

2009-11 BIENNIUM GENERAL FUND BUDGET SCENARIOS

The schedule below identifies the potential effect on the 2009-11 biennium general fund budget if the following ballot measures are approved in the November 2008 general election:

Measure No. 1 - Creation of a constitutional permanent oil tax trust fund - The measure limits the amount of oil tax revenue that may be deposited in the general fund to \$100 million each biennium, adjusted by the consumer price index in future bienniums. The measure requires approval by 75 percent of the Legislative Assembly to spend money from the permanent oil tax trust fund.

Measure No. 2 - Reduction of individual and corporate income tax rates - The measure reduces individual income tax rates by approximately 50 percent and corporate income tax rates by 15 percent.

The amounts are based on preliminary revenues and appropriations amounts included in the attached Legislative Council memorandum entitled "Preliminary Outlook - North Dakota 2009-11 Biennium General Fund Budget".

2009-11 Biennium General Fund Budget

	Current Law (Amounts shown in millions)			Approval of Only Measure No. 1 (Amounts shown in millions)			Approval of Only Measure No. 2 (Amounts shown in millions)			Approval of Measure Nos. 1 and 2 (Amounts shown in millions)		
	Ongoing	One-time	Total	Ongoing	One-time	Total	Ongoing	One-time	Total	Ongoing	One-time	Total
Estimated balance - July 1, 2009		\$368.1	\$368.1		\$368.1	\$368.1		\$368.1	\$368.1		\$368.1	\$368.1
Estimated revenues	\$2,734.7		2,734.7	\$2,764.7		2,764.7	\$2,320.5		2,320.5	\$2,350.5		2,350.5
Potential transfers	84.4		84.4	84.4		84.4	84.4		84.4	84.4		84.4
Total available funds	<u>\$2,819.1</u>	<u>\$368.1</u>	<u>\$3,187.2</u>	<u>\$2,849.1</u>	<u>\$368.1</u>	<u>\$3,217.2</u>	<u>\$2,404.9</u>	<u>\$368.1</u>	<u>\$2,773.0</u>	<u>\$2,434.9</u>	<u>\$368.1</u>	<u>\$2,803.0</u>
Appropriations												
Base level - 2007-09 appropriations	(\$2,317.4)	\$0.0	(\$2,317.4)	(\$2,317.4)	\$0.0	(\$2,317.4)	(\$2,317.4)	\$0.0	(\$2,317.4)	(\$2,317.4)	\$0.0	(\$2,317.4)
Potential appropriations increase	(347.9)	(112.0)	(459.9)	(347.9)	(112.0)	(459.9)	(347.9)	(112.0)	(459.9)	(347.9)	(112.0)	(459.9)
Total potential appropriations	<u>(\$2,665.3)</u>	<u>(\$112.0)</u>	<u>(\$2,777.3)</u>	<u>(\$2,665.3)</u>	<u>(\$112.0)</u>	<u>(\$2,777.3)</u>	<u>(\$2,665.3)</u>	<u>(\$112.0)</u>	<u>(\$2,777.3)</u>	<u>(\$2,665.3)</u>	<u>(\$112.0)</u>	<u>(\$2,777.3)</u>
Tentative balance - June 30, 2011	<u><u>\$153.8</u></u> ¹	<u><u>\$256.1</u></u> ¹	<u><u>\$409.9</u></u> ¹	<u><u>\$183.8</u></u> ¹	<u><u>\$256.1</u></u> ¹	<u><u>\$439.9</u></u> ¹	<u><u>(\$260.4)</u></u> ¹	<u><u>\$256.1</u></u> ¹	<u><u>(\$4.3)</u></u> ¹	<u><u>(\$230.4)</u></u> ¹	<u><u>\$256.1</u></u> ¹	<u><u>\$25.7</u></u> ¹

¹ The amount shown is prior to any other potential funding adjustments, including spending increases or revenue reductions that may be presented to and considered by the 2009 Legislative Assembly.