

TEN LARGEST VARIANCES BY AGENCY - 2007-09 BIENNIUM - FEDERAL FUNDS APPROPRIATED AND FEDERAL FUNDS ESTIMATED TO BE RECEIVED

	Agency	2007-09 Biennium Federal Funds Appropriated	2007-09 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Department of Transportation	\$481,600,000	\$521,900,000	\$40,300,000	The variance is attributable to an estimated increase of \$36.9 million from the 2007-09 biennium appropriation of \$456.2 million from the Federal Highway Administration due to updated estimates of federal highway construction funds available to North Dakota. The variance is also attributable to additional funding received from the National Highway Traffic Safety Administration for a high fatality rate grant and other traffic safety grants.
2	Department of Human Services	\$1,208,896,325	\$1,192,469,609	(\$16,426,716)	The variance is primarily attributable to an estimated decrease of \$32.6 million from the 2007-09 biennium appropriation of \$828.7 million for the medical assistance program due to a lower than budgeted FMAP resulting in fewer Medicaid funds being available, lower utilization, and Centers for Medicare and Medicaid Services changes regarding targeted case management. The variance is also attributable to an estimated increase of \$24.2 million from the 2007-09 biennium appropriation of \$107 million for food stamps resulting from increased caseload and food costs, an estimated decrease of \$4.5 million from the 2007-09 biennium appropriation of \$56.5 million for temporary assistance for needy families (TANF) resulting from decreased cost per case of the TANF benefit, an estimated decrease of \$2.8 million from the 2007-09 biennium appropriation of \$41.5 million for low-income home energy assistance program resulting from a decrease in federal funds available, and an estimated decrease of \$2.6 million from the 2007-09 biennium appropriation of \$19.9 million for child support enforcement resulting from a change to state administration of the program.
3	Adjutant General	\$130,007,211	\$115,278,789	(\$14,728,422)	The variance is primarily attributable to an estimated decrease of \$17.7 million from the 2007-09 biennium appropriation of \$77.7 million for Army National Guard contracts. It is anticipated these entirely federal-funded Army National Guard contracts will not be completed in the current biennium. The variance is also attributable to an estimated increase of \$6.1 million in disaster assistance resulting from three new disasters declared in the summer of 2007 and an estimated decrease of \$3.3 million in hazard mitigation grants resulting from fewer projects approved than anticipated.
4	Department of Commerce	\$45,454,495	\$33,839,100	(\$11,615,395)	The variance is primarily attributable to grant awards being less than estimated for low-income home energy assistance (\$5.2 million), community development block grants (\$1.8 million), HOME investment partnership program (\$1.3 million), and weatherization assistance for low-income persons grants (\$1.1 million).
5	Veterans Home	\$18,640,278	\$11,186,111	(\$7,454,167)	The variance is primarily attributable to the Veterans Home construction project, funded in part by grants to states for construction of state home facilities program. The unspent funds will continue into the 2009-11 biennium.
6	Upper Great Plains Transportation Institute	\$15,410,351	\$11,514,791	(\$3,895,560)	The variance is primarily attributable to an estimated decrease of \$1.3 million from the 2007-09 biennium appropriation of \$1.6 million for the rural transportation initiative resulting from a reduction in the funding ceiling and an estimated decrease of \$1.9 million from the 2007-09 biennium appropriation of \$3.9 million for the Transportation Safety Systems Center.

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7	Job Service North Dakota	\$61,755,417	\$58,356,135	(\$3,399,282)	The variance is primarily attributable to an estimated decrease of \$3 million from the 2007-09 biennium appropriation of \$7 million for the administration of the job opportunities and basic skills training program resulting from the Department of Human Services contracting with a private organization for these services.
8	State Department of Health	\$115,234,259	\$118,595,759	\$3,361,500	The variance is primarily attributable to an estimated increase of \$3.3 million from the 2007-09 biennium appropriation of \$23.5 million for the supplemental food program women, infants, and children (WIC) resulting from increased food costs and participation. The department anticipates seeking Budget Section approval to receive and expend the additional funds in December 2008.
9	Department of Public Instruction	\$241,117,826	\$244,446,480	\$3,328,654	The variance is primarily attributable to the anticipated approval of an Early Reading First grant of \$1.9 million not included in the 2007-09 biennium appropriation and approved by the Emergency Commission and the Budget Section in September 2008.
10	North Dakota State University Main Research Station	\$4,825,464	\$6,790,158	\$1,964,694	The variance is primarily attributable to an estimated increase of \$1.9 million from the 2007-09 biennium appropriation of \$4.5 million for payments to agricultural experiment stations under the Hatch Act due to revised estimates of federal formula budgets.

**TEN LARGEST VARIANCES BY AGENCY - FEDERAL FUNDS ESTIMATED
TO BE RECEIVED FOR THE 2007-09 AND 2009-11 BIENNIUMS**

	Agency	2007-09 Biennium Federal Funds Estimated to Be Received	2009-11 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Department of Human Services	\$1,192,469,609	\$1,329,205,529	\$136,735,920	<p>The variance is primarily attributable to changes in the following programs:</p> <ul style="list-style-type: none"> • Food stamps - An estimated increase of \$73.1 million from the 2007-09 estimate of \$131.2 million. • Temporary assistance for needy families - An estimated increase of \$4.8 million from the 2007-09 estimate of \$51.9 million. • Low-income home energy assistance - An estimated increase of \$6.4 million from the 2007-09 biennium estimate of \$38.6 million. • State children's health insurance program - An estimated increase of \$17.4 million from the 2007-09 biennium estimate of \$17.1 million. • Medical assistance program - An estimated increase of \$29.8 million from the 2007-09 biennium of \$796.1 million. <p>NOTE: The variances may change upon completion of the department's 2009-11 biennium budget request.</p>
2	State Water Commission	\$27,500,013	\$55,006,354	\$27,506,341	<p>The variance is primarily attributable to anticipated increases in the following grant awards for the 2009-11 biennium:</p> <ul style="list-style-type: none"> • Southwest Pipeline - An estimated increase of \$16.1 million from the 2007-09 estimate of \$3.9 million. • Northwest Area Water Supply - An estimated increase of \$12.3 million from the 2007-09 estimate of \$17.7 million.
3	Adjutant General	\$115,278,789	\$97,476,189	(\$17,802,600)	<p>The variance is primarily attributable to an anticipated decrease in disaster assistance grants of \$14.8 million because grant awards are based solely on the occurrence of natural disasters and no estimate was made of future activity. The variance is also attributable to estimated decreases in hazard mitigation grants of \$9.5 million and the law enforcement terrorism prevention program of \$2.7 million and estimated increases in the Army National Guard contracts of \$5 million and in the state homeland security program of \$4.5 million.</p>
4	Department of Commerce	\$33,839,100	\$44,625,503	\$10,786,403	<p>The variance is primarily attributable to an estimated increase of \$5.1 million from the 2007-09 biennium estimate of \$3.5 million for low-income home energy assistance. The variance is also attributable to an estimated increase of \$1.5 million from the 2007-09 biennium estimate of \$9.7 million for the community development block grant, an estimated increase of \$1.3 million from the 2007-09 biennium estimate of \$6.1 million for the HOME investment partnership program, and an estimated increase of \$1.1 million from the 2007-09 biennium estimate of \$4.7 million for the weatherization assistance for low-income persons program. These increases are due to an increase in the availability of federal funds.</p>

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5	Department of Public Instruction	\$244,446,480	\$254,169,020	\$9,722,540	The variance is primarily attributable to the Department of Public Instruction anticipating additional federal funds in the 2009-11 biennium for the programs listed below based on actual grant awards for fiscal year 2009: <ul style="list-style-type: none"> • United States Department of Agriculture national school lunch - An estimated increase of \$2.5 million from the 2007-09 biennium estimate of \$30.7 million. • Early Reading First program - An estimated increase of \$1.8 million from the 2007-09 biennium estimate of \$1.9 million. • Title I Even Start program - An estimated decrease of \$1.6 million from the 2007-09 biennium estimate of \$1.9 million. • Title I grants to local educational agencies - An estimated increase of \$8.8 million from the 2007-09 biennium estimate of \$60.3 million.
6	State Department of Health	\$118,595,759	\$123,302,843	\$4,707,048	The variance is primarily attributable to an estimated increase of \$4.5 million from the 2007-09 biennium estimate of \$26.8 million for the supplemental food program (WIC).
7	Upper Great Plains Transportation Institute	\$11,514,791	\$16,203,314	\$4,688,523	The variance is primarily attributable to an estimated increase of \$2.3 million from the 2007-09 biennium estimate of \$2 million for the Transportation Safety Center and an estimated increase of \$1.9 million from the 2007-09 biennium estimate of \$387,259 for the Rural Transportation Initiative.
8	Veterans Home	\$11,186,111	\$15,576,670	\$4,390,559	The variance is primarily attributable to an estimated increase of \$4 million from the 2007-09 biennium estimate of \$5.4 million for the grants to states for construction of state home facilities. The home anticipates federal fund carryover as the project will not be completed in the 2007-09 biennium and additional federal funds will be received due to increased project costs.
9	Public Service Commission	\$6,208,528	\$9,276,170	\$3,067,642	The variance is primarily attributable to an estimated increase of \$2.7 million from the 2007-09 biennium estimate of \$4.9 million for abandoned mine land construction.
10	Game and Fish Department	\$20,020,028	\$22,479,064	\$2,459,036	The variance is primarily attributable to an estimated increase of \$1.2 million from the 2007-09 biennium estimate of \$7.6 million for sport fish restoration and an estimated increase of \$1.2 million from the 2007-09 biennium estimate of \$7.8 million for wildlife restoration. The department anticipates higher tax collections nationally will result in a larger allocation for the state.