

**MAJOR STATE APPROPRIATIONS AND REVENUE ALLOCATIONS FOR DIRECT ASSISTANCE TO POLITICAL
SUBDIVISIONS COMPARISON OF 2005-07 BIENNIUM APPROPRIATIONS AND ALLOCATIONS
AND 2007-09 BIENNIUM EXECUTIVE RECOMMENDATIONS**

	2005-07 Appropriations/ Revenue Allocations	2007-09 Executive Recommendation	2007-09 Recommended Increase (Decrease) Compared to 2005-07 Appropriation	2007-09 Recommended Percentage Increase (Decrease) Compared to 2005-07 Appropriation
General fund appropriations				
State school aid per student formula payments	\$484,053,759	\$647,965,879	\$163,912,120	33.9%
Teacher compensation payments to school districts	50,912,120	0	(50,912,120)	(100.0%)
Special education - Gifted and talented and per student payments	37,000,000	0	(37,000,000)	(100.0%)
Educational Technology Council grants	578,590	349,000	(229,590)	(39.7%)
Revenue supplemental payments to school districts	5,000,000	0	(5,000,000)	(100.0%)
Transportation aid payments to school districts	33,500,000	33,500,000	0	0.0%
Special education contracts	15,500,000	17,500,000	2,000,000	12.9%
Joint powers agreement incentives	1,000,000	2,000,000	1,000,000	100.0%
School district reorganization bonuses	759,000	0	(759,000)	(100.0%)
Vocational education	13,846,810	15,846,810	2,000,000	14.4%
School food services	1,080,000	1,080,000	0	0.0%
Adult education	1,055,000	1,055,000	0	0.0%
Grants to public libraries	1,000,000	1,200,000	200,000	20.0%
Homestead tax credit	4,500,000	4,500,000	0	0.0%
Aid to health districts	1,100,000	1,100,000	0	0.0%
Children's special health services local health unit grants	52,632	52,632	0	0.0%
Matching funds to counties and cities for senior citizen programs	720,000	1,000,000	280,000	38.9%
Indian welfare assistance to counties	1,147,174	1,572,200	425,026	37.0%
Boys and girls clubwork	53,000	53,000	0	0.0%
Soil conservation district grants	630,000	630,000	0	0.0%
Noxious weed control	67,817	67,817	0	0.0%
Payments in lieu of taxes on carbon dioxide pipeline property	1,545,000	1,410,000	(135,000)	(8.7%)
Clerk of court	11,868,816	13,587,187	1,718,371	14.5%
Grants to airports	550,187	550,000	(187)	(0.0%)
School district antivirus licenses	210,900	280,900	70,000	33.2%
School district information technology network costs	3,395,550	3,414,228	18,678	0.6%
Total general fund	\$671,126,355	\$748,714,653	\$77,588,298	11.6%
Percentage of total general fund appropriations	33.7%	30.3%		
Special funds appropriations and revenue allocations				
State school aid per student formula payments (state tuition fund)	\$71,600,000	\$76,200,000	\$4,600,000	6.4%
Grants for adult education programs (displaced homemaker fund)	240,000	240,000	0	0.0%
Noxious weed control	1,646,408	1,646,408	0	0.0%

	2005-07 Appropriations/ Revenue Allocations	2007-09 Executive Recommendation	2007-09 Recommended Increase (Decrease) Compared to 2005-07 Appropriation	2007-09 Recommended Percentage Increase (Decrease) Compared to 2005-07 Appropriation
State aid distribution funds to cities and counties	83,736,994 ¹	91,744,000	8,007,006	9.6%
Public transportation services (public transportation fund)	4,650,000	4,700,000	50,000	1.1%
Insurance tax to fire departments (insurance tax distribution fund)	6,200,000	6,200,000	0	0.0%
Gaming enforcement grants	617,000	617,000	0	0.0%
Community health grant program (community health trust fund)	4,700,000	4,700,000	0	0.0%
Children's special health services local health unit grants	69,768	69,768	0	0.0%
Children's special health services grants to counties	248,056	248,056	0	0.0%
Tobacco education and cessation program grants (community health trust fund)	395,000	260,000	(135,000)	(34.2%)
Matching funds to counties and cities for senior citizen programs	2,056,984 ²	2,297,942 ²	240,958	11.7%
Energy development impact grants (oil and gas impact fund)	4,888,100	5,888,100	1,000,000	20.5%
Grants to airports (Aeronautics Commission special fund collections)	2,447,126	2,950,000	502,874	20.5%
Indian welfare assistance to counties (Department of Human Services "retained" funds)	1,964,607	1,964,607	0	0.0%
Motor vehicle fuel tax and registration fee allocations	129,600,000 ³	129,400,000 ³	(200,000)	(0.2%)
Telecommunications tax allocations	16,800,000 ⁴	16,800,000 ⁴	0	0.0%
Coal severance tax allocations	15,400,000 ⁵	16,000,000 ⁵	600,000	3.9%
Coal conversion tax allocations	7,588,677 ⁶	7,494,000 ⁷	(94,677)	(1.2%)
Oil and gas gross production tax allocations	75,547,843 ^{6*}	94,819,416 ^{7*}	19,271,573 [*]	25.5%
Cigarette tax allocations	2,784,507 ⁶	2,955,000 ⁷	170,493	6.1%
Total special funds appropriations and revenue allocations	\$433,181,070	\$467,194,297	\$34,013,227	7.9%
Total major direct assistance to political subdivisions	\$1,104,307,425	\$1,215,908,950	\$111,601,525	10.1%

* NOTE: Based on preliminary review, it appears the executive forecast may be overstating the counties' share of oil and gas production tax collections and understating the state's share. We have asked the Office of Management and Budget and the Tax Department to review the projection.

¹ Revised 2005-07 estimate, the original estimate was \$78,336,470.

² The 2005 Legislative Assembly removed the senior citizen mill levy matching program from the Department of Human Services and provided, in Senate Bill No. 2267, that the State Treasurer distribute senior citizen mill levy matching grants pursuant to a continuing appropriation from the senior citizen services and programs fund (North Dakota Century Code Section 57-15-56(5)). The fund consists of sales and use and motor vehicle excise tax collections equivalent to two-thirds of one mill levied statewide each year (Section 57-39.2-

³ The gas tax allocation is based on the provisions that collection equivalent to one cent per gallon is allocated to townships and 37 percent of the money in the highway tax distribution fund is allocated to counties and cities.

⁴ The Tax Department is projecting that approximately \$18.9 million of telecommunications taxes will be collected during the 2005-07 biennium. Of this amount, \$16.8 million will be allocated to counties and \$2.1 million will be deposited in the general fund. Due to a significant increase in Voice over Internet Protocol services, which are not subject to telecommunications taxes, the Tax Department estimates collections for the 2007-09 biennium to be \$15.3 million. Pursuant to North Dakota Century Code Section 57-34-05, this would require a payment of \$1.5 million from the general fund to the counties.

⁵ Based on actual transfers through September 2006 and the assumption transfers will not significantly change through the 2007-09 biennium.

⁶ Amounts are based on actual transfers for fiscal yearend 2006 and the revised forecast for the remainder of the biennium.

⁷ Per 2007-09 executive forecast.