

**TEN LARGEST VARIANCES BY AGENCY - 2009-11 BIENNIUM -
FEDERAL FUNDS APPROPRIATED AND FEDERAL FUNDS ESTIMATED TO BE RECEIVED
EXCLUDING FEDERAL FISCAL STIMULUS FUNDS - AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)**

	Agency	2009-11 Biennium Federal Funds Appropriated	2009-11 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Adjutant General	\$184,233,579	\$307,483,158	\$123,249,579	The variance is primarily attributable to an estimated increase of \$123.2 million from the 2009-11 biennium appropriation of \$90.5 million in disaster relief funding from the Federal Emergency Management Agency. This increase includes funding for the 2009 flood disaster (\$63 million Emergency Commission request), damage caused by a severe winter storm during January 2010 (\$17.5 million Emergency Commission request), an April 2010 spring storm (\$28.4 million Emergency Commission request), and 2010 spring flooding (\$20.9 million Emergency Commission request).
2	Department of Transportation	\$603,500,000	\$709,933,600	\$106,433,600	<p>The variance is primarily attributable to an estimated increase of \$105.6 million from the 2009-11 biennium appropriation of \$578.4 million from the Federal Highway Administration, based on updated June 2010 estimates of federal highway construction funds available to North Dakota. The most recent federal transportation funding bill expired on September 30, 2009. Congress has yet to pass a new transportation bill. Currently, federal transportation funding is provided pursuant to a continuing resolution, and passage of a new transportation bill in the near future is uncertain at this time.</p> <p>The variance increase is also attributable to a public safety interoperable community grant program (\$108,100) and homeland security grant program (\$62,500). These two grants from the federal Department of Homeland Security were available through the state Department of Emergency Services to upgrade the radio network from analog to digital by January 2013. Homeland security grant program funding of \$660,000 was also received to implement additional security at driver's license testing sites.</p>
3	State Water Commission	\$54,940,358	\$24,437,447	(\$30,502,911)	The variance is primarily attributable to an estimated decrease of \$15.3 million from the 2009-11 biennium appropriation of \$30 million due to a decrease in funds available from the Department of the Interior for the Northwest Area Water Supply Project. A \$12.9 million variance decrease from the 2009-11 biennium appropriation of \$20 million is also estimated for the Southwest Pipeline Project, due to a decrease in funds available from the Department of the Interior for the project and because project funds are expected to continue into the 2011-13 biennium. Other estimated decreases from the 2009-11 biennium appropriation include not receiving a cooperative program in atmospheric modification research grant (\$1.5 million) and several projects under the cooperating technical partners grant that will continue to the 2011-13 biennium (\$784,864).
4	Department of Commerce	\$60,789,996	\$42,083,215	(\$18,706,781)	The variance is primarily attributable to grant awards being less than estimated for the low-income home energy assistance program (LIHEAP) (\$6.3 million), community development block grants (\$4.2 million), the HOME investment partnership program (\$3.5 million), weatherization assistance for low-income persons grants (\$2.65 million), and the state energy program (\$1.3 million).

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5	Department of Human Services	\$1,433,394,277	\$1,423,238,291	(\$10,155,986)	The variance is primarily attributable to grant awards being less than estimated for LIHEAP (\$14.5 million), temporary assistance for needy families (TANF) (\$9.8 million), the supplemental nutrition assistance program (SNAP) (\$9 million), the child care development fund (\$5 million), and child support enforcement (\$1.9 million). Also, there is a variance increase attributable to Medicaid (\$29.3 million) due to actual caseload being more than anticipated.
6	Upper Great Plains Transportation Institute	\$16,203,314	\$11,340,984	(\$4,862,330)	The variance is primarily attributable to an estimated decrease of \$2.1 million from the 2009-11 biennium appropriation of \$4.3 million for the Transportation Safety Systems Center and an estimated decrease of \$1.1 million from the 2009-11 biennium appropriation of \$1.5 million for the Advanced Traffic Analysis Center. Other variance decreases are due to obligation authority reductions for the University Transportation Centers Program (UTCP) - Mountain Plains Consortium (\$740,000) and the Rural Transportation Safety and Security Center (\$569,000).
7	State Department of Health	\$125,197,524	\$129,488,470	\$4,290,946	The variance is primarily attributable to an estimated increase of \$4.4 million from the 2009-11 biennium appropriation of \$10.3 million for federal funding of public health emergency response. The agency also estimates an increase in federal funding from the 2009-11 biennium appropriation for hospital preparedness preparation (\$396,359) and an emergency system for advance registration of volunteer health professionals (\$100,000). Other estimated variance decreases are due to federal programs ending, including state and tribal youth suicide prevention (\$350,000), state traffic safety information system improvement grants (\$200,000), and state and community highway safety (\$79,054).
8	Aeronautics Commission	\$5,247,000	\$1,701,361	(\$3,545,639)	The variance decrease is primarily attributable to the 2009-11 biennium appropriation of \$1.3 million for the automated weather observing systems which was not used in the 2009-11 biennium because the funding was received earlier than expected and spent in the 2007-09 biennium. Other estimated decreases include airport master plans (\$866,721) due to the project scope not being as broad as originally anticipated, automatic dependent surveillance-broadcast navigation systems (\$855,000) delayed to the next biennium, and information power grid improvements (\$245,418) costs being less than anticipated.
9	Game and Fish Department	\$24,531,242	\$27,851,408	\$3,320,166	The variance is primarily attributable to an estimated increase of \$2.1 million from the 2009-11 biennium appropriation of \$11.9 million for the wildlife restoration program due to higher federal excise tax collections. The variance is also attributable to an estimated increase of \$1.1 million from the 2009-11 biennium appropriation of \$7.9 million for the sport fish restoration program due to collections of federal excise taxes on fishing equipment being higher than estimated.
10	Parks and Recreation Department	\$6,186,214	\$2,981,872	(\$3,204,342)	The variance is primarily attributable to an estimated decrease of \$1.7 million from the 2009-11 biennium appropriation of \$2.4 million for the land and water conservation fund. The variance is also attributable to an estimated decrease of \$1.5 million from the 2009-11 biennium appropriation of \$3.7 million for the recreational trails fund.

**TEN LARGEST VARIANCES BY AGENCY - 2009-11 BIENNIUM -
ARRA FUNDS APPROPRIATED AND FEDERAL FUNDS ESTIMATED TO BE RECEIVED**

	Agency	2009-11 Biennium ARRA Funds Appropriated	2009-11 Biennium ARRA Funds Estimated to Be Received	Variance	Variance Explanation
1	Information Technology Department	\$82,263,883	\$3,113,754	(\$79,150,129)	The variance decrease is primarily attributable to federal health information technology grants being \$78.5 million less than the 2009-11 biennium appropriation of \$80 million. In addition, the department plans to delay spending \$386,246 of the \$2 million appropriated in the 2009-11 biennium for the state broadband data and development grant program until the 2011-13 biennium. The variance decrease also reflects the department not receiving a \$2.3 million ARRA grant for the Statewide Longitudinal Data System Initiative.
2	Department of Commerce	\$68,594,635	\$44,500,903	(\$24,093,732)	The variance is primarily attributable to an estimated decrease of \$11.6 million from the 2009-11 biennium appropriation of \$24.6 million for the state energy program and an estimated decrease of \$7.5 million from the 2009-11 biennium appropriation of \$25.3 million for the weatherization assistance for low-income persons grants expected due to the program continuing into 2012. The variance decrease is also attributable to an estimated decrease of \$5 million from the 2009-11 biennium appropriation of \$10 million for the energy efficiency and conservation block grant.
3	Housing Finance Agency	\$30,360,574	\$12,304,814	(\$18,055,760)	The variance is primarily attributable to an estimated decrease of \$18 million from the 2009-11 biennium appropriation of \$25.5 million for the tax credit exchange program, due mostly to developers selling their credits to investors instead of using the exchange program.
4	Department of Human Services	\$88,033,205	\$99,095,205	\$11,062,000	The variance is primarily attributable to an estimated \$10.9 million of available ARRA funds for TANF. The department did not anticipate these funds being available; therefore, the appropriation did not include any funds from this source.
5	State Water Commission	\$12,000,000	\$5,257,213	(\$6,742,787)	The variance is primarily attributable to an estimated decrease of \$6.7 million from the 2009-11 biennium appropriation of \$12 million for the Southwest Pipeline water treatment plant. American Recovery and Reinvestment Act of 2009 funding for building a water treatment plant will continue into the 2011-13 biennium.
6	Department of Transportation	\$176,082,671	\$172,515,094	(\$3,567,577)	The variance is primarily attributable to an estimated decrease of \$3.6 million from the 2009-11 biennium appropriation of \$170.1 million from the Federal Highway Administration due to June 2010 estimates of federal highway construction funds available to North Dakota being less than anticipated.
7	Department of Public Instruction	\$153,046,743	\$153,794,802	\$748,059	The estimated variance increase is primarily attributable to requested appropriations being based on United States Department of Education state estimated allocations, which subsequently increased. American Recovery and Reinvestment Act of 2009 funding increases included \$486,521 for school improvement grants and \$306,348 for the state fiscal stabilization fund - government services, recovery act.

	Agency	2009-11 Biennium ARRA Funds Appropriated	2009-11 Biennium ARRA Funds Estimated to Be Received	Variance	Variance Explanation
8	North Dakota State University Main Research Station	\$700,000	\$0	(\$700,000)	The variance decrease of \$700,000 is attributable to the agency not receiving a grant for the geothermal heating system for the Main Research Center greenhouse project. American Recovery and Reinvestment Act of 2009 funding for these systems is available only to renovate heating systems; the greenhouse does not qualify because it is new construction.
9	State Department of Health	\$13,247,325	\$12,603,922	(\$643,403)	The variance is attributable to estimated decreases in available federal funds for an ARRA arsenic trioxide grant (\$4.1 million), ARRA funds that will continue into the 2011-13 biennium (\$2.8 million), and ARRA immunization funding that was not available to the department (\$1.2 million). The variance also reflects an estimated increase in ARRA federal funds that became available to the agency after the 2009 legislative session. These include an arsenic trioxide grant (\$6.8 million), a Healthy Communities grant (\$361,148), a preventing health care-associated infections grant (\$201,830), a primary care services grant (\$56,475), and a survey and certification ambulatory surgical center health care-associated infection prevention initiative grant (\$18,685).
10	Public Service Commission	\$766,350	\$150,000	(\$616,350)	The variance is primarily attributable to a decrease of \$616,350 from the 2009-11 biennium appropriation of \$766,350. Funding was provided for staffing the electrical research program. Only one of three positions was filled with a start date of August 1, 2010. The agency expects \$380,000 of ARRA funding to continue into the 2011-13 biennium. When federal funding is no longer available, the related full-time equivalent positions will be eliminated.

**TEN LARGEST VARIANCES BY AGENCY - FEDERAL FUNDS ESTIMATED
TO BE RECEIVED FOR THE 2011-13 BIENNIUM COMPARED TO THE 2009-11 BIENNIUM
EXCLUDING FEDERAL FISCAL STIMULUS FUNDS - ARRA**

	Agency	2009-11 Biennium Federal Funds Estimated to Be Received	2011-13 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Adjutant General	\$307,483,158	\$93,023,989	(\$214,459,169)	The variance is primarily attributable to an estimated decrease of \$186.4 million from the 2009-11 biennium estimate of \$206.4 million in public disaster assistance since the number of disasters that will occur within the state in the 2011-13 biennium is unknown. A decrease of \$17.5 million from the 2009-11 biennium estimate of \$67.5 million in Air Guard and Army Guard contracts is expected due to decreased federally supported construction in the 2011-13 biennium. Other estimated decreases include hazard mitigation grant funding (\$6.8 million), state homeland security program and law enforcement terrorism (\$2.6 million), and predisaster mitigation (\$1.1 million).
2	Department of Human Services	\$1,423,238,291	\$1,470,651,727	\$47,413,436	The variance is primarily attributable to an estimated increase of \$46.4 million from the 2009-11 biennium estimate of \$195.5 million in SNAP funding. Other estimated funding increases include the children's health insurance program (\$4 million), child support enforcement (\$3.2 million), TANF (\$2.6 million), foster care Title IV-E (\$1.6 million), vocational rehabilitation basic support (\$1.6 million), and LIHEAP (\$1.4 million). A decrease of \$17.6 million from the 2009-11 biennium estimate of \$948.2 million is expected in medical assistance funding for the 2011-13 biennium.
3	Department of Transportation	\$709,933,600	\$730,400,000	\$20,466,400	The variance is primarily attributable to an estimated increase of \$20.5 million from the 2009-11 biennium estimate of \$684 million from the Federal Highway Administration.
4	Job Service North Dakota	\$63,384,538	\$47,087,039	(\$16,297,498)	The variance is primarily attributable to an estimated decrease of \$4.5 million from the 2009-11 biennium estimate due to the unemployment insurance information technology consortium being a one-time funding item in the 2009-11 biennium. Unemployment insurance is expected to decrease \$3.6 million from the 2009-11 biennium estimate of \$16.6 million due to lower unemployment in the state. In the 2011-13 biennium, federally funded trade adjustment assistance is expected to decrease \$1.7 million and trade readjustment allowances are expected to decrease \$1.8 million. Other variance decreases of \$3.7 million are due to declining federal funding for several federally funded programs of Job Service North Dakota.
5	State Department of Health	\$129,488,470	\$115,125,250	(\$14,363,220)	The variance is primarily attributable to an estimated decrease of \$10.3 million from the 2009-11 biennium estimate of \$12.3 million in arsenic trioxide grant funding due to the related construction project nearing completion. The variance is also attributable to a decrease of available funding for public health emergency response (\$4.7 million) and certain federal programs ending, including state and tribal youth suicide prevention (\$699,849), state traffic safety information system improvement grants (\$250,000), and state and community highway safety (\$201,040). An increase of \$1.9 million is expected for various program expansions in the 2011-13 biennium.

	Agency	2009-11 Biennium Federal Funds Estimated to Be Received	2011-13 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
6	Veterans' Home	\$18,584,183	\$4,650,000	(\$13,934,183)	The variance is primarily attributable to an estimated decrease of \$14.7 million from the 2009-11 biennium estimate in grants to states for construction of state home facilities due to the related construction project being completed during the 2009-11 biennium. An increase of \$400,000 from the 2009-11 biennium estimate is expected for veterans' state domiciliary due to an increase in the federal per diem rates for basic care. Also, an increase of \$350,000 from the 2009-11 biennium estimate is expected for veterans' state nursing home care due to an increase in the federal per diem rates for skilled nursing care.
7	Department of Public Instruction	\$269,897,582	\$256,229,970	(\$13,667,612)	The variance is primarily attributable to estimated decreases due to federal programs ending, including 21 st century (\$11.3 million), early reading first program (\$5.6 million), Title II Part D education technology (\$1.8 million), Title IV safe and drug-free (\$1.1 million), reading first program (\$935,641), Even Start (\$611,376), and school lunch equipment (\$48,505). The variance is also attributable to an increase of \$5.9 million in United States Department of Agriculture state allocations, including \$4.2 million for the national school lunch program. An increase of \$5.1 million in United States Department of Education state allocations is also expected, including \$3 million for the Individuals With Disabilities Education Act.
8	State Water Commission	\$24,437,447	\$34,975,094	\$10,537,647	The variance is primarily attributable to an estimated increase of \$8.9 million for the Southwest Pipeline Project due to project funds continuing from the 2009-11 biennium.
9	Housing Finance Agency	\$31,102,205	\$24,748,920	(\$6,353,285)	The variance is primarily attributable to an estimated decrease of \$6.7 million due to the neighborhood stabilization program being discontinued by the federal government. The agency also expects an increase of \$348,822 in Department of Housing and Urban Development Section 8 program contract administration funding in the 2011-13 biennium due to a change in fair market rents.
10	Upper Great Plains Transportation Institute	\$11,340,984	\$17,565,383	\$6,224,399	The variance is primarily attributable to an estimated increase of \$2.8 million from the 2009-11 biennium estimate of \$1.2 million for the Small Urban and Rural Transit Center. Requested funding for the 2011-13 biennium was increased to recover 2009-11 biennium funding that was not received due to rescission in Federal Transit Administration funds and the extension on the current transportation bill. The variance is also attributable to estimated increases in project funding in the 2011-13 biennium through Transportation Safety Systems Center grants (\$2.2 million) and other federal grants and contracts (\$1.6 million).