17.8%)
Other agencies	31,327,279	5.1%
Total	\$198,033,232	4.1%

¹Adjustments are from the 2021-23 base level.

²The Department of Human Services increase includes inflationary increases of \$19.6 million, increases in the substance use disorder voucher and grant programs of \$9 million, and grant cost and caseload changes of \$124.3 million.

³The higher education increase includes \$11.15 million for challenge grants, \$8.9 million for institution compensation adjustments, \$15.3 million for funding formula adjustments, \$8.4 million for bond payments, and \$4.2 million for academic and career and technical education scholarships.

⁴House Bill No. 1452 provides for a transfer of \$25 million from the general fund to the clean sustainable energy fund.

⁵The Agriculture Commissioner increase includes a \$5.5 million transfer to the bioscience innovation grant fund and a \$5 million transfer to the federal environmental law impact review fund.

⁶The Information Technology Department increase includes \$11.2 million for cybersecurity.

⁷The Tax Commissioner increase includes \$2.2 million for the homestead tax credit and \$7.9 million for the disabled veterans' tax credit.

⁸House Bill No. 1475 provides for a transfer of \$10 million to the agriculture diversification and development fund.

⁹The Housing Finance Agency increase includes a transfer of \$9.5 million to the housing incentive fund.

¹⁰The Department of Public Instruction decrease is due to primarily to increased distributions from the common schools trust fund made available for state school aid (\$55.3 million); an increase in the funding appropriated from the foundation aid stabilization fund for state school aid (\$33.5 million); and a funding shift for program and passthrough grants to special funds made available by continuing 2019-21 biennium unexpended funding for state school aid (\$10.2 million). These reductions in funding from the general fund are offset primarily by increases in appropriations for state school aid (\$33.6 million); special education (\$3 million); and transportation (\$1.6 million).

¹¹The Department of Corrections and Rehabilitation decrease includes a funding source adjustment of \$18.4 million for law enforcement salaries from the general fund to federal funds from the federal Coronavirus Relief Fund.

¹²The Highway Patrol decrease includes a funding source adjustment of \$7 million for law enforcement salaries from the general fund to federal funds from the federal Coronavirus Relief Fund.

MAJOR STATE FUNDING FOR INFRASTRUCTURE

		Total
Water projects		
Resources trust fund	\$360,685,806	
Bond proceeds	435,500,000	
Bank of North Dakota line of credit	50,000,000	
Total water projects		\$846,185,806
Transportation		
Bond proceeds	\$70,000,000	
2019-21 biennium general fund transfer to highway fund for highway projects	100,000,000	
Township grants	20,000,000	
Highway infrastructure improvements	319,450,000	
Total transportation		509,450,000
Total airport grants		26,705,000
Total		\$1,382,340,806

FEDERAL COVID-19 FUNDING

		Total
Federal Coronavirus Relief Fund - 2019-21 biennium appropriations		
Information Technology Department (House Bill No. 1395; Senate Bill No. 2021)	\$68,368,226	
State Treasurer - Allocations to political subdivisions (House Bill No. 1395)	123,280,256	
Department of Public Instruction (House Bill No. 1395)	64,566,217	
Higher education (House Bill No. 1395)	61,536,354	
State Department of Health (House Bill No. 1395)	101,573,769	
Department of Human Services (House Bill No. 1012; House Bill No. 1395)	64,762,612	
Job Service North Dakota (House Bill No. 1395)	370,953,307	
Industrial Commission (House Bill No. 1395)	71,476,513	
Bank of North Dakota (House Bill No. 1395)	68,677,183	
Highway Patrol (House Bill No. 1395; Senate Bill No. 2011)	30,108,003	
Department of Corrections and Rehabilitation (Senate Bill No. 2015)	62,060,768	
Department of Commerce (House Bill No. 1395; Senate Bill No. 2018)	94,179,000	
Department of Transportation (House Bill No. 1395)	14,670,106	
Other agencies (House Bill No. 1013; House Bill No. 1395)	54,283,533	
Total federal Coronavirus Relief Fund¹		\$1,250,495,847
American Rescue Plan (House Bill No. 1395) - Federally specified programs		
State Treasurer - Local Fiscal Relief Fund ²	\$50,160,000	
Department of Public Instruction	320,050,480	
State Department of Health	87,290,597	
Department of Human Services	241,689,840	
Department of Commerce	56,234,176	
Department of Transportation	318,609,357	
Other agencies	5,113,659	
Total American Rescue Plan		\$1,079,148,109
American Rescue Plan - Federal Coronavirus Capital Projects Fund		
Department of Public Instruction (House Bill No. 1015)	\$5,900,000	
University of North Dakota (House Bill No. 1015)	5,000,000	
Dickinson State University (House Bill No. 1015)	4,000,000	
Department of Career and Technical Education (House Bill No. 1015)	70,000,000	
State Historical Society (House Bill No. 1018)	4,200,000	
Parks and Recreation Department (House Bill No. 1019)	11,716,400	
Other agencies (House Bill No. 1015; Senate Bill No. 2245)	5,657,600	
Total federal Coronavirus Capital Projects Fund³		\$106,474,000
Other federal COVID-19 funding (House Bill No. 1394) - Federally specified programs ⁴		
Department of Public Instruction	\$162,262,933	
State Department of Health	173,532,232	
Department of Human Services	309,085,495	
Adjutant General	148,666,667	
Department of Transportation	61,700,060	
Other agencies	22,683,288	
Total other federal COVID-19 funding		\$877,930,675
Total federal COVID-19 funding⁵		\$3,314,048,631

¹Total Coronavirus Relief Fund funding includes interest earned on moneys in the fund.

²The total estimated available funding from the federal Local Fiscal Relief Fund is \$239,119,243. The 2021 Legislative Assembly appropriated \$50,160,000 of this funding, resulting in an estimated \$188,959,243 available for future appropriations.

³The total estimated available funding from the federal Coronavirus Capital Projects Fund is \$112,473,563. The 2021 Legislative Assembly appropriated \$106,474,000 of this funding, resulting in an estimated \$5,999,563 available for future appropriations.

⁴Federal COVID-19 funding appropriated in House Bill No. 1394 is primarily related to funds available through H.R. 133 of the 116th Congress, also known as the Consolidated Appropriations Act of 2021, which includes the Coronavirus Response and Relief Supplemental Appropriations Act.

⁵The 2021 Legislative Assembly did not appropriate funding from the federal State Fiscal Relief Fund. The estimated amount available from the fund is \$1,010,880,757.

OIL AND GAS TAX FORMULA ALLOCATIONS

Major changes to the oil and gas tax allocation formulas, as approved by the 2021 Legislative Assembly in House Bill No. 1015 and Senate Bill Nos. 2014, 2249, and 2319, include:

- **House Bill No. 1015** - Increases the allocation limit for the state disaster relief fund by \$5 million and aligns the allocations to the municipal infrastructure fund and the county and township infrastructure fund to provide allocations to the two funds at the same time after the initial allocation to the strategic investment and improvements fund.
- **Senate Bill No. 2014** - Limits the allocations to the North Dakota outdoor heritage fund to \$7.5 million per fiscal year for the 2021-23 biennium and allocates an additional \$4.5 million to the oil and gas research fund for the 2021-23 biennium.
- **Senate Bill No. 2249** - Increases the allocation limit for the state disaster relief fund by \$5 million, the same as House Bill No. 1015.
- **Senate Bill No. 2319** - Allocates a portion of the oil and gas tax revenue collected from oil wells that cross into a reservation to the tribes decreasing the state's share of oil and gas tax revenues.

LEGACY FUND

Major changes to the legacy fund and legacy fund earnings, as approved by the 2021 Legislative Assembly in House Bill Nos. 1380 and 1425, include:

- **House Bill No. 1380** - Establishes a percent of market value calculation to determine the amount of legacy fund earnings available for spending each biennium and creates a legacy earnings fund. The percent of market value is based on 7 percent of the 5-year average of legacy fund assets. The earnings available for spending would be transferred to special funds and other purposes designated by the Legislative Assembly.
- **House Bill No. 1425** - Designates a portion of the legacy fund investments to in-state fixed income investments and in-state equity investments.