Budget and Fiscal Trends – 2007 Legislative Assembly

Prepared by North Dakota Legislative Council staff
January 3, 2007
Average biennial ongoing revenues increase from 1997-99 to 2005-07 is 10.3%

Governor's recommended ongoing revenues increase is 6.1%

<table>
<thead>
<tr>
<th>Year</th>
<th>Beginning Balance</th>
<th>Ongoing Revenues</th>
<th>Transfers</th>
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</thead>
<tbody>
<tr>
<td>1997-99</td>
<td>$1,413.1</td>
<td>$70.4</td>
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<td>1999-01</td>
<td>$1,535.7</td>
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<td>2001-03</td>
<td>$1,559.4</td>
<td>$110.4</td>
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<td>$1,739.1</td>
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<td>2005-07</td>
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<td>2007-09</td>
<td>$2,206.8</td>
<td>$2,502.7</td>
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</table>
Average biennial sales tax increase from 1997-99 to 2005-07 is 10.5%

Governor's forecasted sales tax increase is 9.2%
Oil & Gas Production Tax and Oil Extraction Tax Revenues (Based on Executive Budget Revenue Forecast)

<table>
<thead>
<tr>
<th>Period</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
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<tbody>
<tr>
<td>1995-97</td>
<td>$55.0</td>
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<td>$120.5</td>
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<td>1997-99</td>
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<td>1999-2001</td>
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<td>2003-05</td>
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<tr>
<td>2005-07</td>
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<td>$71.0</td>
<td>$37.6</td>
<td>$71.0</td>
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<td>$103.2</td>
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<td>2007-09</td>
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<td>$167.0</td>
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</table>

- Permanent Oil Tax Trust Fund
- Permanent Oil Tax Trust Fund (Transfer to General Fund)
- General Fund
### Appropriations – General Fund, Federal Fund, and Special Fund Appropriations

- **Average biennial general fund increase from 1997-99 to 2005-07 is 7.1%**
- **Governor’s recommended general fund increase is 24.1%**
- **Includes $187.7 million of one-time general fund appropriations**
- **Does not include $116.7 million for property tax relief**

#### Key Points:
- **Appropriations** for the General Fund, Federal Funds, and Special Funds over different biennial periods.
- **1997-99**
- **1999-2001**
- **2001-03**
- **2003-05**
- **2005-07**
- **2007-09 Executive Budget**

- **General Fund** line graph.
- **Federal Funds** line graph.
- **Special Funds** line graph.

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**Graph Details:**
- **Millions of Dollars** on the vertical axis.
- **Executive Budget** on the horizontal axis.
- Notes on the chart explain the context and the sources of the data.
Appropriations – Major General Fund Appropriations

- Higher Education: Average increase 6.1%, Recommended increase 21.5%
- K-12: Average increase 4.9%, Recommended increase 11.8%
- Corrections: Average increase 21.3%, Recommended increase 70.8%
- Human Services: Average increase 9.8%, Recommended increase 20.2%

Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Higher Education</th>
<th>K-12</th>
<th>Corrections</th>
<th>Human Services</th>
</tr>
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<tbody>
<tr>
<td>1997-99</td>
<td>$472</td>
<td>$306.8</td>
<td>$47.2</td>
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<tr>
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<td>2001-03</td>
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<td>$470.2</td>
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<td>$582.2</td>
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</tbody>
</table>

Millions

- $470.2
- $387.2
- $364.0
- $334.4
- $306.8
- $230.4
- $172.7
- $101.1
- $711.6
- $582.2
- $470.2
- $172.7
Appropriations – Comparison of General Fund Appropriations and Total Personal Income

- **Personal Income**
  - 1997-99: $29,003.0
  - 1999-2001: $31,878.8
  - 2001-03: $33,883.3
  - 2003-05: $37,497.3
  - 2005-07: $41,782.0
  - 2007-09: $45,747.0

- **General Fund Appropriations**
  - 1997-99: $1,510.8
  - 1999-2001: $1,614.9
  - 2001-03: $1,728.6
  - 2003-05: $1,816.9
  - 2005-07: $1,989.5
  - 2007-09: $2,468.3

Cumulative percentage increase:
- Personal Income: 57.7%
- General Fund Appropriations: 63.4%
Average biennial general fund increase from 1997-99 to 2005-07 is 6.1%

Average biennial tuition and fee revenue increase from 1997-99 to 2005-07 is 22.1%

Governor’s recommended general fund increase is 21.5%
Higher Education – General Fund Appropriations and Full-Time Equivalent Enrollments

- Average biennial general fund increase from 1997-99 to 2005-07 is 6.1%
- Governor’s recommended general fund increase is 21.5%
- Average FTE enrollment increase from 1997-99 to 2005-07 is 4.2%
- Projected enrollment increase is 0.1%

Average Annual FTE Enrollment
General Fund Appropriations
Higher Education – Resident Tuition Rates

- 2-Year Institutions: Average annual increase-7.0%, Cumulative increase-81.6%
- Research Institutions: Average annual increase-8.9%, Cumulative increase-113.8%
- Other Four-Year Institutions: Average annual increase-8.6%, Cumulative increase-107.4%
Kindergarten Through Grade 12 –
State School Aid and Other Grant Funding

Average biennial increase from 1997-99 to 2005-07 is 5.0%
Governor’s recommended increase is 11.6%

Average biennial increase from 1997-99 to 2005-07 is 10.2%
Governor’s recommended increase is 6.4%

Millions

$0.0 $100.0 $200.0 $300.0 $400.0 $500.0 $600.0 $700.0 $800.0


General Fund - School Aid and Other General Fund Grants
State Tuition Fund
Average annual personnel decrease from 1997-98 to 2006-07 is 0.3%

Average annual enrollment decrease from 1997-98 to 2006-07 is 2.1%
Department of Human Services –
General Fund and Total Fund Appropriations

- Total Funds: Average increase-9.3%
  Recommended increase-10.0%
- Federal Funds: Average increase-9.4%
  Recommended increase-6.4%
- General Fund: Average increase-9.8%
  Recommended increase-20.2%
- Special Funds: Average increase-12.2%
  Recommended increase-0.5%
Average biennial increase from 1997-99 to 2005-07 is 12.8%

Governor’s recommended increase is 12.0%

Department of Human Services – Medicaid Funding

Executive Budget

Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Funds</th>
<th>Federal Funds</th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-99</td>
<td>$610.0</td>
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<tr>
<td>2001-03</td>
<td>$875.1</td>
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<td>2007-09</td>
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In 2008, the FMAP will be the lowest since 1987.
Department of Human Services – Nursing Home and Home and Community-Based Care Funding – Total Funds

Average biennial increase from 1997-99 to 2005-07 is 9.0%

Average biennial increase from 1997-99 to 2005-07 is 20.4%

Governor’s recommended increase is 10.3%

Governor’s recommended decrease is 2.4%
Department of Corrections and Rehabilitation – General Fund Appropriations and Inmate Counts

- Cumulative average inmate count increase is 11.1%
- Governor's recommended general fund increase is 70.8%
- Average biennial general fund increase from 1997-99 to 2005-07 is 21.3%
Department of Corrections and Rehabilitation – FTE Positions and Inmate Counts

Cumulative average inmate count increase is 11.1%

Average biennial increase from 1997-99 to 2005-07 is 6.9%

Governor’s recommended increase is 4.4%
State Employees – Total FTE Positions
Excluding Higher Education

FTE positions increase from 1997-99 to 2005-07 is 211.64
Governor’s recommended increase is 237.56