

2019 NORTH DAKOTA FINANCE FACTS

LEGISLATOR'S POCKET GUIDE TO
NORTH DAKOTA BUDGET,
PERFORMANCE, AND STATISTICS

ALLEY ART



North Dakota Legislative Council
600 East Boulevard Avenue
Bismarck, ND 58505

701.328.2916
www.legis.nd.gov

September 2019

Published by the North Dakota Legislative Council

2019 North Dakota Finance Facts

Legislator's Pocket Guide to North Dakota Budget, Performance, and Statistics

This report contains key indicators and trends relating to North Dakota's economy, state budget, and the performance of its agencies and departments.

The information in the report is categorized by the following major topic areas:

Topic Area	Section Color	Pages
1. Economic Statistics.....	Red	1-8
2. State Budget	Orange.....	9-16
3. K-12 Education	Green.....	17-22
4. Higher Education	Blue.....	23-26
5. Human Services	Purple	27-30
6. Corrections.....	Brown.....	31-32
7. Economic Development	Gray	33-34
8. Transportation.....	Black	35-38

The table of contents on the following pages provides more detailed references to specific data included in the report.



North Dakota Legislative Council
600 East Boulevard Avenue
Bismarck, ND 58505-0360

701.328.2916
www.legis.nd.gov
September 2019

2019 NORTH DAKOTA FINANCE FACTS

Table of Contents

ECONOMIC STATISTICS

Total Population Estimates	1
Per Capita Personal Income	1
Percentage of ND Population (Children Aged 0-17) in Poverty Compared to the United States.....	2
Percentage of ND Population (All Ages) in Poverty Compared to the United States.....	2
Gross State Product	3
Total State Foreign Exports	4
Average Daily Oil Production and Average Price Per Barrel of Oil.....	4
ND Agriculture and Livestock Marketing Year Average Price..	5
ND Agriculture and Livestock Value of Production	5
Employment and Unemployment.....	6
Average Home Sale Prices by City	6
Major Sources of State/Local Revenue.....	7
Property Taxes by Taxing Districts.....	7

STATE BUDGET

2019-21 General Fund Budget Summary.....	9
2019-21 General Fund Revenues - Beginning Balance, Ongoing Revenues, and Transfers	9
2019-21 Estimated General Fund Revenues	10
General Fund Revenues - Major Ongoing Revenue Types ...	11
Current Tax Rates	11
2019-21 Biennium General Fund Appropriations	12
History of General Fund Appropriations	12
2019-21 Biennium All Funds Appropriations.....	13
History of Total Appropriations.....	13
Number of State Employees	14
Funding Increases for State Employee Salary Adjustments ..	14
Cost of State Employee Health Insurance Premiums History ..	14
Assistance to Political Subdivisions	15
State Debt	15
Legacy Fund	16

K-12 EDUCATION

State School Aid Appropriations - History	17
State School Aid Appropriations - Detail	18
State School Aid Formula - Integrated Formula Payments ...	18
Common Schools Trust Fund.....	19
Student Enrollment and Number of Teachers	20
ACT Aspire Program Scores	20
National Assessment of Educational Progress	21

HIGHER EDUCATION

General Fund Appropriations and Tuition and Fee Revenue	23
--	----

ND University System Fall FTE Student Enrollment	23
FTE Student Enrollment by Institution.....	23
Higher Education Tuition Rates.....	24
Higher Education Performance Measures.....	25
ND University System Research Expenditures	26

HUMAN SERVICES

Department of Human Services Legislative Appropriations ...	27
Major Medicaid Costs	27
Medical Assistance - Average Annual Medicaid Eligibles and Recipients.....	28
Children's Health Insurance Program - Average Annual Recipients	28
Supplemental Nutrition Assistance Program - Cases and Benefits.....	29
Temporary Assistance for Needy Families - Cases and Benefits.....	29
Child Support - Percentage of Current Child Support Collected	30
Children and Family Services - Number of Children in Foster Care	30
State Hospital and Life Skills and Transition Center (LSTC) - Average Daily Census	30

CORRECTIONS

Department of Corrections and Rehabilitation FTE Positions, Inmates, and General Fund Appropriations	31
Parole and Probation.....	31
Recidivism Rates	32

ECONOMIC DEVELOPMENT

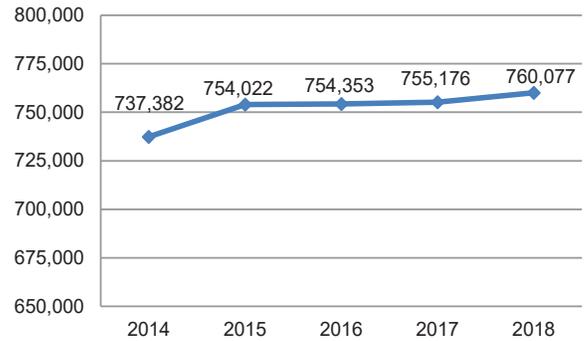
Department of Commerce General Fund Appropriations	33
Total Appropriations for Unmanned Aircraft Systems Program	33
Private Sector Businesses.....	34
Industrial Jobs	34

TRANSPORTATION

State Highways - Funding History.....	35
2019-21 Estimated Highway Tax Distribution Fund Allocations.....	35
Estimated Federal Highway Funding	36
Motor Fuels Taxes.....	36
History of Consumption and Miles Traveled in ND	36
Miles of Roadways in ND - 2018.....	36
Estimated Highway Construction Costs Per Mile	37
ND Bridge System Condition.....	37
ND Interstate System Ride Trends.....	37

ECONOMIC STATISTICS

TOTAL POPULATION ESTIMATES (Based on 2010 Census Data and Estimates)

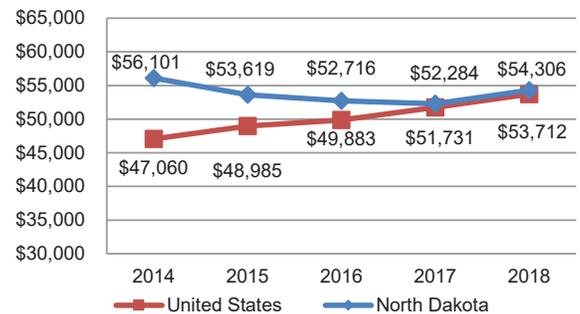


Year	Population ¹	Annual Percentage Change
2014	737,382	2.13%
2015	754,022	2.26%
2016	754,353	0.04%
2017	755,176	0.11%
2018	760,077	0.65%

¹Based on July 1 population estimates

Source: U.S. Census Bureau

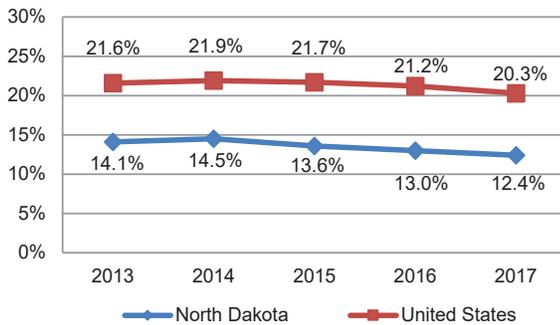
PER CAPITA PERSONAL INCOME



For 2018 North Dakota ranked 18th of the 50 states and North Dakota's cumulative decrease from 2014 through 2018 was 3.2 percent.

Source: Bureau of Economic Analysis

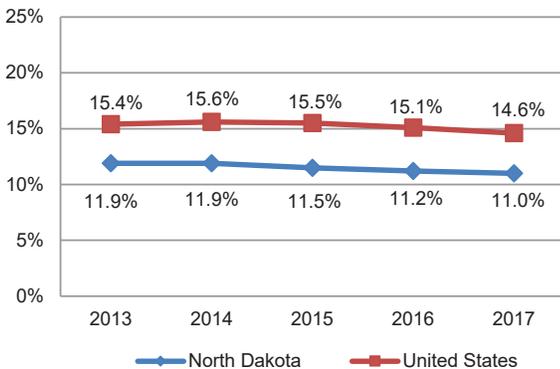
PERCENTAGE OF NORTH DAKOTA POPULATION (CHILDREN AGED 0-17) IN POVERTY COMPARED TO THE UNITED STATES



The poverty thresholds in 2017 were \$12,488 for one person and \$24,858 for a family of four.

Source: U.S. Census Bureau

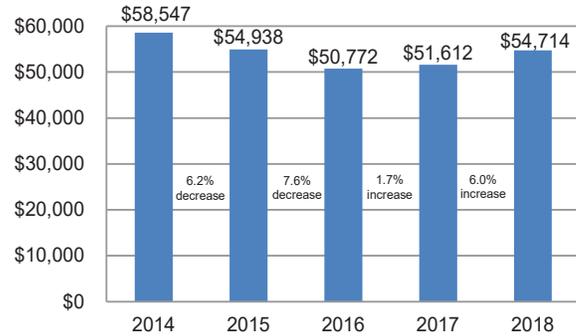
PERCENTAGE OF NORTH DAKOTA POPULATION (ALL AGES) IN POVERTY COMPARED TO THE UNITED STATES



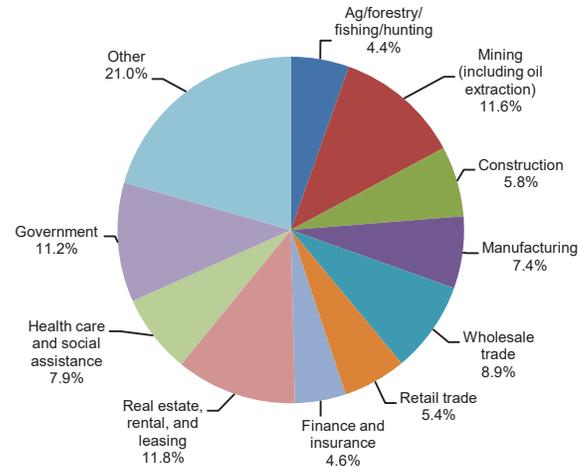
The poverty thresholds in 2017 were \$12,488 for one person and \$24,858 for a family of four.

Source: U.S. Census Bureau

GROSS STATE PRODUCT Total Gross State Product (Amounts Shown in Millions)



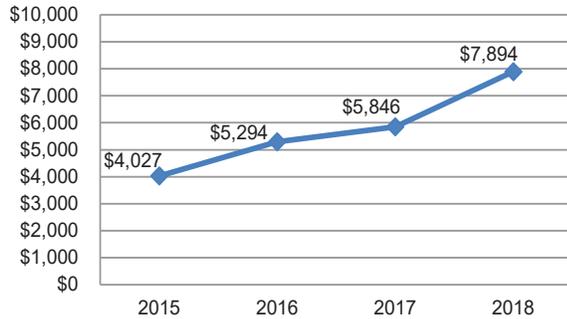
2018 Gross State Product by Major Industry



Gross State Product (Amounts Shown in Millions)					
Major Industry	2014	2015	2016	2017	2018
Agriculture, forestry, fishing, and hunting	\$3,009	\$2,669	\$2,833	\$2,447	\$2,418
Mining	10,409	6,214	4,021	4,912	6,322
Construction	4,068	4,042	3,750	3,185	3,174
Manufacturing	3,662	3,801	3,460	3,701	4,042
Wholesale trade	5,155	5,119	4,571	4,546	4,894
Retail trade	3,163	3,221	2,999	2,947	2,971
Finance and insurance	2,336	2,509	2,377	2,424	2,518
Real estate, rental, and leasing	5,952	6,168	6,041	6,138	6,437
Health care and social assistance	3,593	3,847	4,059	4,214	4,314
Government	5,319	5,808	5,896	6,096	6,122
Other	11,881	11,540	10,765	11,002	11,502
Total	\$58,547	\$54,938	\$50,772	\$51,612	\$54,714

Source: Bureau of Economic Analysis

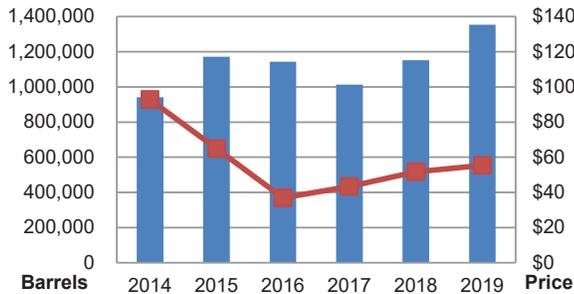
TOTAL STATE FOREIGN EXPORTS (Amounts Shown in Millions)



Major State Foreign Exports (Amounts Shown in Millions)				
	2015	2016	2017	2018
Crude oil	\$1,352	\$2,869	\$2,285	\$2,855
Biodiesel	291	270	1,204	2,440
Front-end shovel loaders	249	175	203	255
Tractors	96	104	221	248
Corn (other than seed corn)	82	89	69	134
Liquefied butanes	62	44	68	129
Wheat	170	104	98	121
Ethyl alcohol	70	109	116	91
Seeders, planters, and transplanters	56	63	73	72
Soybeans	45	25	54	63
Other	1,554	1,442	1,455	1,486
Total	\$4,027	\$5,294	\$5,846	\$7,894

Source: U.S. Census Bureau - Foreign Trade Statistics

AVERAGE DAILY OIL PRODUCTION AND AVERAGE PRICE PER BARREL OF OIL



■ Average daily production (in barrels)
■ Average of WTI and Flint Hills prices (per barrel)

	Fiscal Year					
	2014	2015	2016	2017	2018	2019
Barrels	941,491	1,171,342	1,142,973	1,013,629	1,152,358	1,353,216
Price	\$92.76	\$64.89	\$36.89	\$43.42	\$51.73	\$55.35

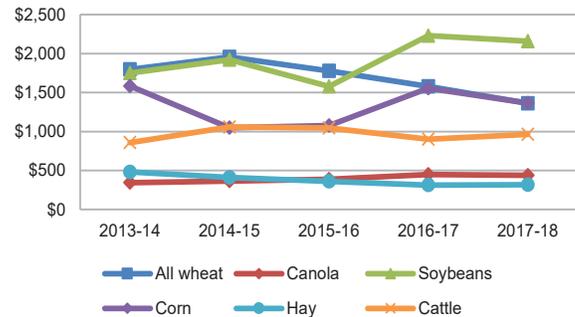
Sources: Department of Mineral Resources, Flint Hills Resources, and the U.S. Energy Information Administration

NORTH DAKOTA AGRICULTURE AND LIVESTOCK MARKETING YEAR AVERAGE PRICE

Crops and Cattle Marketing Year Average Price (Per Bushel or Head)	2013-14	2014-15	2015-16	2016-17	2017-18
	All wheat ¹	\$6.62	\$5.74	\$4.80	\$4.68
Spring wheat	\$6.50	\$5.42	\$4.59	\$4.57	\$5.72
Durum wheat	\$7.16	\$8.99	\$6.62	\$5.66	\$6.00
Winter wheat	\$6.43	\$4.47	\$3.69	\$3.41	\$4.14
Barley	\$6.09	\$5.30	\$4.88	\$4.47	\$4.31
Oats	\$3.14	\$2.42	\$2.00	\$2.25	\$2.55
Sunflower	\$23.20	\$22.60	\$20.70	\$17.70	\$17.70
Canola	\$20.60	\$16.90	\$15.50	\$16.80	\$17.60
Soybeans	\$12.40	\$9.49	\$8.49	\$8.97	\$8.88
Flaxseed	\$13.80	\$11.80	\$8.95	\$8.00	\$9.53
Corn	\$3.91	\$3.34	\$3.28	\$3.01	\$3.04
Dry edible beans	\$35.30	\$28.20	\$24.00	\$27.90	\$24.10
Dry edible peas	\$14.80	\$12.20	\$13.50	\$11.20	\$12.00
Lentils	\$17.90	\$23.50	\$28.90	\$29.40	\$23.50
Potatoes	\$10.30	\$9.40	\$9.25	\$10.30	\$9.13
Sugarbeets	\$44.90	\$44.20	\$48.30	\$36.60	\$44.20
Hay	\$103.00	\$81.50	\$78.00	\$77.50	\$99.50
Cattle	\$1,640.00	\$2,060.00	\$1,650.00	\$1,330.00	\$1,450.00

¹All wheat crop is a weighted average of spring wheat, durum wheat, and winter wheat, based on volume.
Source: U.S. Department of Agriculture

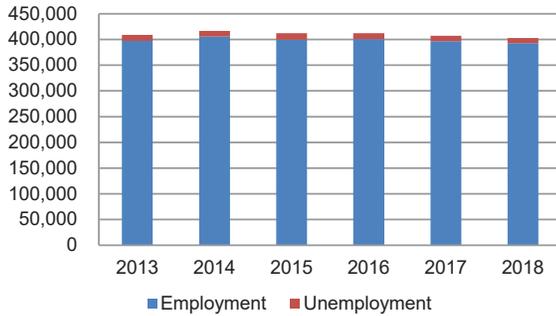
NORTH DAKOTA AGRICULTURE AND LIVESTOCK VALUE OF PRODUCTION (Amounts Shown in Millions)



Crops and Cattle Value of Production (Amounts Shown in Millions)					
	2013-14	2014-15	2015-16	2016-17	2017-18
All wheat	\$1,796	\$1,956	\$1,777	\$1,578	\$1,362
Canola	\$343	\$362	\$389	\$448	\$439
Soybeans	\$1,751	\$1,922	\$1,578	\$2,230	\$2,160
Corn	\$1,584	\$1,048	\$1,075	\$1,555	\$1,365
Hay	\$481	\$410	\$359	\$312	\$316
Cattle	\$857	\$1,058	\$1,046	\$903	\$963

Source: U.S. Department of Agriculture

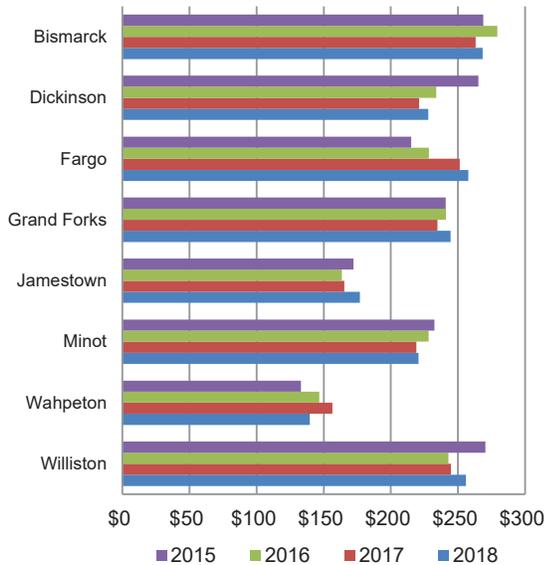
EMPLOYMENT AND UNEMPLOYMENT



Year End	Job Force	Employment	Unemployment	Unemployment Rate
2013	408,710	397,430	11,280	2.8%
2014	416,590	405,551	11,039	2.6%
2015	412,141	399,703	12,438	3.0%
2016	412,465	400,688	11,777	2.9%
2017	407,538	396,506	11,032	2.7%
2018	402,945	392,650	10,295	2.6%

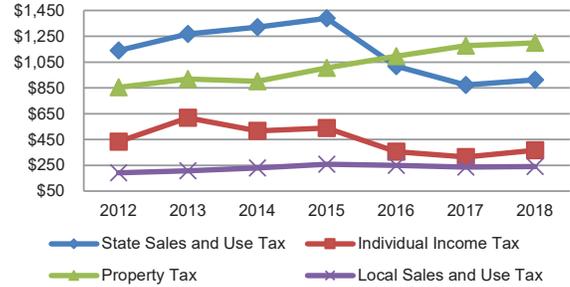
Source: U.S. Department of Labor

AVERAGE HOME SALE PRICES BY CITY (Amounts Shown in Thousands)



Source: North Dakota Association of Realtors

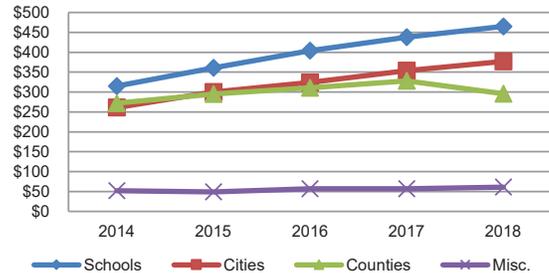
MAJOR SOURCES OF STATE/LOCAL REVENUE (Amounts Shown in Millions)



Fiscal Year	State Sales and Use Tax	Individual Income Tax	Property Tax ¹	Local Sales and Use Tax ²
2012	\$1,139.8	\$432.2	\$853.8	\$191.8
2013	\$1,267.0	\$617.9	\$918.7	\$206.2
2014	\$1,320.2	\$516.1	\$900.1	\$228.8
2015	\$1,389.0	\$537.6	\$1,005.1	\$258.1
2016	\$1,017.4	\$355.5	\$1,096.1	\$248.9
2017	\$872.4	\$314.2	\$1,177.9	\$236.7
2018	\$912.5	\$366.3	\$1,198.7	\$239.6

¹Property taxes include the 12 percent state-paid credit for 2014 (\$94.3 million), 2015 (\$105.4 million), and 2016 (\$116.3 million).
²Local sales tax amounts do not include city occupancy or city restaurant and lodging taxes.

PROPERTY TAXES BY TAXING DISTRICTS (Amounts Shown in Millions)



Year Payable	2014	2015	2016	2017	2018
Schools	\$315	\$361	\$404	\$438	\$465
Cities	261	300	324	354	377
Counties	272	295	311	328	296
Misc.	52	49	57	57	61
Total ¹	\$900	\$1,005	\$1,096	\$1,177	\$1,199 ²

¹Property taxes include the 12 percent state-paid credit for 2014 (\$94.3 million), 2015 (\$105.4 million), and 2016 (\$116.3 million).
²The increase for 2018 is primarily due to continuing growth in taxable valuations and new construction.

Based on property taxes levied in 2018, payable in 2019, one mill generated approximately \$4.76 million statewide.

Source: North Dakota Tax Department

NOTES

STATE BUDGET

2019-21 GENERAL FUND BUDGET SUMMARY (As Approved by the Legislative Assembly) (Amounts Shown in Millions)

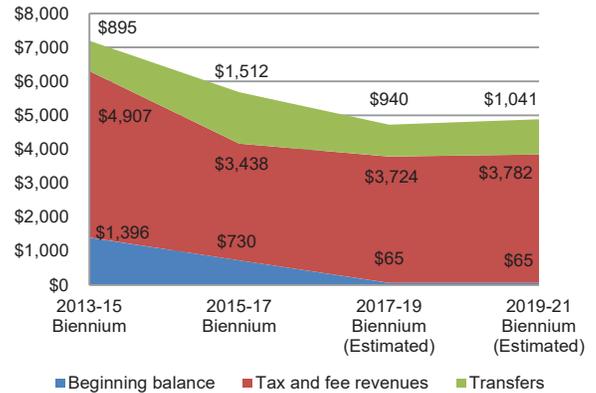
Estimated general fund balance - July 1, 2019	\$65.0 ¹
Add estimated 2019-21 general fund revenues and transfers	4,823.0
Total resources available	\$4,888.0
Less 2019-21 general fund appropriations	4,843.6
Estimated general fund balance - June 30, 2021	\$44.4 ²

¹This amount reflects \$115.6 million of 2017-19 supplemental and deficiency appropriations and \$54.1 million of estimated 2017-19 unspent general fund appropriation authority.

²In addition, the budget stabilization fund is projected to have a June 30, 2021, balance of \$483.9 million.

State Budget

GENERAL FUND REVENUES - BEGINNING BALANCE, TAX AND FEE REVENUES, AND TRANSFERS (Amounts Shown in Millions)

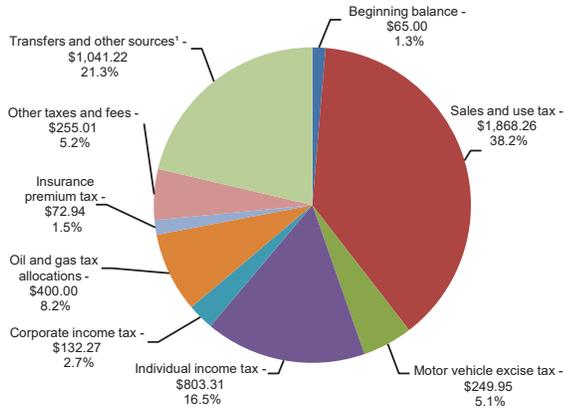


Biennium	(Amounts Shown in Millions)			
	Beginning Balance	Tax and Fee Revenues	Transfers	Total
2013-15	\$1,396.1	\$4,906.8	\$895.0 ¹	\$7,197.9
2015-17	\$729.5	\$3,437.6	\$1,511.6	\$5,678.7
2017-19 (Estimated)	\$65.0	\$3,723.8	\$940.0	\$4,728.8
2019-21 (Estimated)	\$65.0	\$3,781.7	\$1,041.2	\$4,887.9

¹This amount includes \$11.1 million transferred by the Office of Management and Budget from the budget stabilization fund to the general fund at the end of the biennium.

2019-21 ESTIMATED GENERAL FUND REVENUES
(Amounts Shown in Millions)

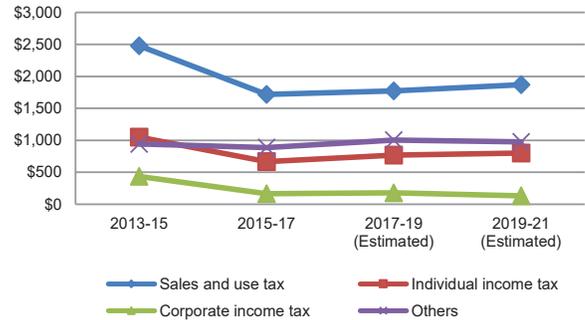
Total - \$4,887.96



¹Transfers and miscellaneous revenues include:

(Amounts Shown in Millions)	
Bank of North Dakota	\$140.00
Mill and Elevator Association	13.40
Lottery	12.25
Gas tax administration	1.99
Legacy fund	100.00
Tax relief fund	8.60
Strategic investment and improvements fund	764.40
Remaining transfers and other sources	0.58
Total	\$1,041.22

GENERAL FUND REVENUES - MAJOR ONGOING REVENUE TYPES
(Amounts Shown in Millions)



Biennium	(Amounts Shown in Millions)				Total
	Sales Tax	Individual Income Tax	Corporate Income Tax	Others ¹	
2013-15	\$2,478.2	\$1,050.1	\$435.2	\$943.3	\$4,906.8
2015-17	\$1,717.9	\$666.6	\$166.8	\$886.3	\$3,437.6
2017-19 (Estimated)	\$1,772.3	\$767.8	\$179.9	\$1,003.8	\$3,723.8
2019-21 (Estimated)	\$1,868.3	\$803.2	\$132.3	\$977.9	\$3,781.7

¹These amounts include allocations of oil and gas tax collections to the general fund providing a total of \$300 million per biennium from the 2013-15 and 2015-17 bienniums and a total of \$400 million for the 2017-19 and 2019-21 bienniums.

CURRENT TAX RATES

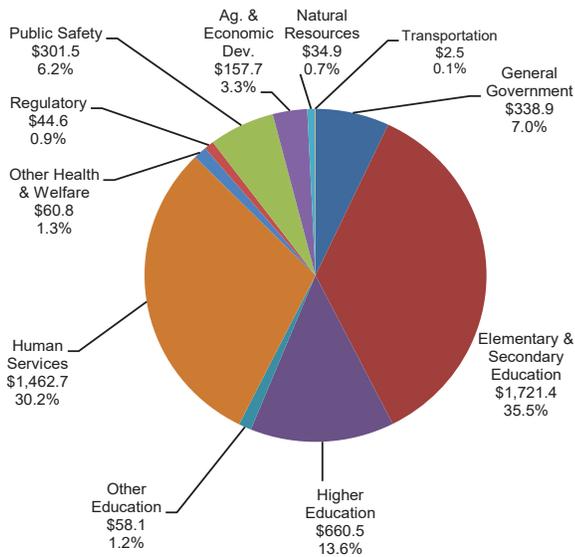
North Dakota **sales tax** is 5 percent. The estimated impact on general fund revenues of a 1 percentage point change in the state's 5 percent sales and use tax and motor vehicle excise tax rate is approximately **\$464 million per biennium**, or \$232 million per year, based on the 2019 legislative revenue forecast.

Individual income tax rates range from 1.10 percent to 2.90 percent based on the individual's federal taxable income. The estimated impact on general fund revenues of a 10 percent change in the state's individual income tax rates (e.g., the 1.10 percent rate would increase by .11 percent to 1.21 percent, or decrease by a like amount to .99 percent) is approximately **\$80 million per biennium**, or \$40 million per year, based on the 2019 legislative revenue forecast.

Corporate income tax rates range from 1.41 percent to 4.31 percent of taxable income. The estimated impact on general fund revenues of a 10 percent change in the state's corporate income tax rates (e.g., the 1.41 percent rate would increase by .14 percent to 1.55 percent or would decrease by a like amount to 1.27 percent) is approximately **\$13 million per biennium**, or \$6.5 million per year, based on the 2019 legislative revenue forecast.

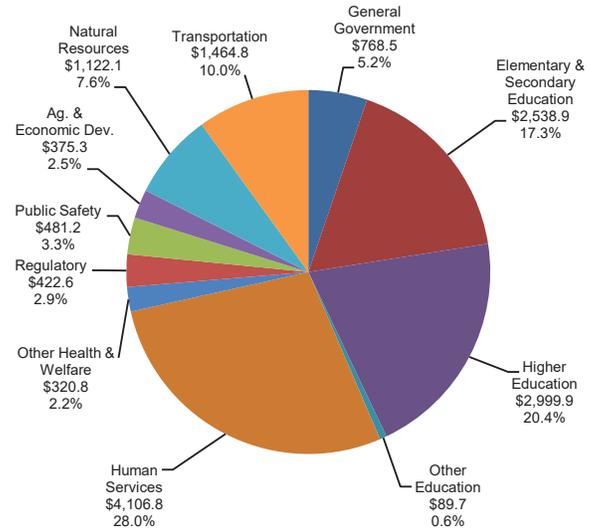
2019-21 BIENNIUM GENERAL FUND APPROPRIATIONS
(Amounts Shown in Millions)

Total - \$4,843.6



2019-21 BIENNIUM ALL FUNDS APPROPRIATIONS
(Amounts Shown in Millions)

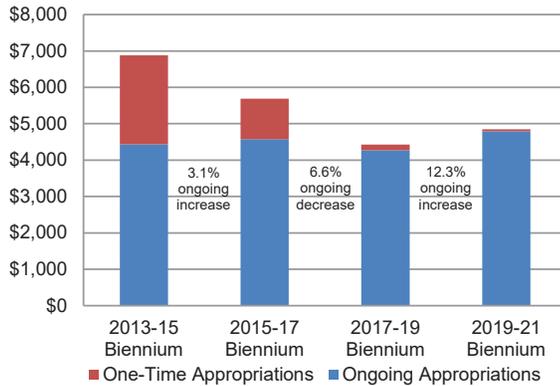
Total - \$14,690.6



State Budget

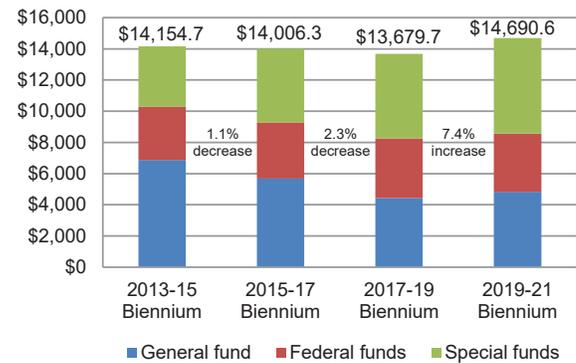
State Budget

HISTORY OF GENERAL FUND APPROPRIATIONS
(Amounts Shown in Millions)



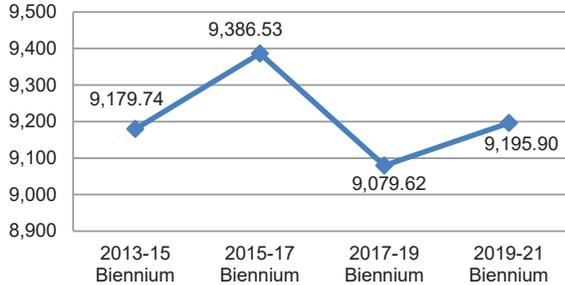
Biennium	(Amounts Shown in Millions)		
	Ongoing	One-Time	Total
2013-15	\$4,436.0	\$2,443.7	\$6,879.7
2015-17	\$4,571.7	\$1,115.6	\$5,687.3
2017-19	\$4,269.5	\$156.3	\$4,425.8
2019-21	\$4,794.9	\$48.7	\$4,843.6

HISTORY OF TOTAL APPROPRIATIONS
(Amounts Shown in Millions)



Biennium	(Amounts Shown in Millions)			
	General Fund	Federal Funds	Special Funds	Total
2013-15	\$6,879.7	\$3,392.8	\$3,882.2	\$14,154.7
2015-17	\$5,687.3	\$3,591.2	\$4,727.8	\$14,006.3
2017-19	\$4,425.8	\$3,821.6	\$5,432.3	\$13,679.7
2019-21	\$4,843.6	\$3,905.9	\$5,941.1	\$14,690.6

NUMBER OF STATE EMPLOYEES¹ (Full-Time Equivalent (FTE) Positions)

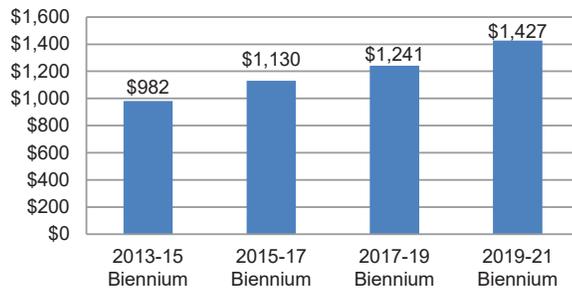


¹These amounts do not include employees of the North Dakota University System.

FUNDING INCREASES FOR STATE EMPLOYEE SALARY ADJUSTMENTS

2013-15	From 3% to 5% on July 1, 2013, and from 2% to 4% on July 1, 2014, for performance; and up to 2% each year for classified employees in bottom 2 quartiles of their salary range for market equity
2015-17	From 2% to 4% on July 1, 2015, and from 2% to 4% on July 1, 2016, for performance
2017-19	The 2017 Legislative Assembly did not provide funding for state employee salary increases for the 2017-19 biennium.
2019-21	2% with a \$120 monthly minimum and a \$200 monthly maximum on July 1, 2019, and 2.5% on July 1, 2020

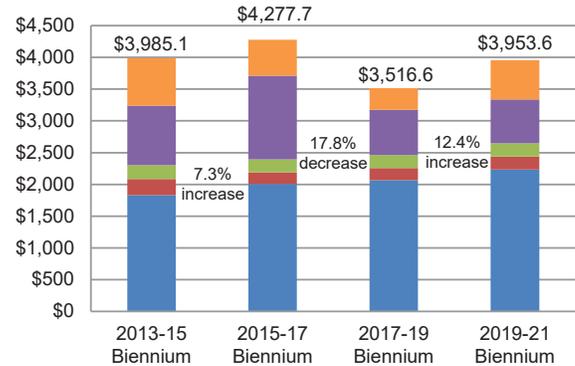
COST OF STATE EMPLOYEE HEALTH INSURANCE PREMIUMS HISTORY



Biennium	Monthly Premium	Increase From Previous Biennium	Percentage Increase
2013-15	\$982	\$95	10.7%
2015-17	\$1,130	\$148	15.1%
2017-19	\$1,241	\$111	9.8%
2019-21	\$1,427	\$186	15.0%

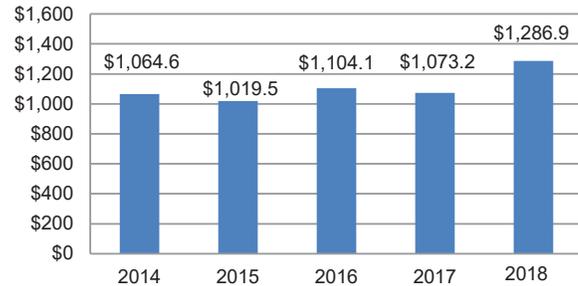
ASSISTANCE TO POLITICAL SUBDIVISIONS (Amounts Shown in Millions)

The following is a summary of major state appropriations and revenue allocations for direct assistance to political subdivisions:



- Other
- Coal, oil, and gas taxes
- Motor vehicle fuel tax and registration fees
- State aid distribution fund
- School-related funding

STATE DEBT (Amounts Shown in Millions)



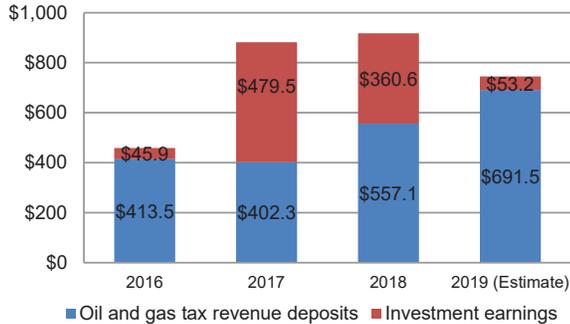
Bonds Outstanding as of June 30, 2018 (Amounts Shown in Millions)

North Dakota Building Authority	\$30.5
Department of Transportation	10.0
Student loan trust	1.0
Housing Finance Agency	972.3
North Dakota University System	271.3
State Fair Association	1.8
Total	\$1,286.9

LEGACY FUND

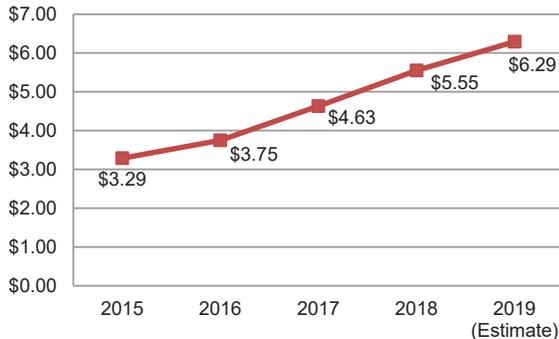
The legacy fund was created in 2010 when the voters of North Dakota approved a constitutional amendment to provide that 30 percent of oil and gas production and oil extraction taxes on oil and gas produced after June 30, 2011, be transferred to the legacy fund. The principal and earnings of the legacy fund may not be spent until after June 30, 2017, and any expenditure of principal after that date requires approval of at least two-thirds of the members elected to each house of the Legislative Assembly. Not more than 15 percent of the principal of the fund may be spent during a biennium. Interest earnings accruing after June 30, 2017, are transferred to the general fund at the end of each biennium.

**Legacy Fund Deposits and Earnings by Fiscal Year
(Amounts Shown in Millions)**



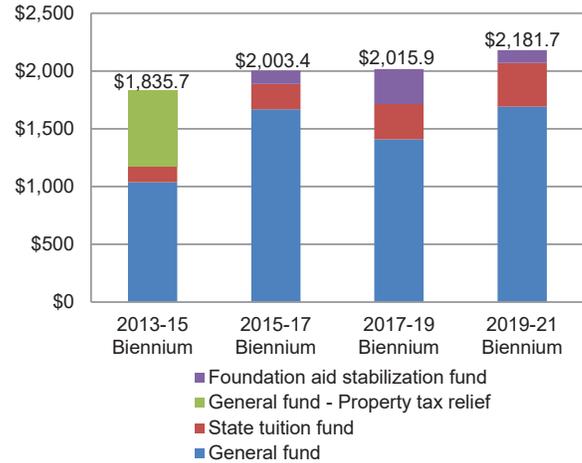
NOTE: The oil and gas tax revenue deposits reflect deposits from August to July of each year, and the investment earnings, as reported by the Retirement and Investment Office, include both realized and unrealized earnings from July to June of each year.

**Legacy Fund Balance by Fiscal Year
(Amounts Shown in Billions)**



K-12 EDUCATION

STATE SCHOOL AID APPROPRIATIONS - HISTORY (Amounts Shown in Millions)



Biennium	(Amounts Shown in Millions)			Total
	General Fund	State Tuition Fund	Foundation Aid Stabilization Fund	
2013-15	\$1,695.4 ¹	\$140.3	\$0	\$1,835.7
2015-17	\$1,668.2 ²	\$219.1	\$116.1 ²	\$2,003.4
2017-19	\$1,409.4	\$305.5	\$301.0 ³	\$2,015.9
2019-21	\$1,690.9	\$377.8	\$113.0 ⁴	\$2,181.7

¹The 2013 Legislative Assembly discontinued the mill levy reduction grant program and provided \$656.5 million to increase the mill levy buydown from 75 mills during the 2011-13 biennium to 125 mills during the 2013-15 biennium. The new integrated formula sets the local funding requirement at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment.

²The amount of property tax relief is not identifiable under the new state school aid formula. Due to budget allotments during the 2015-17 biennium, general fund appropriations for state school aid, transportation aid, and special education aid were reduced by \$116.1 million, but the reduction is offset by a \$116.1 million transfer from the foundation aid stabilization fund.

³The 2017 Legislative Assembly provided \$301 million from the foundation aid stabilization fund for one-time rapid enrollment grants (\$6 million) and integrated formula payments (\$295 million). Of the \$295 million, \$185 million is considered to be one-time funding.

⁴The 2019 Legislative Assembly provided from the foundation aid stabilization fund \$110 million of ongoing funding for integrated formula payments, and \$3 million of one-time funding for rapid enrollment grants.

STATE SCHOOL AID APPROPRIATIONS - DETAIL

	2017-19 Biennium	2019-21 Biennium	Increase (Decrease)
State school aid - Integrated formula payments	\$1,935,204,163 ^{1,2}	\$2,098,202,429	\$162,998,266
Transportation aid	55,400,000	56,500,000	1,100,000
Special education	19,300,000 ¹	24,000,000	4,700,000
Rapid enrollment grants	6,000,000	3,000,000 ³	(3,000,000)
Total state school aid	\$2,015,904,163	\$2,181,702,429	\$165,798,266

¹The 2019 Legislative Assembly provided the Superintendent of Public Instruction may transfer up to \$4 million from the integrated formula payments line item to the grants - special education line item to provide funding for 2017-19 biennium special education contract expenditures in excess of the 2017-19 biennium special education contract appropriation.

²The 2019 Legislative Assembly allowed the Superintendent of Public Instruction to continue funding, remaining in the integrated formula payments line item at the end of the 2017-19 biennium, to the 2019-21 biennium for advanced placement examinations and teacher training and a college ready English and mathematics program (\$600,000) and to provide for a dyslexia screening pilot program (\$250,000).

³The 2019 Legislative Assembly provided one-time funding from the foundation aid stabilization fund for rapid enrollment grants in the 1st year of the 2019-21 biennium.

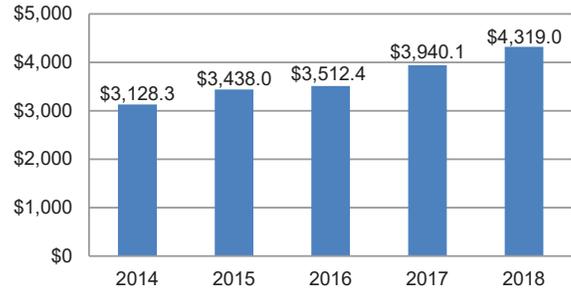
STATE SCHOOL AID FORMULA - INTEGRATED FORMULA PAYMENTS

In 2013 the Legislative Assembly approved the implementation of a new integrated formula payment to provide school funding. The formula provides the state will determine an adequate base level of support necessary to educate students by applying an integrated formula payment rate to the weighted student units. For the 2019-21 biennium, the integrated payment rates are increased 2 percent each year of the biennium to provide \$9,839 during the 1st year of the biennium and \$10,036 during the 2nd year of the biennium. This base level of support will be provided through a combination of local tax sources, local revenue, and state integrated formula payments. The local funding requirement is set at 60 mills and a percentage of identified local in lieu of property tax sources and local revenues. Base level support not provided by local sources is provided by the state through the integrated formula payment.

COMMON SCHOOLS TRUST FUND

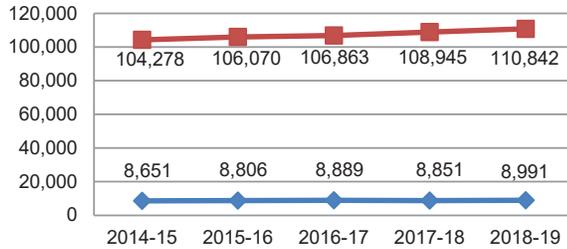
The common schools trust fund is provided for in Article IX of the Constitution of North Dakota, which provides that the fund is to be used to support the common schools of the state. The fund consists of income from state lands dedicated for the support of schools as well as 10 percent of oil extraction tax revenue, funds received by the state under the Uniform Unclaimed Property Act, and through June 30, 2017, 45 percent of tobacco settlement proceeds received by the state under subsection IX(c)(1) of the Master Settlement Agreement. In 2017 the Legislative Assembly suspended the transfer of 45 percent of the tobacco settlement proceeds for the 2017-19 biennium and in 2019 amended the provision to provide all tobacco settlement proceeds be transferred to the community health trust fund. Distributions are made annually from the fund for the benefit of schools based on the provisions of Section 2 of Article IX of the Constitution of North Dakota.

Fund Balance for the Fiscal Year Ending June 30 (Excluding Land and Mineral Values) (Amounts Shown in Millions)



NOTE: The unaudited fund balance of the common schools trust fund as of June 30, 2019, is estimated to be \$4.6 billion.

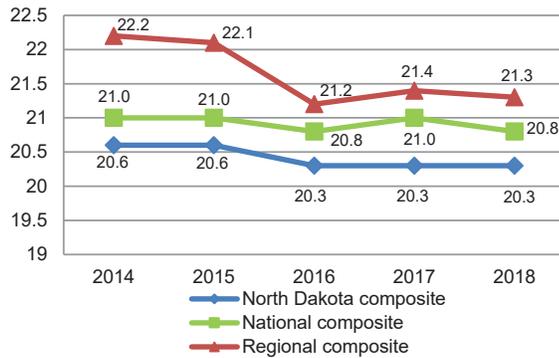
STUDENT ENROLLMENT AND NUMBER OF TEACHERS



ACT ASPIRE PROGRAM SCORES

The ACT Aspire program scores are designed to predict a student's potential for success in college. Below are average composite scores out of a possible 36 for North Dakota students as well as the average scores for regional states and the nation.

Comparison of Average ACT Aspire Scores¹



¹The regional composite is the average composite scores posted by students tested in Iowa, Minnesota, Montana, South Dakota, and Wyoming. The regional composite average includes three other states that require all students be tested--Minnesota, Montana, and Wyoming--which have average composite scores of 21.3, 20.0, and 20.0, respectively for 2018.

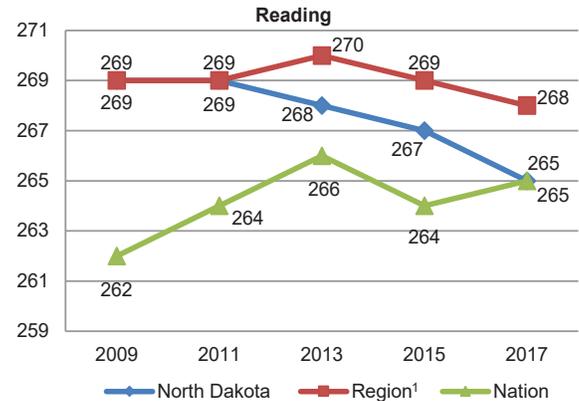
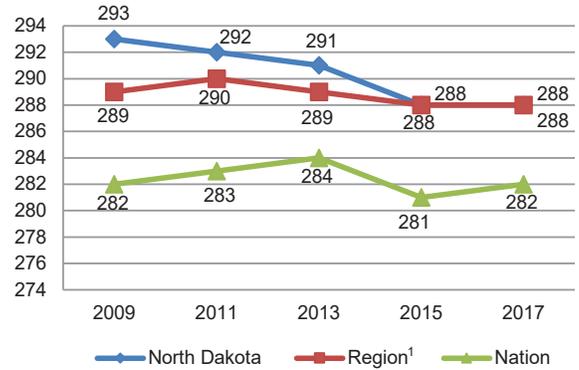
Class	North Dakota				
	English	Math	Reading	Science	Composite
2014	19.6	20.7	20.8	20.6	20.6
2015	19.6	20.6	20.7	20.8	20.6
2016	19.1	20.3	20.7	20.7	20.3
2017	19.0	20.4	20.5	20.6	20.3
2018	19.1	20.3	20.7	20.5	20.3

NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

The national assessment of educational progress (NAEP) is the only nationally representative and continuing assessment of what America's students know and can do in various subject areas. Assessments are conducted periodically in mathematics, reading, science, and writing.

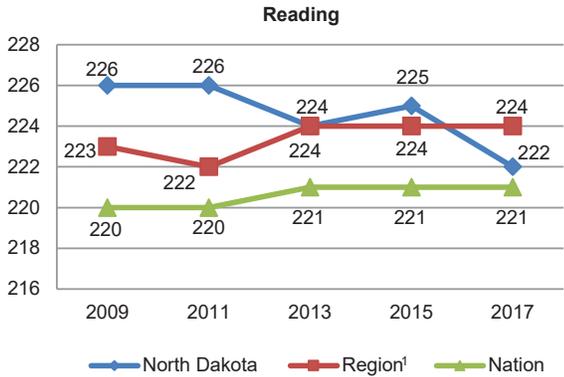
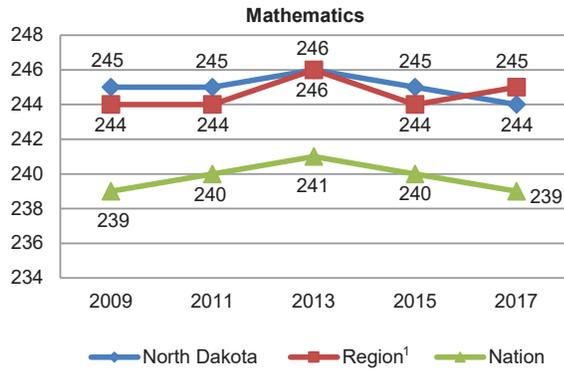
Since NAEP assessments are administered uniformly using the same sets of test booklets across the nation, NAEP results serve as a common metric for all states.

Average NAEP Scores - 8th Grade Mathematics



¹The region NAEP score is the average of the Iowa, Minnesota, Montana, South Dakota, and Wyoming posted scores.

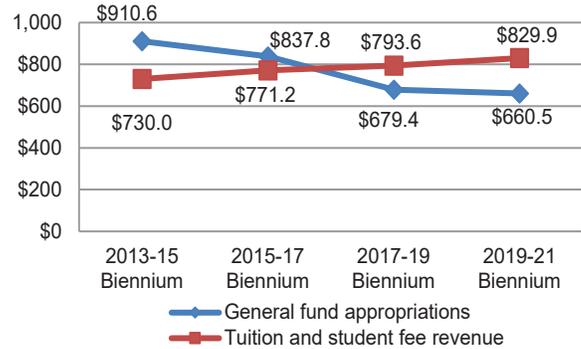
Average NAEP Scores - 4th Grade



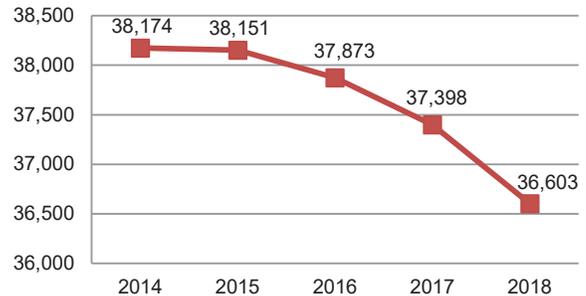
The region NAEP score is the average of the Iowa, Minnesota, Montana, South Dakota, and Wyoming posted scores.

HIGHER EDUCATION

GENERAL FUND APPROPRIATIONS AND TUITION AND FEE REVENUE (Amounts Shown in Millions)



NORTH DAKOTA UNIVERSITY SYSTEM FALL FTE STUDENT ENROLLMENT



FTE STUDENT ENROLLMENT BY INSTITUTION

Institution	Fall 2016	Fall 2017	Fall 2018
Bismarck State College	2,861	2,646	2,611
Dakota College at Bottineau	490	527	590
Dickinson State University	1,114	1,128	1,090
Lake Region State College	971	995	1,005
Mayville State University	782	784	817
Minot State University	2,592	2,467	2,483
North Dakota State University	12,783	12,784	12,394
State College of Science	2,298	2,253	2,126
University of North Dakota	12,182	11,964	11,585
Valley City State University	1,044	1,086	1,096
Williston State College	756	764	806
Total	37,873	37,398	36,603

HIGHER EDUCATION TUITION RATES

The following is information regarding resident student tuition rates for various programs:

Resident Student - Undergraduate Programs

	2017-18	2018-19	2019-20
Bismarck State College	\$3,791	\$3,990	\$4,150
Dakota College at Bottineau	\$3,607	\$3,751	\$4,066
Dickinson State University	\$5,344	\$5,558	\$6,020
Lake Region State College	\$3,459	\$3,598	\$3,778
Mayville State University	\$5,255	\$5,465	\$5,793
Minot State University	\$5,400	\$5,616	\$6,088
State College of Science	\$3,925	\$4,082	\$4,204
North Dakota State University	\$7,201	\$7,957	\$8,275
University of North Dakota	\$6,946	\$7,224	\$8,212
Valley City State University	\$5,493	\$5,713	\$5,884
Williston State College	\$3,535	\$3,676	\$3,750

Resident Student - Graduate Programs

	2017-18	2018-19	2019-20
Minot State University	\$7,140	\$7,425	\$8,049
North Dakota State University	\$7,724	\$8,645	\$8,991
University of North Dakota	\$7,688	\$8,227	\$10,533
Valley City State University	\$7,308	\$7,601	\$7,829

Resident Student - Professional Programs

	2017-18	2018-19	2019-20
University of North Dakota law school	\$8,835	\$9,631	\$13,176
University of North Dakota medical school	\$29,932	\$31,129	\$32,063
University of North Dakota physical therapy	\$13,834	\$14,387	\$14,820

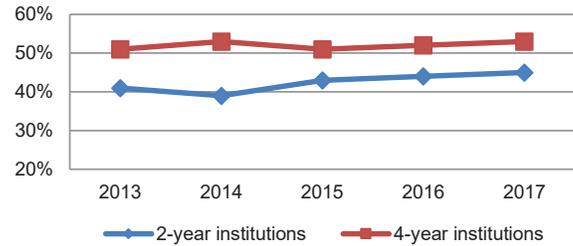
Tuition and Fees as a Percentage of Median Household Income

	2015-16	2016-17	2017-18	2018-19
Doctoral institutions				
North Dakota average	10.6%	10.3%	10.7%	11.0%
Regional average	13.2%	13.0%	13.0%	12.9%
4-year institutions				
North Dakota average	8.1%	7.8%	8.2%	8.2%
Regional average	10.4%	10.3%	10.5%	10.4%
2-year institutions				
North Dakota average	5.7%	5.6%	5.8%	5.9%
Regional average	5.7%	5.6%	5.7%	5.6%

HIGHER EDUCATION PERFORMANCE MEASURES

The following are selected higher education performance measures as reported in the North Dakota University System Accountability Reports:

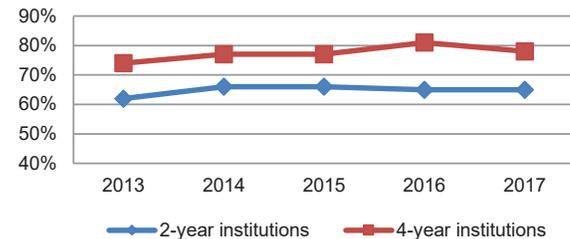
Student Graduation Rates¹



¹Based on 2-year institution students who entered college and graduated within 3 years and on 4-year institution students who entered college and graduated within 6 years.

	2013	2014	2015	2016	2017	National Average 2017
2-year institutions	41%	39%	43%	44%	45%	25%
4-year institutions	51%	53%	51%	52%	53%	60%

Freshman Retention Rates¹



¹Based on the number of freshman students who enrolled in an institution and re-enrolled at the same institution the following year.

	2013	2014	2015	2016	2017	National Average 2017
2-year institutions	62%	66%	66%	65%	65%	62%
4-year institutions	74%	77%	77%	81%	78%	81%

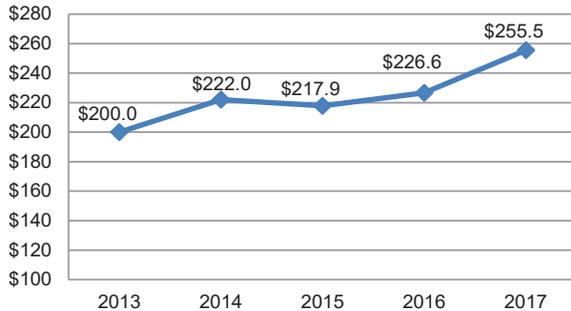
Workforce Training Provided

	2015	2016	2017	2018
Businesses served	1,134	1,076	843	701
Employees receiving training	17,948	11,908	10,917	8,205
Business satisfaction with training	99%	99%	99%	99%
Participant satisfaction with training	99%	98%	98%	99%
Businesses requesting additional training	64%	67%	61%	47%
Revenue generated from training fees (in millions)	\$7.5	\$4.9	\$4.4	\$4.4

Average Public Institution Student Loan Debt Incurred Per Year

	2014-15	2015-16	2016-17	2017-18
North Dakota average	\$4,916	\$4,982	\$4,993	\$5,051
National average	\$5,915	\$5,741	\$5,566	\$5,767

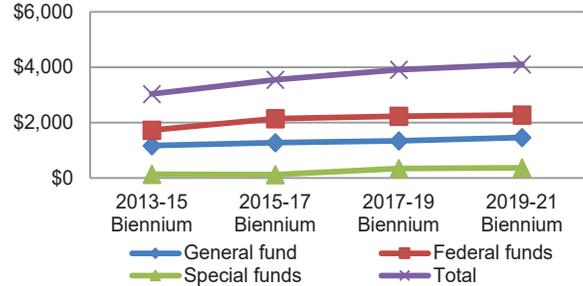
NORTH DAKOTA UNIVERSITY SYSTEM RESEARCH EXPENDITURES (Amounts Shown in Millions)



Higher Education

HUMAN SERVICES

DEPARTMENT OF HUMAN SERVICES LEGISLATIVE APPROPRIATIONS (Amounts Shown in Millions)

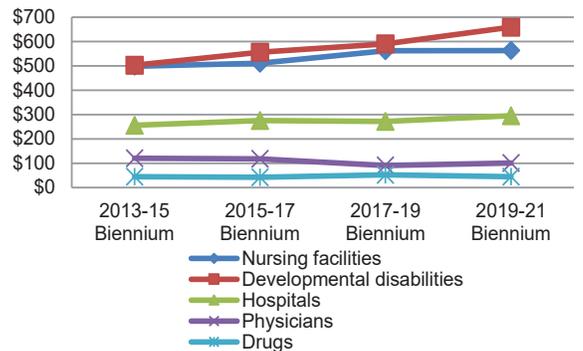


Biennium	(Amounts Shown in Millions)			
	General Fund	Federal Funds	Special Funds	Total
2013-15 ¹	\$1,171.1	\$1,729.9	\$135.5	\$3,036.5
2015-17 ²	\$1,281.6	\$2,142.0	\$122.5	\$3,546.1
2017-19	\$1,339.2	\$2,228.3	\$345.6	\$3,913.1
2019-21	\$1,462.7	\$2,275.7	\$368.5	\$4,106.8

¹Includes a deficiency appropriation of \$87 million of federal funds.

²Includes a deficiency appropriation of \$19.0 million, of which \$600,000 is from the general fund, \$9.4 million is from federal funds, and \$9.0 million is from special funds. In addition, reflects budget reductions of \$54 million from the general fund made during the August 2016 special legislative session.

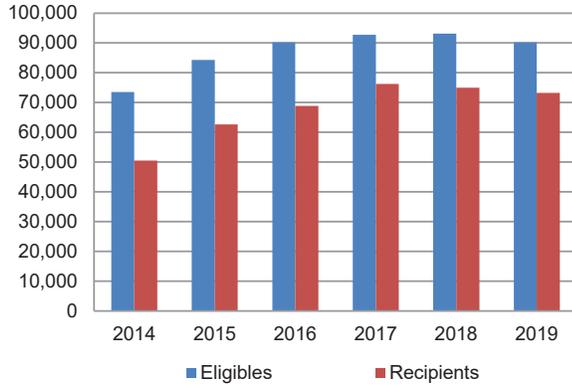
MAJOR MEDICAID COSTS (Amounts Shown in Millions)



	(Amounts Shown in Millions)			
	2013-15	2015-17	2017-19	2019-21
Nursing facilities	\$498.3	\$511.3	\$562.4	\$562.9
Developmental disabilities	\$502.7	\$556.6	\$590.2	\$659.2
Hospitals	\$265.6	\$274.8	\$272.0	\$295.2
Physicians	\$120.4	\$117.4	\$90.5	\$101.0
Drugs	\$44.4	\$42.3	\$52.3	\$44.2

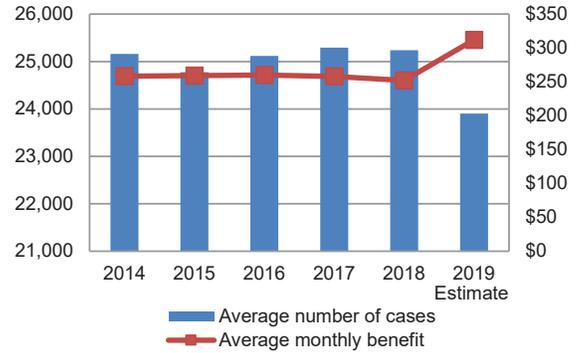
Human Services

MEDICAL ASSISTANCE - AVERAGE ANNUAL MEDICAID ELIGIBLES AND RECIPIENTS



Fiscal Year	Average Annual Eligibles	Average Annual Recipients
2014	73,573	50,494
2015	84,275	62,702
2016	90,245	68,850
2017	92,780	76,217
2018	93,107	75,007
2019	90,218	73,197

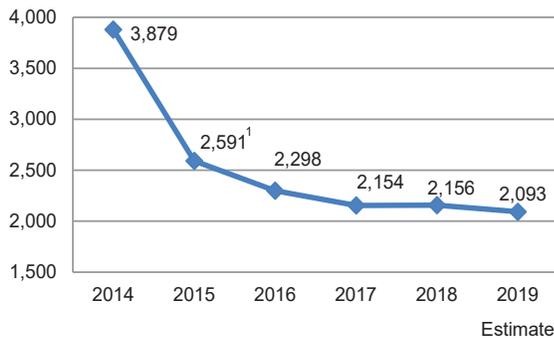
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM - CASES AND BENEFITS



Fiscal Year	Average Number of Cases	Average Monthly Benefit
2014	25,160	\$258.47
2015	24,774	\$259.01
2016	25,119	\$260.05
2017	25,290	\$257.79
2018	25,237	\$252.00
2019 (estimate)	23,905	\$312.00

Human Services

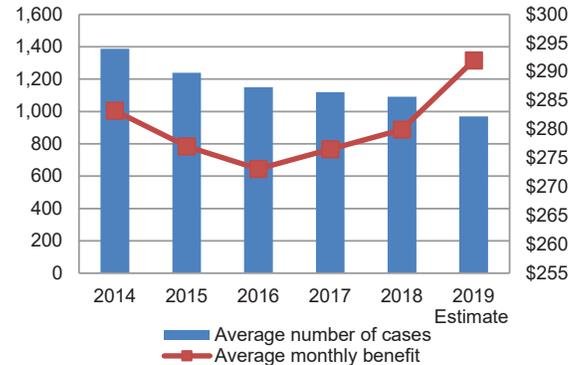
CHILDREN'S HEALTH INSURANCE PROGRAM - AVERAGE ANNUAL RECIPIENTS



¹The number of children's health insurance program recipients decreased beginning in fiscal year 2015 due in part to more children becoming eligible to enroll in Medicaid as a result of Medicaid Expansion under the federal Affordable Care Act.

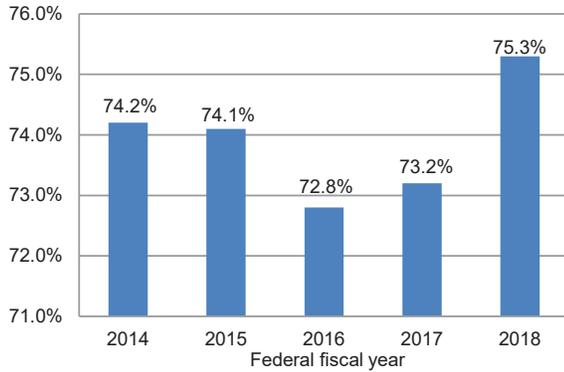
Human Services

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES - CASES AND BENEFITS

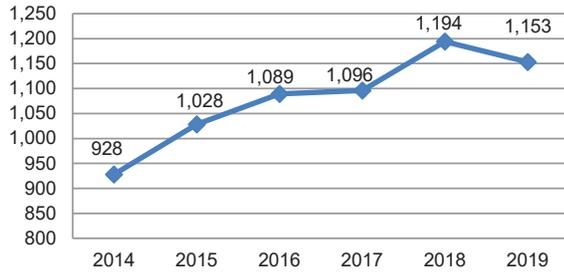


Fiscal Year	Average Number of Cases	Average Monthly Benefit
2014	1,387	\$283.26
2015	1,239	\$277.05
2016	1,150	\$273.13
2017	1,119	\$276.54
2018	1,091	\$280.00
2019 (estimate)	970	\$292.00

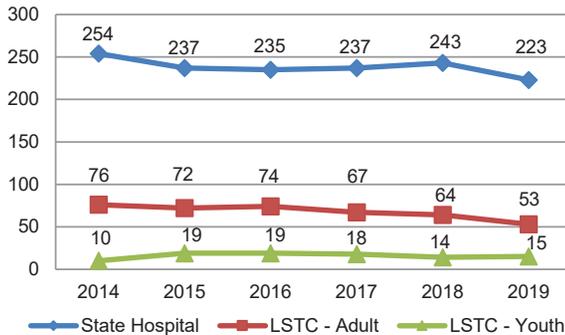
CHILD SUPPORT - PERCENTAGE OF CURRENT CHILD SUPPORT COLLECTED



CHILDREN AND FAMILY SERVICES - NUMBER OF CHILDREN IN FOSTER CARE

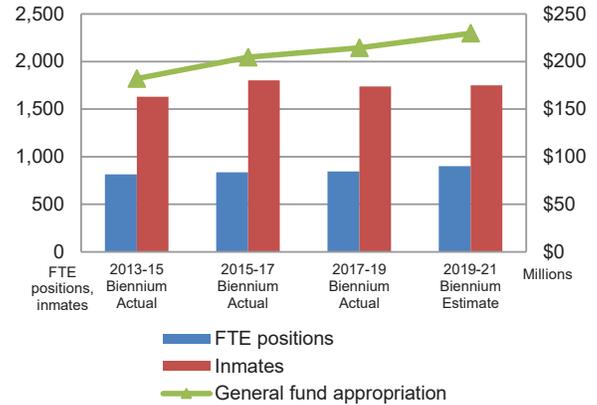


STATE HOSPITAL AND LIFE SKILLS AND TRANSITION CENTER (LSTC) - AVERAGE DAILY CENSUS



CORRECTIONS

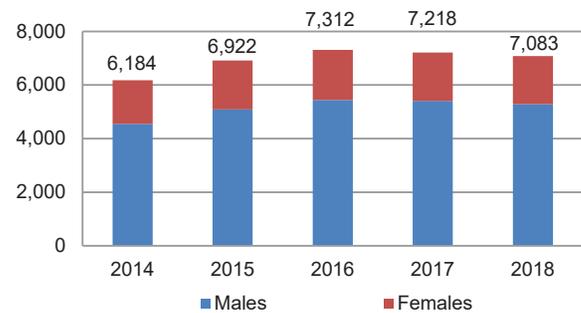
DEPARTMENT OF CORRECTIONS AND REHABILITATION FTE POSITIONS, INMATES, AND GENERAL FUND APPROPRIATIONS



Biennium	General Fund Appropriation (in Millions)	Average Daily Inmate Population	FTE Positions
2013-15	\$182.1	1,631	814.29
2015-17	\$204.5	1,803	836.29
2017-19	\$214.3	1,739	845.29
2019-21	\$229.7	1,750 ¹	899.79

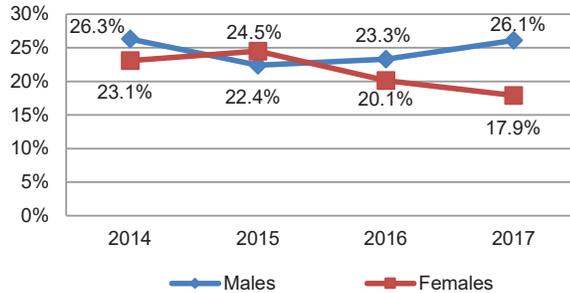
¹Estimated.

PAROLE AND PROBATION



Calendar Year	Females	Males	Total
2014	1,636	4,548	6,184
2015	1,832	5,090	6,922
2016	1,872	5,440	7,312
2017	1,808	5,410	7,218
2018	1,798	5,285	7,083

RECIDIVISM RATES



Calendar Year	Males Released	Returned for a New Crime	Returned for a Technical Violation	Total Returned	Total Percentage Returned Rates
2014	946	63	186	249	26.3%
2015	1,097	65	181	246	22.4%
2016	1,199	81	198	279	23.3%
2017	1,213	89	227	316	26.1%

Calendar Year	Females Released	Returned for a New Crime	Returned for a Technical Violation	Total Returned	Total Percentage Returned Rates
2014	173	10	30	40	23.1%
2015	253	9	53	62	24.5%
2016	274	4	51	55	20.1%
2017	274	9	40	49	17.9%

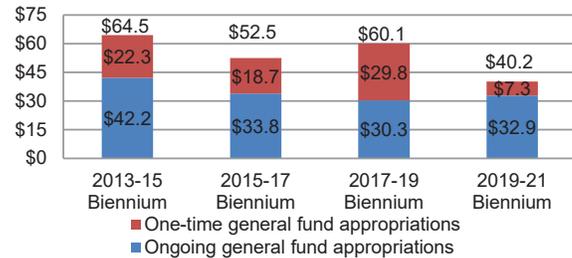
Calendar Year	Total Released	Returned for a New Crime	Returned for a Technical Violation	Total Returned	Total Percentage Returned Rates
2014	1,119	73	216	289	25.8%
2015	1,350	74	234	308	22.8%
2016	1,473	85	249	334	22.7%
2017	1,487	98	267	365	24.5%

NOTE: The numbers shown for inmates returning to prison reflect the number of inmates released during the calendar year who returned to prison for a new crime or technical violation within 12 months of release.

Source: Department of Corrections and Rehabilitation

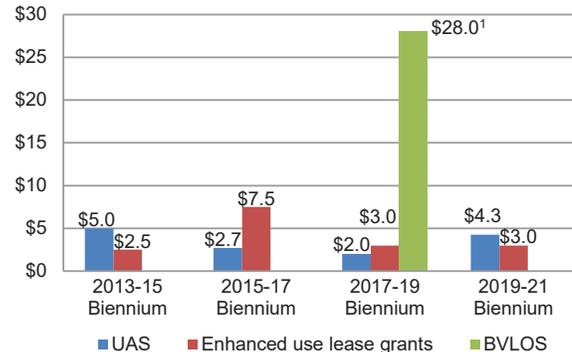
ECONOMIC DEVELOPMENT

GENERAL FUND APPROPRIATIONS (Amounts Shown in Millions)



Biennium	Ongoing General Fund Appropriations	One-Time General Fund Appropriations	Total General Fund Appropriations
2013-15	\$42,157,060	\$22,300,000	\$64,457,060
2015-17	\$33,859,099	\$18,663,260	\$52,522,359
2017-19	\$30,342,680	\$29,750,000	\$60,092,680
2019-21	\$32,866,721	\$7,325,000	\$40,191,721

TOTAL APPROPRIATIONS FOR UNMANNED AIRCRAFT SYSTEMS (UAS) PROGRAMS (Amounts Shown in Millions)

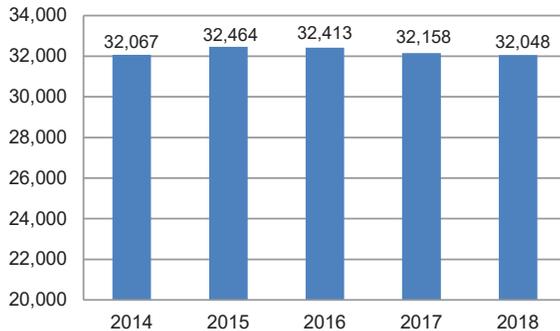


¹The 2019 Legislative Assembly provided a supplemental appropriation of \$28 million to the Department of Commerce for a beyond visual line of sight (BVLOS) UAS program for the 2017-19 biennium.

Biennium	General Fund	Other funds ¹	Total
2013-15	\$5,000,000	\$2,500,000	\$7,500,000
2015-17	2,718,620	7,500,000	10,218,620
2017-19	29,000,000	4,000,000	33,000,000
2019-21	5,250,000	2,000,000	7,250,000
Total	\$41,968,620	\$16,000,000	\$57,968,620

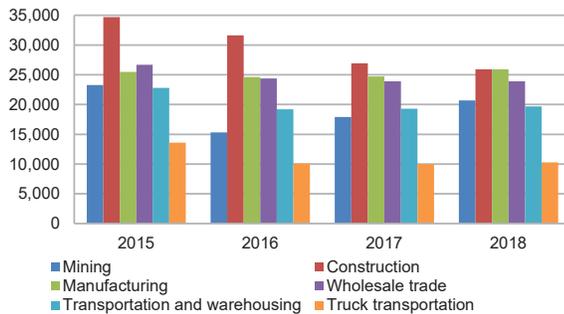
¹Other funds appropriated for UAS programs include \$14 million from the strategic investment and improvements fund, of which \$2 million was for UAS grants and \$12 million was for enhanced use lease grants. The remaining amount include \$1 million from the UAS fund and \$1 million from federal funds appropriated to the Department of Commerce for UAS grants during the 2019-21 biennium.

PRIVATE SECTOR BUSINESSES



Source: Job Service North Dakota, Labor Market Information Center - Quarterly Census of Employment and Wages Unit

INDUSTRIAL JOBS

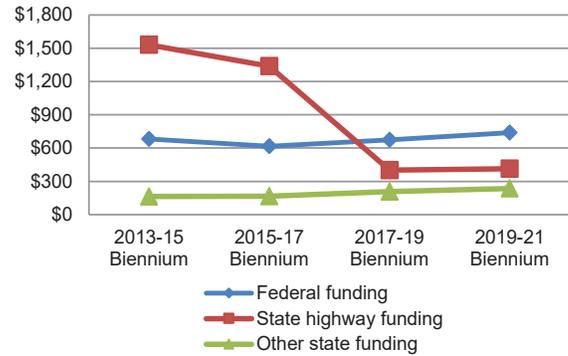


Industrial Jobs				
	2015	2016	2017	2018
Mining	23,300	15,300	17,900	20,700
Construction	34,700	31,600	26,900	25,900
Manufacturing	25,500	24,600	24,700	25,900
Wholesale Trade	26,600	24,400	23,900	23,900
Transportation and Warehousing	22,800	19,200	19,300	19,700
Truck Transportation	13,600	10,100	10,000	10,300

Source: Job Service North Dakota, Labor Market Information Center - Current Employment Statistics

TRANSPORTATION

STATE HIGHWAYS - FUNDING HISTORY (Amounts Shown in Millions)



State Highways - Funding History (Amounts Shown in Millions)				
	2013-15	2015-17	2017-19	2019-21
Federal funding	\$681.5	\$616.5	\$673.4	\$738.9
State highway funding	1,530.5 ¹	1,338.4 ^{2,3}	401.2 ⁴	412.5 ⁶
Other state funding	163.5	166.3	207.9 ⁵	235.3 ⁷
Total	\$2,375.5	\$2,121.2	\$1,282.5	\$1,386.7

¹Includes \$1,161.6 million from the general fund for state highway projects in areas affected by oil and gas development.

²Includes \$487 million from the general fund reflecting August 2016 special legislative session budget reductions and \$450 million from the strategic investment and improvements fund for state highway projects in areas affected by oil and gas development.

³Includes an \$18.7 million contingent general fund transfer to the highway fund reflecting August 2016 special legislative session budget reductions.

⁴Includes \$50.4 million of revenue received during the 2013-15 biennium in excess of the department's appropriation and \$16.3 million of cost savings realized during the 2015-17 biennium, both of which are appropriated to the Department of Transportation for the 2017-19 biennium. Includes \$13 million from the general fund, appropriated during the 2019 legislative session for road maintenance funding during the 2017-19 biennium.

⁵Includes \$709,000 of other funds received from Adjutant General loan proceeds for costs relating to unlawful activity associated with the construction of the Dakota Access Pipeline.

⁶Includes \$71.3 million of revenue received during the 2015-17 biennium in excess of the department's appropriation.

⁷Includes \$2.5 million from the general fund for the Department of Transportation's short line railroad program.

2019-21 BIENNIUM ESTIMATED HIGHWAY TAX DISTRIBUTION FUND ALLOCATIONS (Amounts Shown in Millions)

State	\$341.2
Counties	122.5
Cities	69.6
Townships	15.0
Public transportation	8.4
Total	\$556.7

Transportation

ESTIMATED FEDERAL HIGHWAY FUNDING¹

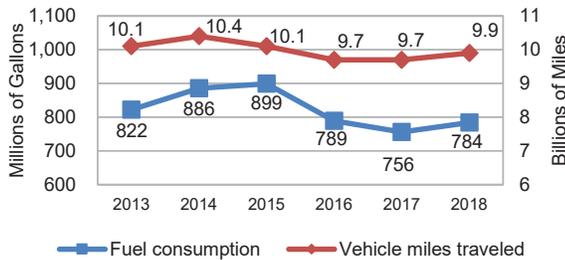
	(Amounts Shown in Millions)		
	2015-17 Biennium	2017-19 Biennium	2019-21 Biennium
Federal Highway Administration funding	\$545.3	\$615.1	\$684.3
Emergency relief funds	42.4	21.7	20.4
Federal rail funds	4.0	11.3	
National Highway Traffic Safety Administration	9.5	9.3	9.4
Federal transit funds	15.3	16.0	24.8
Total	\$616.5	\$673.4	\$738.9

¹Federal funding received for highway construction projects requires state matching funds. Interstate highway projects are paid with 90 percent federal funds and 10 percent state funds, and most other state highway projects are with 80 percent federal funds and 20 percent state funds.

MOTOR FUELS TAXES

Both gasoline and special fuels (diesel) are taxed in North Dakota at a rate of 23 cents per gallon. A one-cent increase in the gas tax is estimated to generate an additional \$4.3 million per year or \$8.6 million for a biennium. A one-cent increase in the special fuels tax is estimated to generate an additional \$3.1 million per year or \$6.2 million per biennium. The federal tax rate per gallon is 18.4 cents for gasoline and 24.4 cents for diesel fuel.

HISTORY OF FUEL CONSUMPTION AND MILES TRAVELED IN NORTH DAKOTA



MILES OF ROADWAYS IN NORTH DAKOTA - 2018

State highway system	7,414
County roads	15,635
Other rural roads	60,220
City streets	4,419
Total	87,688

ESTIMATED HIGHWAY CONSTRUCTION COSTS PER MILE

	2014	2016	2018
Two-lane road reconstruction (includes grading and asphalt surfacing)	\$2,300,000	\$2,000,000	\$1,500,000
Interstate concrete paving (two lanes in one direction)	\$2,000,000	\$2,400,000	\$2,300,000
Asphalt surface reconstruction (includes subgrade repair and resurfacing)	\$1,300,000	\$1,100,000	\$1,000,000
3-inch asphalt overlay	\$380,000	\$320,000	\$240,000
Interstate seal coat	\$55,000	\$55,000	\$55,000
Noninterstate seal coat	\$35,000	\$35,000	\$35,000

NORTH DAKOTA BRIDGE SYSTEM CONDITION

Number of Bridges in the State and Percentage of Structurally Deficient ¹ or Functionally Obsolete ² Bridges				
	State	Urban	County	Total
2014				
Bridges	1,711	111	3,036	4,858
Percentage deficient	4.7%	13.5%	24.7%	17.4%
2016				
Bridges	1,715	111	3,021	4,847
Percentage deficient	4.1%	14.4%	23.4%	16.4%
2018				
Bridges	1,722	117	2,992	4,831
Percentage deficient	2.0%	5.4%	15.6%	10.5%

¹Structurally deficient bridge means that the deck, the superstructure, or the substructure has a condition that warrants attention.
²A functionally obsolete bridge has some part of the bridge that does not meet a design standard, such as vertical clearance or deck width.

NORTH DAKOTA INTERSTATE SYSTEM RIDE TRENDS



NOTES