

ANALYSIS OF THE CENTERS OF EXCELLENCE FUND FOR THE 2007-09 AND 2009-11 BIENNIUMS

	2007-09 Biennium Actual		2009-11 Biennium Estimated	
Beginning balance				\$0
Add revenues				
Transfer from the general fund			\$15,000,000 ¹	
Contingent transfer from the general fund			5,000,000 ²	
Transfer from the general fund			4,450,000 ³	
Transfer from the permanent oil tax trust fund			6,620,541 ⁴	
Investment income			20,809	
Total revenues				31,091,350
Total available				\$31,091,350
Less expenditures and transfers				
Legal fees - Attorney General's office			\$2,240 ⁵	
Centers of excellence grants			18,138,418	
Economic impact studies			33,000 ⁵	
Centers of Excellence Summit			15,000 ^{5,6}	
Other administrative expenses			10,000 ⁵	
Total expenditures and transfers				18,198,658
Ending balance				\$12,892,692 ⁷

¹The 2009 Legislative Assembly appropriated \$15 million from the general fund for transfer to the centers of excellence fund for providing funding to centers of excellence for the 2009-11 biennium.

²The Legislative Assembly provided a contingent general fund appropriation of \$5 million for transfer to the centers of excellence fund for providing additional centers of excellence funding for the 2009-11 biennium. The Office of Management and Budget may transfer this funding only if actual general fund revenues for the period July 1, 2009, through December 1, 2009, exceed estimated general fund revenues for that period by at least \$5 million, as determined by the Office of Management and Budget, based on the legislative estimates made at the close of the 2009 legislative session. The conditions have been met and the transfer was made.

³The 2009 Legislative Assembly in House Bill No. 1015 provided \$4,450,000 from the general fund for transfer to the centers of excellence fund for 2007-09 centers of excellence awarded but not distributed project funding.

⁴The 2009 Legislative Assembly in Section 27 of Senate Bill No. 2018 authorized the Department of Commerce to continue any unspent funds appropriated for the centers of excellence program for the 2007-09 biennium to the 2009-11 biennium. The Office of Management and Budget was to transfer any unexpended funds from these appropriations to the centers of excellence fund at the end of the 2007-09 biennium. Pursuant to this directive, the Office of Management and Budget transferred \$6,620,541, the amount remaining from the \$15 million appropriation for the 2007-09 biennium, from the permanent oil tax trust fund to the centers of excellence fund.

⁵North Dakota Century Code Section 15-69-05(6) limits funds used for administrative expenses to 2.5 percent of the funds appropriated for the program for that biennium. The 2009 Legislative Assembly appropriated a total of \$20 million for the program for the 2009-11 biennium. Therefore, administrative expenses are limited to \$500,000 for the 2009-11 biennium.

⁶The Centers of Excellence Summit was a forum held in Fargo on May 27, 2010. Section 15-69-05(6) authorizes the commission to spend a portion of its administrative costs for centers of excellence forums.

⁷The ending balance of \$12,892,692 is expected to be obligated for centers of excellence proposals approved in the 2009-11 biennium and previous bienniums.

FUND HISTORY

North Dakota Century Code Section 15-69-06 (2009 Senate Bill No. 2018) establishes a centers of excellence fund. Money in the fund is appropriated to the Department of Commerce on a continuing basis for implementing and administering the centers of excellence program. Interest earned on money in the fund is retained in the fund.