

LARGEST VARIANCES BY AGENCY - 2017-19 BIENNIUM - FEDERAL FUNDS APPROPRIATED AND FEDERAL FUNDS ESTIMATED TO BE RECEIVED

	Agency	2017-19 Biennium Federal Funds Appropriated	2017-19 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Adjutant General	\$162,491,836	\$107,747,260	(\$54,744,576)	The variance primarily is attributable to decreases for Air and Army Guard contracts (\$50.6 million), Hazard Mitigation grants (\$4.9 million), and Emergency Management Performance grants (\$3.1 million), and an estimated increase in Disaster Assistance - Public Assistance grants (\$5.8 million). The Air and Army National Guard variance primarily is related to the timing of completion of the Fargo Readiness Center, which will not be completed until the 2019-21 biennium. The hazard mitigation and disaster assistance variances relate to timing of completion of the Federal Emergency Management Agency approved projects to county and local governments. Federal spending authority for the Adjutant General is appropriated in excess of the required disaster amount, in order to plan for additional or unforeseen disaster or hazard mitigation projects during the biennium. The decrease in Emergency Management Performance grants relate to decreases in the availability of federal funds.
2	Department of Human Services	\$2,270,114,265	\$2,240,986,421	(\$29,127,844)	The variance primarily is attributable to decreases for food stamp electronic benefit transfer (EBT) benefits (\$16.4 million), low-income home energy assistance program (\$6.0 million), temporary assistance for needy families (TANF) block grant (\$3.2 million), vocational rehabilitation basic support (\$3.0 million), and mental health block grant (\$3.0 million) and an increase in children's health insurance program (\$5.5 million). The low-income home energy assistance program variance is due to lower than budgeted heating costs. The mental health block grant variance is due to the department not applying for a System for Care grant due to insufficient matching funds available. The remaining variances are due to lower than anticipated caseload and costs per case.
3	Department of Public Instruction	\$288,306,970	\$304,725,129	\$16,418,159	The variance primarily is attributable to estimated increases in Striving Readers grants (\$18.0 million) and Title I, Part A grants (\$6.0 million) and estimated decreases in Child and Adult Care Food Program grants (\$4.5 million) and Assessing Achievement grants (\$4.0 million). The Striving Readers grant is a new program the department previously had not applied for which provides grants to promote advanced literacy skills for students from birth through grade 12. In November 2017, the Emergency Commission and Budget Section authorized the department to accept and spend the Striving Readers grant. The remaining variances are primarily related to fluctuations in state allocations for certain federal grants ending in the 2017-19 biennium.
4	State Water Commission	\$27,442,424	\$14,190,996	(\$13,251,428)	The variance primarily is attributable to estimated decreases for the Northwest Area Water Supply (\$8.2 million), Map Modernization Program (\$3.4 million), and Federal-State Cooperative Program in Atmospheric Modification Research (\$1.5 million). Federal funds for the Northwest Area Water Supply Project were not received due to a court-ordered injunction to suspend the project. The Map Modernization Program variance is due to project funding being continued into the 2019-21 biennium. The State Water Commission was not awarded federal funding for the Atmospheric Modification Research program during the 2017-19 biennium.
5	Job Service North Dakota	\$53,851,918	\$63,766,298	\$9,914,380	The variance primarily is attributable to carryover funding from the 2015-17 biennium being higher than anticipated. Carryover funding from the 2015-17 biennium includes \$4.1 million of Wagner Peyser funds, \$2.2 million of Workforce Innovation and Opportunity Act funds, and \$2.9 million of unemployment insurance funds. Of the \$2.9 million of unemployment insurance funds, \$1.1 million was additional funding provided from the United States Department of Labor (USDOL) to participate in a consortium with Idaho and Vermont for an Internet Unemployment System (IUS). Job Service North Dakota anticipates receiving an additional \$5.6 million during the 2019-21 and 2021-23 bienniums for the implementation of the IUS for a total of \$6.7 million from USDOL.

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6	Attorney General	\$9,707,450	\$18,410,361	\$8,702,911	The variance primarily is attributable to additional Emergency Federal Law Enforcement Assistance program funding of \$10 million provided to the Attorney General in October 2017 for costs related to the unlawful activity associated with the construction of the Dakota Access Pipeline. The Attorney General anticipates funding decreases for certain federal grants, including a \$927,000 decrease in federal funding available for Drug Control and System Improvement and Justice Assistance due to additional Department of Justice restrictions related to sanctuary cities and reporting illegal aliens.
7	Game and Fish Department	\$38,222,467	\$33,943,095	(\$4,279,372)	The variance primarily is attributable to an anticipated decrease of \$3.7 million in Wildlife Restoration funding. The funding is provided on a reimbursement basis as projects are completed. The department anticipates funding to continue into the 2019-21 biennium to complete Wildlife Restoration projects originally estimated to be completed during the 2017-19 biennium.
8	Upper Great Plains Transportation Institute	\$12,478,218	\$8,787,023	(\$3,691,195)	The variance primarily is attributable to lower than anticipated funding being received. The Upper Great Plains Transportation Institute was only awarded one Small Urban and Rural Transit Center grant, resulting in federal funding of \$1.1 million, \$1.3 million less than estimated. The Upper Great Plains Transportation Institute also submitted a grant proposal of \$2 million for an Advanced Transportation and Congestion Management grant that was not accepted.
9	Department of Commerce	\$48,361,630	\$45,329,212	(\$3,032,418)	The variance primarily is attributable to anticipated decreases in the HOME Investment Partnership Program (\$1.4 million) and Community Development Block Grant - State's Program (\$518,000) due to decreases in federal funds available for the programs.
10	Secretary of State	\$0	\$3,000,000	\$3,000,000	In July 2018, the Secretary of State received Help America Vote Act of 2002 funding of \$3 million to improve the administration of elections. The Secretary of State did not anticipate receiving this funding and will request approval from the Emergency Commission and Budget Section to accept the funds during the 2017-19 biennium but not spend the funds until the 2019-21 biennium.

**LARGEST VARIANCES BY AGENCY - FEDERAL FUNDS ESTIMATED
TO BE RECEIVED FOR THE 2019-21 BIENNIUM COMPARED TO THE 2017-19 BIENNIUM**

	Agency	2017-19 Biennium Federal Funds Estimated to Be Received	2019-21 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Department of Transportation	\$673,400,000	\$702,500,000	\$36,100,000	The variance primarily is attributable to estimated increases in federal highway funds distributed to states based on a formula of available federal funds. The increase primarily is due to estimated increases in Federal Highway Administration funding (\$35.4 million) and Federal Transit funding (\$5.0 million). There is an estimated decrease in Federal Rail funding (\$4.3 million).
2	Adjutant General	\$107,747,260	\$124,900,923	\$17,153,663	The variance primarily is attributable to estimated increases in Air and Army Guard contracts (\$40.0 million), Pre-Disaster Mitigation grants (\$6.9 million), and Flood Mitigation Assistance (\$5.1 million) and estimated decreases in Disaster Assistance - Public Assistance (\$25.7 million) and Hazard Mitigation grants (\$11.1 million). The Air and Army Guard contract variance is due to expenditures related to the completion of the Fargo Readiness Center during the 2019-21 biennium. The Adjutant General anticipates additional federal funding will be available to political subdivisions for Flood Mitigation Assistance during the 2019-21 biennium. The hazard mitigation and disaster assistance variances relate to timing of completion of the Federal Emergency Management Agency approved projects to county and local governments.
3	State Water Commission	\$14,190,996	\$29,779,788	\$15,588,792	The variance primarily is attributable to estimated increases of \$12.2 million for the Northwest Area Water Supply Project and \$3.4 million for the Map Modernization program. The injunction to suspend the Northwest Area Water Supply Project was removed during the 2017-19 biennium. Construction on the project is anticipated to resume during the 2019-21 biennium. The Map Modernization program variance is due to project funding being continued into the 2019-21 biennium.
4	State Department of Health	\$89,601,124	\$100,849,204	\$11,248,080	The variance primarily is attributable to estimated increases for the Center for Disease Control and Prevention (CDC) diabetes, hypertension, and stroke prevention programs (\$3.9 million), Ryan White HIV/AIDS Program (\$2.1 million), CDC State Physical Activity and Nutrition Plan (\$1.8 million), Public Health Emergency Preparedness (\$1.3 million), and CDC State Actions to Improve Oral Health Outcomes (\$1.1 million). The Ryan White HIV/AIDS Program variance is due to an increase in HIV caseload in North Dakota and corresponding Ryan White Telemedicine Grant funding. The Public Health Emergency Preparedness variance is due to an increase in federal funding available for emergency preparedness activities. The remaining variances are due to additional federal funding being allocated to each state for CDC programs.
5	Job Service North Dakota	\$63,766,298	\$69,899,236	\$6,132,938	The variance primarily is related to increased unemployment insurance funding for the implementation of IUS. In October 2017, Job Service North Dakota entered a three-state consortium with Idaho and Vermont for the IUS. Job Service North Dakota anticipates having additional carryover of \$2.8 million from prior bienniums for the IUS and anticipates receiving \$2.1 million of additional funding from the USDOL related to the consortium.
6	Attorney General	\$18,410,361	\$12,352,587	(\$6,057,774)	During the 2017-19 biennium, the Attorney General received additional Emergency Federal Law Enforcement Assistance program funding of \$10 million for costs related to the unlawful activity associated with the construction of the Dakota Access Pipeline. The Attorney General does not anticipate receiving similar funding during the 2019-21 biennium. The Attorney General also anticipates funding increases for certain federal grants, including a \$1.5 million increase in federal funding available for Drug Control and System Improvement and Justice Assistance due to a Department of Justice certified condition for sanctuary cities and reporting illegal aliens imposed during the 2017-19 biennium.

	Agency	2017-19 Biennium Federal Funds Estimated to Be Received	2019-21 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
7	Department of Human Services	\$2,240,986,421	\$2,245,303,889	\$4,317,468	The variance primarily is attributable to estimated increases in Opioid State Target Response grants (\$8.0 million), Child Care Development Funds (\$3.1 million), and food stamp EBT benefits (\$2.8 million), and a decrease in Medicaid funding (\$10.4 million). The Opioid State Target Response grant is a new grant available to the department during the 2019-21 biennium. The Child Care Development Funds variance is due to additional federal funding available during the 2019-21 biennium. Of the total \$11.1 million of Child Care Development Fund grant funds, the department anticipates spending approximately 25 percent during the 2021-23 biennium. At least 70 percent of the funding must be spent on direct services. The food stamp EBT benefits variance is due to an anticipated increase in caseload participants compared to the 2017-19 biennium. The Medicaid variance is due to caseload and cost projects, as well as the federal medical assistance percentages for Medicaid Expansion decreasing from 94 to 90 percent in 2020.
8	Upper Great Plains Transportation Institute	\$8,787,023	\$12,107,862	\$3,320,839	The variance primarily is attributable to proposals for new grants the Upper Great Plains Transportation Institute anticipates submitting, including a Freight Platooning in Interstate Highways grant (\$2.5 million) and an Advanced Transportation and Congestion Management Technologies Deployment grant (\$4.4 million). The Upper Great Plains Transportation Institute also anticipates a decrease of \$3.1 million in United States Department of Transportation University Transportation Centers funding during the 2019-21 biennium because grant funding will not be disbursed until the fall of 2021.
9	Secretary of State	\$3,000,000	\$0	(\$3,000,000)	In July 2018, the Secretary of State received Help America Vote Act of 2002 funding of \$3 million to improve the administration of elections. The Secretary of State does not anticipate receiving additional Help America Vote Act of 2002 funding during the 2019-21 biennium.
10	Housing Finance Agency	\$30,134,700	\$32,896,600	\$2,761,900	The variance primarily is attributable to an anticipated increase in North Dakota fair market rents during the 2019-21 biennium, resulting in an estimated increase of \$2.5 million from the United States Department of Housing and Urban Development for Section 8 Program Contract Administration grants.