

## GENERAL FUND APPROPRIATIONS - MAJOR CHANGES AND KEY RECOMMENDATIONS

The following schedule compares general fund appropriations recommended in the 2001-03 executive budget to the 1999-2001 appropriations approved by the 1999 Legislative Assembly and lists major changes:

	<b>1999-2001 Legislative Appropriations</b>	<b>Increase (Decrease) From 1999-2001</b>	<b>2001-03 Executive Budget</b>
General fund appropriations	<u>\$1,594,038,538 <sup>1</sup></u>	<u>\$112,260,570</u>	<u>\$1,706,299,108</u>
Major changes include:			
Recommended salary and health insurance increase		\$24,964,695	
Information Technology Department		35,393,354	
Higher Education		33,507,927	
Department of Corrections and Rehabilitation		20,222,788	
Judicial branch		12,232,663	
Department of Economic Development and Finance		6,031,866	
Department of Public Instruction		3,646,959	
Highway Patrol		2,424,122	
Experiment Station/Extension Service		2,159,479	
Lewis and Clark bicentennial		1,477,056	
State Water Commission		(9,208,348)	
Department of Human Services		(13,537,205)	
Industrial Commission		(13,545,651)	
Other net changes		6,490,865	
Total		<u>\$112,260,570</u>	

<sup>1</sup> Includes contingent appropriations of \$4,262,410 for service payments for elderly and disabled (SPED) and \$60,000 for a traumatic brain-injured (TBI) facility in western North Dakota. These are not expected to be spent.

Key recommendations affecting 2001-03 general fund appropriations include:

1. The executive budget recommends funding for state employee salary increases equal to three percent of salaries for the first year of the biennium and two percent of salaries for the second year. Annual increases are to be at a minimum of \$35 per month for each permanent employee with any additional increases being based on merit and equity. The general fund portion of the executive budget salary package is \$15.1 million. See "State Employees" section for additional information on state employee salary increases.
2. The executive budget recommends funding for state employee health insurance increases. The general fund portion of the health insurance increase is \$9.9 million. See "State Employees" section for additional information on state employee health insurance.

3. In the Information Technology Department, \$20 million is added for the purchase and implementation of an enterprise resource planning (ERP) system which will support all financial and administrative functions of state government, higher education, and public education, and \$11 million is added for implementation of the statewide information technology network, including \$3.5 million for Educational Telecommunications Council grants previously appropriated to the Department of Public Instruction.
4. For higher education, the executive budget recommends \$19.4 million for equity and special needs, including \$13.3 million for the recommended compensation plan salary increases, \$6 million for technology enhancements, and \$11.3 million for capital construction bond payments (previously funded in the Industrial Commission). See "Higher Education" section for additional information.
5. For the Department of Corrections and Rehabilitation, the executive budget recommends funding to construct (\$2.32 million) and operate (\$1.04 million) a women's unit at James River Correctional Center (JRCC), establish and operate a seriously mentally ill unit at JRCC (\$2.44 million), contract with the State Hospital for operation of a DUI treatment program (\$2.1 million), construct a food service building at Missouri River Correctional Center (\$1.98 million), and operate a "prerelease center" (\$1.5 million).
6. The judicial branch budget recommendation includes \$10.7 million for the costs associated with clerk of district court functions.
7. In the Department of Economic Development and Finance, the executive budget recommends \$4.85 million for eight new FTEs and increases in operating and equipment, and \$950,000 for the manufacturing extension partnership.
8. For the Department of Public Instruction, the executive budget recommends increasing the funding for foundation aid by \$6.5 million, increasing the funding for special education aid by \$4.66 million, and decreasing the funding for technology grants distributed by the Educational Telecommunications Council from \$6 million to \$3.5 million and transferring the appropriation to the Information Technology Department.
9. The executive budget provides for an increase of \$2.8 million in the portion of the funding for the Highway Patrol from the general fund rather than the highway fund.
10. The executive budget recommends funding of \$2 million to the Agricultural Experiment Station and NDSU Extension Service for core programs.
11. The executive budget recommends funding related to the Lewis and Clark bicentennial of \$2,995,096. This is an increase of \$1,477,056 from the 1999-2001 biennium, including increases for the State Historical Society (\$467,499), Council on the Arts (\$149,948), Tourism Department (\$531,868), and Parks and Recreation Department (\$327,741).
12. For the State Water Commission, the agency's general fund appropriation for current operations of \$9.3 million is replaced with funding from the water development trust fund.
13. For the Department of Human Services, the executive budget provides funding of \$25 million from the health care trust fund to replace funding from the general fund for medical assistance state matching funds.

14. The executive budget recommends funding of \$15.8 million for general fund lease payments in individual agency budgets rather than the Industrial Commission's budget.