

SPECIAL FUNDS APPROPRIATIONS - MAJOR CHANGES AND KEY RECOMMENDATIONS

The following schedule compares all funds and special funds appropriations included in the 2003-05 executive budget to the 2001-03 appropriations approved by the 2001 Legislative Assembly and lists major special funds sources changes:

	2001-03 Original Legislative Appropriations	Increase (Decrease) From 2001-03	2003-05 Executive Budget
All funds appropriations	\$4,769,680,696	\$223,690,406	\$4,993,371,102
Less general fund appropriations	<u>1,746,983,713</u>	<u>15,120,221</u>	<u>1,762,103,934</u>
Total special funds appropriations	<u><u>\$3,022,696,983</u></u>	<u><u>\$208,570,185</u></u>	<u><u>\$3,231,267,168</u></u>
Major special funds sources and changes include:			
Federal funds	\$1,930,335,836 ¹	\$95,354,950	\$2,025,690,786
Higher education	80,367,201	39,250,713	119,617,914
Information Technology Department	75,192,130	22,389,600	97,581,730
Department of Transportation	311,507,336	11,012,042	322,519,378
Mill and Elevator	21,741,294	8,276,988	30,018,282
Children's Services Coordinating Committee	7,821,811	(5,694,717)	2,127,094
State Water Commission	114,887,064	5,669,483	120,556,547
Department of Human Services	116,823,327	5,115,965	121,939,292
Department of Corrections and Rehabilitation	13,799,410	3,372,083	17,171,493
Department of Public Instruction	68,524,018	3,085,377	71,609,395
Game and Fish Department	22,316,825	2,887,028	25,203,853
Job Service North Dakota	3,188,620	(2,658,016)	530,604
Parks and Recreation Department	2,589,983	2,449,776	5,039,759
Retirement and Investment Office	2,790,133	2,074,240	4,864,373
Other	<u>250,811,995</u>	<u>15,984,673</u>	<u>266,796,668</u>
Total	<u><u>\$3,022,696,983</u></u>	<u><u>\$208,570,185</u></u>	<u><u>\$3,231,267,168</u></u>

¹ The amount shown is the total federal funds appropriated by the Legislative Assembly as reported by state agencies on a survey for the Budget Section completed in October 2002.

Major changes and key recommendations affecting 2003-05 special funds appropriations include:

1. **Federal funds - \$95,354,950.** The executive budget recommends a federal fund increase of \$95.4 million, including an increase of \$74.7 million for the Department of Human Services and \$30.2 million for the Department of Public Instruction.

2. **Higher education - \$39,250,713.** The executive budget recommends changing the funding source from the state general fund to funding from the student loan trust fund for student grant programs (\$8 million) and competitive research (\$4 million) and provides funds from the student loan trust fund for establishing Centers for Excellence in the North Dakota University System (\$5 million). In addition, the executive budget recommends increasing major capital project funding from special funds by \$23 million. See "Higher Education" section for additional information.
3. **Information Technology Department - \$22,389,600.** The executive budget recommends changing the funding source from the state general fund to special funds for the enterprise resource planning (ERP) system initiative. For the 2001-03 biennium, the department received a \$7.5 million general fund appropriation to begin the ERP system initiative, and the 2003-05 executive budget recommends issuing \$20 million of bonds to continue the initiative.
4. **Department of Transportation - \$11,012,042.** The executive budget increases funding for highway construction and maintenance by \$12 million, increases funding for Fleet Services by \$3.6 million, and removes contingent funding for a general license plate issue of \$3.2 million.
5. **Mill and Elevator - \$8,276,988.** The executive budget recommends increasing funding for operating costs (\$5,460,950) and increasing salaries and wages funding for increased costs associated with employee wages and benefits (\$2,564,308).
6. **Children's Services Coordinating Committee - (\$5,694,717).** The executive budget reduces the funding projected to be available from "refinancing" due to a federal policy change relating to the allowable uses of federal IV-E foster care funds.
7. **State Water Commission - \$5,669,483.** The executive budget recommends changing the funding source for agency operating costs of \$9.2 million from the general fund to the water development trust fund.
8. **Department of Human Services - \$5,115,965.** The executive budget increases the funds appropriated from the health care trust fund for department programs by \$634,076 and creates an assessment fee on intermediate care facilities for the mentally retarded (ICF/MR) based on all facilities' gross revenues in the previous year, which is estimated to generate \$5.8 million of special funds for the department for the 2003-05 biennium.
9. **Department of Corrections and Rehabilitation - \$3,372,083.** The executive budget recommends increasing special funds for two new parole and probation officer FTE positions in the Adult Services Division (\$182,688) and provides capital project funding from state bonding proceeds for Phase II of the James River Correctional Center master plan (\$2,662,890).
10. **Department of Public Instruction - \$3,085,377.** The executive budget recommends increasing the Department of Public Instruction's appropriation from the state tuition fund by \$2,256,346, from \$67,239,025 to \$69,495,371.
11. **Game and Fish Department - \$2,887,028.** The executive budget recommends increasing special funds for capital improvements (\$744,136) and for three new biologist FTE positions for habitat and access programs (\$241,922).
12. **Job Service North Dakota - (\$2,658,016).** The executive budget removes one-time special funds of \$2,302,000 provided to the department during the 2001-03 biennium for construction of a new Bismarck service delivery building.

13. **Parks and Recreation Department - \$2,449,776.** The executive budget recommends increasing special funds for Lewis and Clark Bicentennial initiatives (\$440,000) and capital projects (\$1,104,500). The executive budget recommendation also provides a special funds appropriation of \$575,278 from the water development trust fund for repayment of a loan relating to disaster-related payments.
14. **Retirement and Investment Office - \$2,074,240.** The executive budget recommends increasing special funds by \$2 million for a retirement administration system upgrade to replace the current mainframe system.