

May 15, 2007

**2007-09 BUDGET STATUS SUMMARY
AS OF MAY 15, 2007 (FINAL)**

Beginning Balance and Revenues

Legislative budget estimate of unobligated general fund cash balance - July 1, 2007	\$218,350,170 ¹
Add 2005-07 estimated revenues	
Proposed executive budget general fund revenues	<u>\$2,291,185,060</u>
Legislative revenue changes	
Major increases	
February 2007 forecast revision	\$1,250,306
Transfer from the permanent oil tax trust fund	115,000,000
Major decreases	
HB 1012 - Reduces motor vehicle excise taxes to general fund	(12,619,700)
HB 1018 - Provides for various business initiatives	(4,472,152)
HB 1049 - Provides a sales tax exemption for heating fuel	(4,600,000)
HB 1233 - Authorizes sale of wind energy tax credits	(3,000,000)
SB 2032 - Income tax credit for property taxes and marriage tax penalty changes	(120,850,000)
SB 2225 - Eliminates the bingo sales tax and implements an excise tax	(1,196,103)
SB 2298 - Provides sales tax exemptions for power plant construction	(2,208,000)
Other increases (decreases)	<u>(1,209,446)</u>
Total legislative changes affecting revenues	<u>(\$33,905,095)</u>
Total estimated general fund revenues and beginning balance - 2007-09	<u>\$2,475,630,135</u>

Appropriations

Executive budget general fund appropriations - 2007-09	\$2,468,326,339
Legislative appropriations changes	
Major increases	
Transfer to the State Penitentiary land fund (HB 1015)	41,000,000
Department of Corrections and Rehabilitation (HB 1015)	(42,030,891)
Department of Human Services - Child support (SB 2205)	6,873,169
Highway Patrol (HB 1011)	4,080,159
Expanded homestead tax credit (SB 2032)	3,604,000
Bank of North Dakota - PACE fund (HB 1014)	3,500,000
Industrial Commission biomass energy center (SB 2288)	3,000,000
State Board for Career and Technical Education (HB 1019)	2,450,000
State Department of Health child immunizations (HB 1435)	2,000,000
Attorney General (SB 2003)	1,521,825
Department of Human Services (SB 2012)	1,490,810
State Department of Health (HB 1004)	1,172,135
Department of Human Services - Medicaid buy-in (SB 2326)	1,059,932
Major decreases	
Department of Transportation (HB 1012)	(20,000,000)
Office of Management and Budget (SB 2015, SB 2189, HB 1018, HB 1019, HB 1522)	(18,070,000)
State Fair (HB 1009)	(4,460,000)
Higher education (HB 1003)	(1,777,816)
Department of Public Instruction (SB 2013)	(1,159,000)
Other increases (decreases) net	<u>4,393,294</u>
Total legislative changes affecting appropriations	<u>(\$11,352,383)</u>
Total 2007-09 general fund appropriations	<u>\$2,456,973,956 ²</u>

Estimated Ending Balance

Estimated budget status general fund balance - June 30, 2009	<u>\$18,656,179</u>
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Comparison of 2007-09 General Fund Appropriations to 2005-07 Appropriations

Current status of 2007-09 general fund appropriations	\$2,456,973,956
2005-07 legislative general fund appropriations	<u>1,989,452,623</u>
Increase (decrease)	<u><u>\$467,521,333</u></u>

Footnotes

¹ Beginning balance - Executive budget unobligated general fund cash balance - July 1, 2007	\$312,024,728 ^a
Legislative action affecting the July 1, 2007, balance	
February 2007 forecast revision	6,129,441
HB 1021 - Recognizes additional e-rate reimbursement	1,204,688
SB 2023 - Additional 2005-07 deficiency appropriations	(514,558)
SB 2260 - Provides for additional criminal background checks	<u>33,240</u>
Total legislative changes affecting the beginning balance	<u>\$6,852,811</u>
Estimated general fund cash balance prior to budget stabilization fund transfer	\$318,877,539
Less transfer to budget stabilization fund	<u>(100,527,369) ^b</u>
Estimated unobligated general fund cash balance - July 1, 2007	<u><u>\$218,350,170</u></u>

^a The beginning balance is based on the 2005-07 general fund beginning balance of \$68,015,056, the 2005-07 revised general fund revenue forecast of \$2,234,022,965 and appropriation authority of \$1,990,013,293 (general fund appropriations of \$1,989,452,623 plus proposed deficiency appropriations of \$10,560,670 and less estimated general fund turnback of \$10 million).

^b House Bill No. 1429 directs the State Treasurer to transfer \$100,527,369 to the budget stabilization fund to provide a balance of \$200,000,000.

² Senate Bill No. 2200 includes a \$5 million general fund appropriation to the Department of Public Instruction for school districts deferred maintenance and physical plant improvement grants contingent upon the Office of Management and Budget projecting either the June 30, 2008, or the June 30, 2009, ending general fund balance to be \$30 million more during the 2007-09 biennium than projected by the Office of Management and Budget at the end of the 2007 legislative session.

Senate Bill No. 2200 also provides that if the Superintendent of Public Instruction determines there are insufficient funds to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures, the Industrial Commission shall transfer the amount necessary from the Bank of North Dakota. The Superintendent is to request a deficiency appropriation from the 61st Legislative Assembly to return any amount transferred under these provisions to the Bank of North Dakota.

Permanent Oil Tax Trust Fund - 2007-09 Biennium

Beginning balance		\$141,966,681
Estimated revenues		
Oil and gas production tax and oil extraction tax collections	\$158,593,607	
Adjustments:		
HB 1044 - Increases county share	(5,900,000)	
HB 1128 - Increases transfer to oil and gas research fund	(1,700,000)	
HB 1279 - Decreases shallow gas gross production taxes	(1,100,000)	
SB 2178 - Increases county share	(2,000,000)	
SB 2397 - Changes oil extraction tax rates	<u>(1,876,200)</u>	
Total estimated revenues		<u>146,017,407</u>
Total available		\$287,984,088
Less estimated expenditures		
Transfer to the general fund (HB 2032)	\$115,000,000	
Veterans Home facility (SB 2418)	6,483,226	
Centers of excellence loan repayment (HB 1014)	5,300,000	
Centers of excellence (HB 1018)	15,000,000	
Higher education (HB 1003)	7,783,315	
Agriculture research and extension operating pool (HB 1020)	750,000	
Grant assistance payments to tribally controlled community colleges (HB 1395)	<u>700,000</u>	
Total estimated expenditures		<u>151,016,541</u>
Ending balance		\$136,967,547

Budget Stabilization Fund - 2007-09 Biennium

Beginning balance		\$200,000,000
Estimated revenues		
None	<u>\$0</u>	
Total estimated revenues		<u>200,000,000</u>
Less estimated expenditures		
None	<u>\$0</u>	
Total estimated expenditures		<u>0</u>
Ending balance		\$200,000,000

Estimated June 30, 2009, Fund Balance Summary

	Executive Recommendation	Current Budget Status	Increase (Decrease)
General fund	\$34,356,080	\$18,656,179	(\$15,699,901)
Permanent oil tax trust fund	178,631,288	136,967,547	(41,663,741)
Budget stabilization fund	<u>200,000,000</u>	<u>200,000,000</u>	<u>0</u>
Total	<u>\$412,987,368</u>	<u>\$355,623,726</u>	<u>(\$57,363,642)</u>

This summary and additional detail are available online at www.state.nd.us/lr/fiscal/biennium-reports/60-2007/budget-status/.