

**2023-25 BUDGET STATUS SUMMARY
AS OF MARCH 9, 2023**

Beginning Balance and Revenues

Legislative estimate of unobligated general fund cash balance - July 1, 2023	\$990,718,425 ¹
Add 2023-25 estimated revenues	
January 2023 legislative base revenue forecast	\$5,093,906,670
Legislative changes to base revenue forecast	
Major increases	
SB 2367 - Increases the allocation of oil and gas tax revenue to the general fund	60,000,000
Major decreases	
HB 1012 & SB 2015 - Allocates motor vehicle excise taxes to the state highway fund rather than the general fund	(169,250,000)
NOTE: SB 2329 provides a similar allocation of motor vehicle excise tax collections to political subdivisions	
HB 1014 - Decreases the transfer of Bank of North Dakota and Mill and Elevator profits to the general fund	(81,300,000)
HB 1168 - Provides income tax credits related to manufacturing and agriculture automation incentives	(3,000,000)
HB 1158 - Provides an individual income tax exemption and reduces the individual income tax rate	(566,400,000)
NOTE: HB 1118 provides an individual income tax credit for residents and reduces the income tax rate	
SB 2237 - Creates an individual income tax credit related to child care expenses	(9,900,000)
SB 2293 - Expands an individual income tax deduction to exclude state active duty military pay from taxation	(4,000,000)
Other increases (decreases)	<u>(9,049,896)</u>
Total legislative changes affecting revenues	<u>(\$782,899,896)</u>
Total estimated general fund revenues and beginning balance - 2023-25 biennium	\$5,301,725,199

Appropriations

Base level appropriations	\$4,878,875,745
Legislative increases (decreases) to base level appropriations	
Major increases	
HB 1002 - Judicial branch	20,296,595
HB 1003 - North Dakota University System	232,349,099
HB 1014 - Industrial Commission, Department of Mineral Resources, and Housing Finance Agency	27,508,309
HB 1015 - Department of Corrections and Rehabilitation	67,382,240
HB 1018 - Department of Commerce	44,783,357
HB 1021 - Information Technology Department	20,894,455
HB 1276 - Agriculture diversification and development fund	30,000,000
HB 1532 - Nonpublic school education reimbursement	24,000,000
SB 2003 - Attorney General	20,940,133
SB 2012 - Department of Health and Human Services	412,339,153
SB 2013 - Department of Public Instruction	242,573,004
SB 2015 - Office of Management and Budget, including a statewide salary equity pool	58,017,935
SB 2239 - Public Employees Retirement System reduction of the main system plan unfunded liability	250,000,000
SB 2283 - Department of Health and Human Services basic care payment rates	19,718,386
Major decreases	
None	
Other increases (decreases) net	<u>145,908,370</u>
Total legislative changes affecting appropriations	<u>\$1,616,711,036</u>
Total 2023-25 general fund appropriations	\$6,495,586,781

Estimated Ending Balance - June 30, 2025

Estimated budget status general fund balance	<u>(\$1,193,861,582)</u>
---	---------------------------------

2023-25 Ongoing and One-Time General Fund Revenues and Appropriations Comparison

	<u>Ongoing</u>	<u>One-Time</u>	<u>Total</u>
General fund revenues	\$4,311,006,774	\$990,718,425	\$5,301,725,199
General fund appropriations	5,878,041,160	617,545,621	6,495,586,781
Balance (Deficit)	(\$1,567,034,386)	\$373,172,804	(\$1,193,861,582)

2023-25 General Fund Appropriations Comparison to Executive Budget Recommendation

	Executive Budget	2023-25 Current Budget Status	Increase (Decrease)	
			Amount	Percent
Ongoing general fund appropriations	\$5,489,362,605	\$5,878,041,160	\$388,678,555	7.1%
One-time general fund appropriations	374,889,588	617,545,621	242,656,033	64.7%
Total general fund appropriations	\$5,864,252,193	\$6,495,586,781	\$631,334,588	10.8%

Footnotes

¹ January 2023 base revenue forecast - Unobligated general fund cash balance on June 30, 2023	\$1,398,719,379 ^a
Legislative action affecting the June 30, 2023, balance	
HB 1014 - Industrial Commission - Provides a deficiency appropriation for FTE positions and a transfer	(\$77,460)
HB 1014 - Bank of North Dakota - Decreases the transfer of Bank profits for the 2021-23 biennium	(70,000,000)
HB 1289 - Judicial Branch - Allows a court to waive unpaid fees pursuant to an emergency clause	(20,000)
SB 2013 - Department of Public Instruction - Provides an exemption allowing state school aid to be repurposed	(16,009,764)
SB 2016 - Adjutant General - Provides a deficiency appropriation for a transfer to the Veterans' Cemetery fund	(26,656)
SB 2025 - Provides deficiency appropriations to various state agencies	(41,529,057)
SB 2183 - Adjutant General - Deficiency appropriation for emergency snow removal grants	(25,000,000)
SB 2284 - Department of Public Instruction - Provides an exemption allowing state school aid to be repurposed	<u>(1,000,000)</u>
Total legislative changes affecting the beginning balance	(\$153,662,937)
Estimated general fund cash balance prior to budget stabilization fund transfer	\$1,245,056,442
Estimated transfer to budget stabilization fund - June 30, 2023	<u>(254,338,017) ^b</u>
Legislative estimate of unobligated general fund cash balance - July 1, 2023	<u>\$990,718,425</u>

^a The beginning balance reflects estimated unexpended 2021-23 biennium general fund appropriations of \$169.7 million.

^b North Dakota Century Code Chapter 54-27.2 provides that any amount in the general fund at the end of a biennium in excess of \$65 million must be transferred to the budget stabilization fund except that the balance in the budget stabilization fund may not exceed 15 percent of the general fund budget approved by the most recently adjourned Legislative Assembly. The amount shown is based on the current estimate of the June 30, 2023, general fund balance and the current status of 2023-25 biennium general fund appropriations.

Budget Stabilization Fund Transfer and Balance

Estimated balance - June 30, 2023	\$720,000,000
Estimated transfer from general fund	<u>254,338,017</u>
Estimated balance - July 1, 2023	<u>\$974,338,017</u>

Strategic Investment and Improvements Fund

Estimated July 1, 2023, balance available for appropriation or transfer - January 2023 legislative revenue forecast	\$1,387,387,584
Appropriations and transfers	
HB 1003 - Higher Education - Capital projects and a transfer to the University System capital building fund	(\$372,260,100)
HB 1007 - Veterans' Home - Parking lot and road repairs on the Veterans' Home campus	(\$600,000)
HB 1012 - Department of Transportation - Matching federal funds and creating a flexible transportation fund	(328,000,000)
HB 1014 - Industrial Commission - Research projects, transmission line grant, and loan guarantee	(110,000,000)
HB 1015 - Department of Corrections and Rehabilitation - New correctional facilities and information technology needs	(165,057,000)
HB 1018 - Department of Commerce - Transfer to the North Dakota Development Fund and other grants	(248,500,000)
HB 1020 - Agriculture Research and Extension Service - Various improvement projects and deferred maintenance	(103,732,600)
HB 1021 - Information Technology Department - Digitization project and customer management program	(16,500,000)
HB 1040 - Public Employees Retirement System - Transfer to the main system retirement plan	(240,000,000)
HB 1480 - Department of Health and Human Services - Transfer to a newly created pay for success fund	(2,500,000)
SB 2002 - Secretary of State - Information technology projects	(1,500,000)
SB 2009 - Agriculture Commissioner - Transfer to the bioscience innovation fund	(5,500,000)
SB 2012 - Department of Health and Human Services - Transfer to the human service finance fund and for projects	(39,335,154)
SB 2015 - Office of Management and Budget - Deferred maintenance funding pool	(20,000,000)
SB 2016 - Adjutant General - Statewide interoperable radio network equipment	(2,700,000)
SB 2018 - State Historical Society - Critical repairs at historic sites and new exhibits	(5,095,000)
SB 2019 - Parks and Recreation Department - Deferred maintenance and capital projects and park grants	(12,500,000)
SB 2089 - Industrial Commission - Transfer to a new clean natural gas capture and emissions reduction fund	(7,500,000)
SB 2136 - Tax Commissioner - Reimbursements under the homestead tax credit program	(135,000,000)
SB 2242 - Bank of North Dakota - Transfer to a newly created bulk propane storage tank revolving loan fund	(15,000,000)
SB 2290 - Agriculture Commissioner - Grasslands grazing grants	<u>(3,000,000)</u>
Total appropriations and transfers	<u>(\$1,834,279,854)</u>
Estimated remaining funds	(\$446,892,270)