

May 24, 2011

**2011-13 BUDGET STATUS SUMMARY  
AS OF APRIL 28, 2011 (Final)**

**Beginning Balance and Revenues**

Legislative budget estimate of unobligated general fund cash balance - July 1, 2011	\$660,231,525 <sup>1</sup>
Add 2011-13 estimated revenues	
Proposed executive budget general fund revenues	<u>\$3,271,678,675</u>
Legislative revenue changes	
Major increases	
February 2011 revenue forecast revision	\$4,222,000
HB 1012 - Deposits all motor vehicle excise taxes in general fund rather than 75 percent	45,767,667
HB 1047 - Transfers from the property tax relief sustainability fund	295,000,000
HB 1451 - Changes allocation of oil and gas tax revenue	229,000,000
SB 2015 - Removes Bank of North Dakota and lands and minerals trust fund transfer and provides for transfer from the strategic investment and improvements fund	6,000,000
SB 2178 - Defeated Governor's individual income tax reduction	50,000,000
Major decreases	
Revision to February revenue forecast for corporate tax	(46,000,000)
HB 1047 - Reduces individual and corporate income tax rates and financial institutions tax rate	(147,125,000)
HB 1424 - Creates sales tax exemption for agrichemical cleaners and expands retailer compensation	(1,708,440)
HB 1451 - Removes transfer from permanent oil tax trust fund	(232,000,000)
SB 2042 - Reduces gaming and excise taxes paid by charitable gaming organizations	(6,796,723)
SB 2171 - Provides sales and use tax exemption for telecommunications equipment	(3,551,000)
SB 2210 - Creates tax credits for contributions to a housing incentive fund	(4,000,000)
SB 2218 - Increases tax credits for investments in renaissance fund organizations	(1,000,000)
Other increases (decreases)	<u>(1,740,954)</u>
Total legislative changes affecting revenues	<u>\$186,067,550</u>
Total estimated general fund revenues and beginning balance - 2011-13	<u>\$4,117,977,750</u>

**Appropriations**

Executive budget general fund appropriations - 2011-13	\$3,295,569,541
Legislative appropriations changes	
Major increases	
HB 1012 - Transfer to highway fund for roadway projects in areas affected by oil development	\$370,600,000
HB 1047 - Property tax relief	341,790,000
SB 2057 - Department of Commerce	44,859,865
HB 1012 - Transportation funding distributions to counties, cities, and townships	25,000,000
HB 1206 - Western Area Water Supply Authority	25,000,000
SB 2013 - North Dakota scholarship program	10,000,000
HB 1044 - Emergency medical services grants	3,000,000
HB 1152 - Supplemental Medicaid payments to critical access hospitals	1,527,802
SB 2276 - State Department of Health vaccine purchases	1,500,000
SB 2015 - Medicaid management information system project	1,474,362
HB 1004 - State Department of Health	1,333,224
Major decreases	
HB 1018 - Department of Commerce (bill defeated)	(46,089,494)
HB 1011 - Highway Patrol	(3,848,609)
HB 1003 - North Dakota University System	(2,578,612)
HB 1015 - Department of Corrections and Rehabilitation	(2,038,354)
SB 2012 - Department of Human Services	(1,849,859)
HB 1002 - Judicial branch	(1,016,911)
Other increases (decreases) net	<u>2,620,837</u>
Total legislative changes affecting appropriations	<u>\$771,284,251</u>
Total 2011-13 general fund appropriations	<u>\$4,066,853,792</u>

**Estimated Ending Balance**

<b>Estimated budget status general fund balance - June 30, 2013</b>	<b><u><u>\$51,123,958</u></u></b>
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**Comparison of 2011-13 General Fund Appropriations to 2009-11 Appropriations**

Current status of 2011-13 general fund appropriations	\$4,066,853,792
2009-11 legislative general fund appropriations	<u>3,259,365,481</u> <sup>2</sup>
Increase (decrease)	<u>\$807,488,311</u>
Percentage increase (decrease)	24.77%

**Footnotes**

<sup>1</sup> Beginning balance - Executive budget unobligated general fund cash balance - July 1, 2011	\$84,247,948 <sup>a</sup>
Legislative action affecting the July 1, 2011, balance	
February 2011 revenue forecast revision	\$42,561,000
HB 1012 - Provides supplemental appropriation to State Treasurer for transportation funding distributions	(35,000,000)
HB 1015 - Removes exemption of Department of Corrections and Rehabilitation funding from North Dakota Century Code Section 54-44.1-11	1,600,000
HB 1337 - Authorizes sale of land in Walsh County	7,705
HB 1343 - Industrial Commission supplemental appropriation	(150,000)
HB 1424 - Sales tax exemption for agrichemical cleaners and markers	(25,300)
HB 1451 - Transfer from repeal of permanent oil tax trust fund	615,112,998
SB 2006 - Provides exemption for Tax Department from Section 54-44.1-11	(50,000)
SB 2009 - Provides exemption for Agriculture Department from Section 54-44.1-11	(60,000)
SB 2012 - Removes exemption for Department of Human Services from Section 54-44.1-11	12,800,000
SB 2015 - Provides supplemental appropriation for mill levy reduction grants	(211,264)
SB 2057 - Changes exemptions from Section 54-44.1-11	<u>813,000</u>
Total legislative changes affecting the beginning balance	<u>\$637,398,139</u>
Estimated general fund cash balance prior to budget stabilization fund transfer	\$721,646,087
Budget stabilization fund transfer adjustment	<u>(61,414,562)</u> <sup>b</sup>
Estimated unobligated general fund cash balance - July 1, 2011	<u>\$660,231,525</u>

<sup>a</sup> The beginning balance is based on the 2009-11 general fund beginning balance of \$361,843,514, the 2009-11 December 2010 general fund revenue forecast of \$2,978,638,819, and appropriation authority of \$3,256,234,385 (general fund appropriations of \$3,259,365,481 plus proposed deficiency appropriations of \$1,868,904 and less estimated general fund turnback of \$5 million).

<sup>b</sup> Chapter 54-27.2, as amended by House Bill No. 1451, provides that any amount in the general fund at the end of a biennium in excess of \$65 million must be transferred to the budget stabilization fund except that the balance in the budget stabilization fund may not exceed 9.5 percent of the general fund budget approved by the most recently adjourned Legislative Assembly. The amount shown is based on the current estimate of a June 30, 2011, general fund balance of \$721,646,087 which allows for a transfer of \$61,414,562, bringing the balance in the fund to \$386,351,110.

<sup>2</sup> Includes a \$5 million contingent general fund transfer to the centers of excellence fund and a \$5 million contingent general fund appropriation for supplemental transportation aid payments to school districts.

**Permanent Oil Tax Trust Fund - 2011-13 Biennium**

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

**NOTE:** House Bill No. 1451, as passed, repeals the permanent oil tax trust fund at the end of the 2009-11 biennium and transfers the balance estimated to be \$615.1 million to the general fund.

**Budget Stabilization Fund - 2011-13 Biennium**

Beginning balance		\$386,351,110
Estimated revenues		
None	<u>\$0</u>	
Total estimated revenues		<u>386,351,110</u>
Less estimated expenditures		
None	<u>\$0</u>	
Total estimated expenditures		<u>0</u>
Ending balance		\$386,351,110

**Estimated June 30, 2013, Fund Balance Summary**

	<b>Executive Recommendation</b>	<b>Current Budget Status</b>	<b>Increase (Decrease)</b>
General fund	\$55,736,676	\$51,123,958	(\$4,612,718)
Permanent oil tax trust fund	231,398,293	0	(231,398,293)
Budget stabilization fund	<u>329,556,954</u>	<u>386,351,110</u>	<u>56,794,156</u>
Total	\$616,691,923	\$437,475,068	(\$179,216,855)

This summary and additional detail are available online at <http://www.legis.nd.gov/fiscal/biennium-reports/62-2011/budget-status/index.html>.