

SUMMARY OF KEY RECOMMENDATIONS

GENERAL FUND BUDGET SUMMARY

Estimated unobligated general fund balance - July 1, 2001	\$50,515,628 ¹
Add estimated 2001-03 general fund revenues	1,670,453,663 ²
Total resources available	\$1,720,969,291
Less recommended 2001-03 general fund appropriations	1,706,299,108
Estimated general fund balance - June 30, 2003	\$14,670,183
¹ This amount includes the effect of recommended general fund deficiency appropriations of \$19,177,108 and estimated agency general fund turnback of \$9,662,410.	
² The executive budget allows the director of the Office of Management and Budget to direct the Industrial Commission to transfer additional funds from the Bank of North Dakota to the general fund if actual 1999-2001 revenues are less than projected. The transfers may not exceed the lesser of the amount of the revenue shortfall or \$25 million; however, the transfers may not reduce the Bank's capital to less than \$100 million.	

TOTAL APPROPRIATIONS SUMMARY

	1999-2001 Legislative Appropriations ¹	Increase (Decrease)	2001-03 Executive Budget
General fund	\$1,594,038,538	\$112,260,570	\$1,706,299,108
Estimated income	3,215,299,301	(245,206,949)	2,970,092,352 ²
Total all funds	\$4,809,337,839	(\$132,946,379)	\$4,676,391,460 ²
¹ The 1999-2001 biennium appropriation amounts include contingent appropriations of \$4,262,410 from the general fund for service payments for elderly and disabled (SPED) and \$200,000, \$60,000 of which is from the general fund for a traumatic brain-injured facility in western North Dakota. Neither of these contingent appropriations are expected to be spent during the 1999-2001 biennium.			
² The 2001-03 executive budget recommends excluding \$755,859,048 of estimated income (tuition) and local funds at the institutions of higher education from the appropriation process. In addition, the amount shown reflects an adjustment to the special funds appropriation for the Children's Services Coordinating Committee of (\$3,950) and special fund appropriations of \$1 million for ethanol production incentives and \$575,192 for the Quality Schools Commission which were not reflected in the Office of Management and Budget's total 2001-03 executive budget summary all funds recommendation amounts but were included in the bills introduced by the Office of Management and Budget.			

2001-03 GENERAL FUND REVENUES

1. Includes general fund revenues of \$1.67 billion, \$116.9 million more than the 1999-2001 biennium revenues as projected at the close of the 1999 Legislative Assembly.
2. Major areas of revenue growth include:
 - a. Individual income tax increasing by \$64.8 million or 17.0 percent.
 - b. Sales and use tax increasing by \$27.3 million or 4.3 percent.
 - c. Oil taxes increasing by \$25.3 million or 68.9 percent. In addition, an estimated \$7.2 million of oil tax collections is projected to be transferred to the permanent oil tax trust fund in accordance with the provisions of North Dakota Century Code (NDCC) Section 57-51.1-07.2.

3. Assumes **revenue growth** of 2.6 percent for each year of the 2001-03 biennium.
4. Assumes a decline in **oil prices** to \$21 to \$22 per barrel during the first year of the biennium and to \$19 to \$20 per barrel during the second year of the biennium. The average November 2000 price for North Dakota crude oil was \$29.68 per barrel.
5. Transfers \$50 million from the **Bank of North Dakota**, the same amount authorized for the 1999-2001 biennium.
6. Transfers \$6 million from the **Mill and Elevator**, \$3 million more than the amount authorized for the 1999-2001 biennium.
7. Projects state agency **general fund turnback** of \$9.7 million at the end of the 1999-2001 biennium.
8. Appropriates \$19.2 million from the general fund for 1999-2001 biennium **deficiency appropriations**.
9. Includes general fund revenue of \$2.7 million resulting from the sale of **developmental disability facility loans** to the Bank of North Dakota.
10. Transfers an estimated \$9.7 million from the general fund to the **permanent oil tax trust fund** on June 30, 2001, and an estimated \$7.2 million on June 30, 2003, in accordance with provisions of NDCC Section 57-51.1-07.2. Moneys in the fund may be spent only upon a two-thirds vote of the Legislative Assembly.
11. Authorizes the director of the Office of Management and Budget to request **additional Bank of North Dakota transfers** of up to \$25 million if revised revenue projections during the 2001-03 biennium indicate that general fund revenues will be less than the estimates approved by the 2001 Legislative Assembly. The transfers may not exceed the actual amount that revenues are less than estimated, and the transfers may not reduce the Bank's capital structure below \$100 million.
12. Reflects the reduction of general fund revenues by \$2.45 million relating to the increasing share of federal **mineral royalties** that counties and school districts receive under NDCC Section 15-40.1-13. These political subdivisions will receive 30 percent in 2002 and 40 percent in 2003 compared to the 10 percent and 20 percent received in 2000 and 2001, respectively.

2001-03 GENERAL FUND APPROPRIATIONS

1. Includes general fund appropriations of \$1.71 billion, \$112.3 million more than the 1999-2001 legislative appropriations.
2. Major general fund appropriations increases (decreases) relate to:
 - a. Information Technology Department - \$35.4 million.

- b. Higher education - \$33.5 million, including \$13.3 million for recommended salary increases.
- c. State employee salary and health insurance - \$25 million, excluding higher education salary increase funding of \$13.3 million.
- d. Corrections - \$20.2 million.
- e. Judicial branch - \$12.2 million.
- f. Department of Human Services - (\$13.5 million).
- g. Industrial Commission - (\$13.5 million).

2001-03 SPECIAL FUNDS APPROPRIATIONS

1. Includes special funds (estimated income) appropriations of \$2.97 billion, \$245.2 million less than the 1999-2001 legislative appropriations.
2. Major special funds appropriations increases (decreases) relate to:
 - a. Federal funds - \$218.2 million.
 - b. Department of Human Services - \$43.5 million.
 - c. Department of Transportation - \$43.3 million.
 - d. Industrial Commission - \$21.8 million.
 - e. Information Technology Department - \$21.8 million.
 - f. Higher education estimated income (tuition) and local funds - (\$683.4 million).

2001-03 FUNDING SOURCE CHANGES

1. Excludes \$755.9 million of estimated income (**tuition**) and **local funds** at the institutions of higher education from the appropriation process.
2. Uses **health care trust fund** (intergovernmental transfer program) moneys for:
 - a. Replacing general fund moneys (state matching) in medical assistance of the Department of Human Services - \$25,000,000.
 - b. Matching federal funds for the Health Insurance Portability and Accountability Act (HIPAA) computer project in the Department of Human Services - \$3,870,794.
 - c. Closing the State Hospital landfill - \$413,255.
3. Increases general fund support for the **Highway Patrol** by \$2.8 million compared to the 1999-2001 legislative appropriation.
4. Provides \$9.8 million of funding for **Water Commission** operating costs from the water development trust fund rather than the general fund.
5. Appropriates \$15,786,906 from the general fund for **capital construction lease payments** in the specific agency's budget that

the bonds were originally issued for rather than in the Industrial Commission budget. The agencies affected include the North Dakota University System, the Department of Human Services, the Department of Corrections and Rehabilitation, and the Adjutant General.

HIGHER EDUCATION

1. Increases **general fund** support for higher education by \$38,312,185 compared to the 1999-2001 legislative appropriations.
2. Removes \$177,746,228 of **tuition and other income** from the appropriation process (\$159,495,220 was appropriated for the 1999-2001 biennium).
3. Removes \$578,112,820 of **local funds** from the appropriation process (\$523,858,540 was appropriated for the 1999-2001 biennium).
4. Consolidates the University System office budget from 18 line items to five (system governance, student grant programs, campus-based programs, contingencies and board initiatives, and capital bond payments), and the line items for institutions into two--operations and capital assets. The campus-based programs line item includes:
 - a. An **equity and special needs pool** of \$19,445,765 for:
 - (1) Critical needs in campus operations (\$2.5 million).
 - (2) One-time funding for innovation initiatives (\$2.5 million).
 - (3) Equity salary adjustments (\$1,069,596).
 - (4) Recommended compensation plan salary increases (\$13,261,034) equal to three percent of salaries for the first year of the biennium and two percent for the second year (salary increase funding is not included in the individual institutions' budgets).
 - (5) Other equity and special needs (\$115,135).
 - b. A **technology pool** of \$6,012,494 for:
 - (1) University System equipment (\$217,020).
 - (2) Increased system technology and network costs (\$1,200,000).
 - (3) Costs associated with the implementation of the statewide information technology network (\$4,595,474).
 - c. Funding of \$22,225,925 for the Interactive Video Network (IVN), On-line Dakota Information Network (ODIN), and Higher Education Computer Network (HECN).
 - d. Funding of \$3,471,100 for **competitive research** matching funding which is a \$1.5 million increase from the previous biennium, \$534,000 for the Title II program, \$216,676 for

information technology management needs, and \$51,560 for disabled student services.

ELEMENTARY EDUCATION

1. Provides a general fund appropriation of \$485.5 million for **foundation aid**, an increase of \$6.5 million, or 1.4 percent, from the 1999-2001 appropriation of \$479 million. The recommended **per student payment amounts** are \$2,323 during the first year of the biennium, an increase of \$93 (4.2 percent) from the 2000-01 payment of \$2,230 and \$2,420 for the second year, an increase of \$97 (4.2 percent) from the first-year payment.
2. Anticipates **tuition fund distributions** of \$67.2 million, an increase of \$13.7 million, or 25.6 percent, from the 1999-2001 appropriation of \$53.5 million. The recommended appropriation will provide payments of approximately \$300 per census unit, an increase of \$50, or 20 percent, from the currently estimated 2000-01 payment of \$250. The executive recommendation is an increase of \$80, or 36 percent, from the 2000-01 appropriated payment of \$220. The executive recommendation amount is based on the assumption that the Board of University and School Lands will distribute all income available relating to tobacco settlement moneys which have been or will be deposited in the common schools trust fund.
3. Provides \$51.26 million for general fund **special education grants**, an increase of \$4.66 million, or 10 percent, from the 1999-2001 appropriation of \$46.6 million.
4. Appropriates \$3.5 million from the general fund to the Information Technology Department for **Educational Telecommunications Council grants**. Previously, the Legislative Assembly appropriated funding for these grants to the Department of Public Instruction which for the 1999-2001 biennium totaled \$6 million from the general fund.
5. Appropriates \$1.97 million from the general fund to the Information Technology Department rather than the Department of Public Instruction for **SENDIT**. The recommended amount is a general fund increase of \$1.48 million from the 1999-2001 biennium appropriation provided to the Department of Public Instruction.
6. Provides \$575,192 from the general fund to the Department of Public Instruction for a grant to the **Quality Schools Commission** for expenses of the commission in implementing a quality assessment process for North Dakota elementary and secondary schools.
7. Provides \$412,500 from the general fund to the Department of Public Instruction for the development of a **student data base**.

8. Provides \$836,000 from the general fund to the Department of Public Instruction for the design and implementation of a **standards-based assessment program** for reading and mathematics for students in grades 4, 8, and 12.

HUMAN SERVICES

1. Changes the source of funding for salaries and wages from the general fund to special funds by a total of \$1.2 million to recognize **anticipated salary savings** from vacant employee positions and employee turnover. This represents a two percent reduction of general fund salaries for the human service centers and a one percent reduction of general fund salaries for the remainder of the department, including the State Hospital and Developmental Center. In addition, the executive budget changes the funding source from the general fund to special funds for 10.65 FTE vacant positions at the State Hospital that the hospital has no immediate plans to fill totaling \$853,908. The 1999 Legislative Assembly reduced general fund support for salaries by a total of \$3.5 million to recognize anticipated savings from vacant positions and employee turnover.
2. Uses **health care trust fund** moneys for:

Grants and loans	\$4,020,226
Health Insurance Portability and Accountability Act (HIPAA) state matching funds	3,870,794
Medical assistance state matching funds	25,000,000
Statewide long-term care needs assessment	241,006
Service payments for elderly and disabled (SPED)	4,262,410
State Hospital landfill closure	413,255
Administrative costs	71,158
Total	\$37,878,849

3. Increases funding provided from “**retained**” funds by \$2,494,569 to a total of \$31,940,419. “Retained” funds are federal funds received by the state for administrative costs incurred by the counties that the state retains pursuant to the “swap” agreement with the counties.
4. Increases funding by \$995,559, \$582,206 of which is from the general fund for **Indian county allocation** pursuant to Section 9 of 1999 Senate Bill No. 2012. The executive budget recommends a total of \$2,771,979 for this allocation.
5. Requires the department to seek a Medicaid **personal care waiver** to allow Medicaid funds to be used for a portion of basic

care costs. This change results in a funding source change from the general fund to federal funds of \$5,391,869.

6. Provides \$562.4 million, \$129.8 million of which is from the general fund and \$25 million from the health care trust fund for the **medical assistance program**, excluding the intergovernmental transfer program. Compared to the 1999-2001 biennium appropriation, the executive budget recommends an increase of \$48.1 million. Although the general fund share is reduced by \$15.7 million, \$25 million is provided from the health care trust fund. Without the health care trust fund moneys, the general fund increase would be \$9.3 million. Major funding increases within medical assistance relate to **prescription drugs** that are estimated to increase by \$28.7 million, or 57 percent, and funding for **nursing facilities** which is increasing by \$12.2 million or 4.8 percent.
7. Increases funding for **Healthy Steps** (children’s health insurance program) by \$5 million, \$1.1 million of which is from the general fund. The executive recommendation provides funding for continuing eligibility requirements at 140 percent of poverty, an average caseload of 2,885 children each month, and an annual inflation rate on the insurance premiums of 16.4 percent. Total funding for Healthy Steps is \$8.9 million, \$1.9 million of which is from the general fund.
8. Increases funding for **developmental disabilities grants** by \$7.9 million, \$2.1 million of which is from the general fund to provide a total of \$156.9 million, \$51.4 million of which is from the general fund. The major funding increase for developmental disabilities grants is funding for community intermediate care facilities for the mentally retarded (ICF/MR) care which is increasing by \$4.4 million, or 7.7 percent.
9. Increases funding for the **senior citizen mill levy match** by \$400,000 from the general fund to a total of \$1,662,945.
10. Increases funding for **SPED** by \$1,153,005, \$649,931 of which is from the general fund. The executive budget recommends a total of \$13,967,295 for SPED, \$8,561,099 of which is from the general fund, \$4,262,410 from the health care trust fund, \$445,432 of federal funds, and \$698,354 from the counties.
11. Increases funding for **expanded SPED** by \$523,036, providing a total of \$1,421,080 from the general fund for expanded SPED.
12. Reduces **partnership program** funding at the human service centers by \$2,035,184. General fund support for the program is increasing by \$337,515 and federal funding is decreasing by \$2,372,699. The executive budget recommends a total of

\$5,796,110, \$2,139,990 of which is from the general fund for the partnership program at the human service centers.

13. Provides that special funds of \$2,139,284 be received from the Department of Corrections and Rehabilitation for driving under the influence (**DUI**) **offender treatment services** provided to corrections inmates at the State Hospital. With this special funds increase, the general fund support is reduced by \$2,139,284.

CAPITAL CONSTRUCTION

1. Includes a total of \$664,108,401 for the following capital projects:
 - a. \$78,049,464 for major capital projects.
 - b. \$27,495,437 for extraordinary repairs.
 - c. \$558,563,500 for other projects (including \$451,162,687 for the Department of Transportation and \$85,033,764 for the State Water Commission).

The funding sources for major capital projects and extraordinary repairs and other projects are as follows:

	General Fund	Special Funds
Major capital projects	\$9,974,884	\$68,074,580
Extraordinary repairs and other projects	25,447,004	560,611,933
Total	\$35,421,888	\$628,686,513

2. Continues State Water Commission authority to issue \$62.3 million in bonds for **water and flood control projects** originally authorized by the 1999 Legislative Assembly (Senate Bill No. 2188). The \$62.3 million in bond proceeds are designated for water and flood control projects in the following cities:
 - a. Grand Forks - \$34 million.
 - b. Devils Lake - \$20 million.
 - c. Grafton - \$4.8 million.
 - d. Wahpeton - \$3.5 million.
3. Authorizes the following major capital construction projects to be financed by **bonding**:

Minot State University - Old Main renovation	\$5,076,000
State Department of Health - East Laboratory addition	2,700,000
Job Service - Bismarck office	2,302,000
Total	\$10,078,000

STATE EMPLOYEES

1. Provides funding for state employee **salary increases** equal to three percent of salaries for the first year of the biennium and two percent for the second year of the biennium. Agencies may provide an additional one percent salary increase for the second year of the biennium to the extent the increase can be paid with existing agency resources. 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. Funding provided for these increases totals \$39.5 million, \$28.4 million of which is from the general fund. This total includes the \$13.3 million from the general fund pooled in the University System office to be allocated by the State Board of Higher Education to the campuses.
2. Provides \$5.4 million, \$2.7 million of which is from the general fund for **market equity compensation adjustments** for classified state employees, the same amount as provided for the 1999-2001 biennium.
3. Provides \$278,459, \$230,383 of which is from the general fund for salary equity adjustments for **elected and appointed officials** effective January 1, 2002. In addition, the executive budget recommends salary increases of three percent for the first year and two percent for the second year of the biennium for these officials.
4. Provides funding to the judicial branch for increasing **judges' salaries** by approximately 11 percent for the first year of the biennium and two percent for the second year of the biennium.
5. Increases funding in a number of agency budgets to provide **salary or market equity compensation increases** in addition to the three percent and two percent recommended compensation package provided for the first and second year of the biennium respectively. Major amounts are provided to the following agencies:
 - a. University System - \$1.1 million from the general fund.
 - b. Department of Corrections and Rehabilitation - \$638,903 from the general fund.
 - c. Department of Transportation - \$1.2 million from the highway fund.
6. Continues funding for the cost of health insurance premiums for state employees. The executive budget provides \$409.09 per month for employee health insurance (an increase of \$59.37 compared to the 1999-2001 premium). A health insurance plan with benefits similar to the plan provided during the 1999-2001 biennium is estimated to require monthly premium payments of \$427 per month; however, because additional out-of-pocket expenses are being

required of state employees relating to deductibles, copayments, and coinsurance, the executive budget anticipates premiums of \$409 per month.

7. Includes a total of 11,631.08 FTE positions, 95.16 FTE positions more than the 1999-2001 authorized level. The recommendation includes the addition of 192.00 new FTE positions and the deletion of 96.84 FTE positions. The cost of the 192.00 new FTE positions totals \$16,185,197, \$7,504,215 of which is from the general fund.

CORRECTIONS

1. Adds \$1,505,461 from the general fund for the establishment of a **prerelease center**. The center will be operated on a contract basis and will house up to 50 inmates who are within six months of release. The center will provide counseling, job skills training, cognitive restructuring, and alcohol and drug abuse treatment services.
2. Provides \$2,139,284 from the general fund for contracting with the State Hospital for the operation of a **DUI treatment program**. The program will provide treatment services to DUI offenders with three or more offenses and will have a maximum occupancy of 25 inmates.
3. Provides \$1,369,655, of which \$1,009,655 is from the general fund, for the operation of the **Tompkins Rehabilitation and Corrections Unit**, an increase of \$288,455 from the amount appropriated for the 1999-2001 biennium. The 1999 Legislative Assembly authorized the program to allow the department to contract with the Stutsman County jail for inmate cells and with the State Hospital for treatment services.
4. Provides \$452,000, of which \$313,760 is from the general fund, for the **Last Chance program**, an increase of \$260,000 from the amount appropriated for the 1999-2001 biennium. The 1999 Legislative Assembly authorized the program, which is an eight-bed residential facility providing cognitive restructuring, treatment, and other services to offenders in the Fargo area who would otherwise face revocation of parole or probation status and return to a Department of Corrections and Rehabilitation facility.
5. Adds 1 FTE position and \$239,283 from supervision fees collected by the department for the establishment of a **South Central Judicial District drug court**.
6. Provides \$6.9 million, of which \$5.31 million is from the general fund, for **capital projects**, a general fund increase of \$3.37 million

from the amount appropriated for the 1999-2001 biennium. The 2001-03 recommendation includes funding for construction of a **food service/multipurpose building** at the Missouri River Correctional Center at a cost of \$1.98 million from the general fund and construction of a **women's unit** at the James River Correctional Center at a cost of \$3.72 million, of which \$2.32 million is from the general fund.

7. Provides \$3,013,599, of which \$807,180 is from the general fund, for institutional medical fees and medical, dental, and optical costs due to increased medical costs for the treatment of inmate medical needs.
8. Adds \$1,041,067 from the general fund and 22.5 FTE positions for operating the proposed **James River Correctional Center women's unit** for the last nine months of the 2001-03 biennium.
9. Adds \$2,437,797 from the general fund and 28 FTE positions for operating the proposed **seriously mentally ill (SMI) unit** at the James River Correctional Center.
10. Provides \$2,452,275 from the general fund for housing state inmates at county or out-of-state correctional facilities, an increase of \$639,784 from the amount appropriated for the 1999-2001 biennium.
11. Provides \$2.5 million of special funds to be received from the Department of Transportation for producing new license plates for the general issuance recommended in the executive budget for the 2001-03 biennium.

TECHNOLOGY

1. Provides \$35.8 million from the general fund to the Information Technology Department for:

Statewide information technology network	\$11,000,000
Enterprise resource planning system	20,000,000
Prairie Public Television	1,400,000
Geographic information system	1,100,000
Other	2,300,000
Total	\$35,800,000

2. Provides funding for information technology projects and activities in other agencies. Major items include:

		General	Special	Total
Secretary of State	Information technology services and projects	\$350,300		\$350,300
Attorney General	Rewrite of the uniform crime reporting computer system	100,000		100,000
Department of Public Instruction	Development of a student data base	412,500		412,500
North Dakota University System	Technology funding pool for University System equipment, increased technology and network costs, and costs associated with the implementation of the statewide information technology network	6,012,494		6,012,494
Department of Human Services	Health Insurance Portability and Accountability Act (HIPAA) computer system project (includes \$3,870,794 of health care trust funds)		\$8,926,141	8,926,141
	ATM network costs	412,225		412,225
	Computer system enhancements	1,287,681	1,874,033	3,161,714
	Converting to Windows 2000 operating system	249,326	203,994	453,320
	Child support computer system changes	481,589	934,851	1,416,440
	Development of an electronic documents management system	137,024	112,976	250,000
	Integration of the remaining children and family services systems into the comprehensive child welfare information and payment system (CCWIPS)	750,000	750,000	1,500,000
	Subtotal - Department of Human Services	\$3,317,845	\$12,801,995	\$16,119,840
Bank of North Dakota	Development of student loan software		\$1,350,000	\$1,350,000
Department of Economic Development and Finance	Funding relating to an electronic data management system (EDMS) and a geographic information systems (GIS)	\$1,706,244		1,706,244 ¹
Department of Transportation	ATM network costs		129,050	129,050
	Establishment of an electronic document management system (EDMS)		478,865	478,865
	Development of e-commerce applications		182,883	182,883
	Replacement of existing construction automated records system (CARS)		404,400	404,400
	Expansion of highway project development tools		253,760	253,760
	Funding for increased renewal rates for the digital driver's license systems		144,000	144,000
	Replacement of automated driver's license testing system		450,000	450,000
	Subtotal - Department of Transportation		\$2,042,958	\$2,042,958
Total		\$11,899,383	\$16,194,953	\$28,094,336

¹ Estimate based on optional adjustment request - The Office of Management and Budget did not specifically recommend funding for each of these projects but provided \$3.7 million from the general fund for a number of enhancements, including an electronic document management system (EDMS) and a geographic information systems (GIS).

ECONOMIC DEVELOPMENT - GROWING NORTH DAKOTA

1. Provides a total of \$26.2 million from the general fund for economic development/Growing North Dakota activities, an increase of \$7 million from the 1999-2001 biennium.
2. Major funding increases associated with economic development relate to:
 - a. Increasing funding for the **Department of Economic Development and Finance** by \$6.2 million from the general fund for:
 - (1) Eight new FTE positions (\$951,819).
 - (2) Marketing, electronic data management system (EDMS), geographic information systems (GIS), and research and analysis (\$3,710,515).
 - (3) Manufacturing, extension partnership (\$924,485).
 - (4) Agricultural Products Utilization Commission (\$426,403).
 - b. Increasing funding for Job Service North Dakota by \$750,000 from the general fund for **Work Force 2000**. Total funding of approximately \$2 million is provided for Work Force 2000.

TRANSPORTATION

1. Increases **motor vehicle registration fees** by \$15 per vehicle per year. This increase is estimated to generate \$20.4 million for the 2001-03 biennium, \$12.9 million of which is deposited in the state highway fund and \$7.5 million of which is distributed to cities and counties.
2. Increases **motor vehicle registration fees** by an additional \$5 for one year with all the proceeds being deposited in the highway fund to provide funding for the cost of a new general license plate issue. This increase is estimated to generate an additional \$3.75 million for the 2001-03 biennium.
3. Includes \$2.5 million of funding received from the asbestos settlement for partial remodeling of the highway building due to the presence of asbestos. The total project is estimated to cost \$8.5 million.
4. Adds \$3.2 million of special funds for a **new license plate issue**.
5. Reduces funding from the highway fund by \$703,422 for anticipated vacancies and to reduce overtime.

6. Increases funding by \$4.5 million of special funds for motor pool rate increases.
7. Increases funding for **highway construction** by \$78.5 million, \$21.9 million of which is from the highway fund. The executive budget provides \$451.2 million for highway construction, \$363.2 million of which is from federal funds and \$88 million from the highway fund.
8. Authorizes the department to obtain a Bank of North Dakota loan for matching **federal emergency relief funds** and to repay the loan by the end of the biennium by requesting a deficiency appropriation.

OTHER

1. Increases funding by \$10 million from the general fund for the judicial branch for **clerk of court unification** costs.
2. Repeals NDCC Section 57-06-17.2 which would have required the State Treasurer to make payments in lieu of taxes to counties providing a property tax exemption on carbon dioxide pipeline property. These payments were estimated to total \$900,000 for the 1999-2001 biennium and \$2.2 million for the 2001-03 biennium. The bill (House Bill No. 1121), as introduced, does not appear to address the March 2001 payment.
3. Appropriates \$5 million from the **community health trust fund** for the following programs in the State Department of Health:

Healthy schools	\$2,000,000
Healthy families	2,000,000
Healthy communities	1,000,000
Total	\$5,000,000

4. Increases funding for **ethanol incentives** by \$1 million from the highway tax distribution fund, from \$1.5 million to \$2.5 million.
5. Provides \$2 million from the general fund to the Agricultural Experiment Station, NDSU Extension Service, and Northern Crops Institute for core programs.
6. Appropriates \$3 million from the general fund for **Lewis and Clark Bicentennial** related funding in the budgets of the State Historical Society, the Council on the Arts, Tourism Department, and the Parks and Recreation Department. The 1999 Legislative Assembly appropriated \$1.5 million for Lewis and Clark Bicentennial related funding.