

2015-17 BIENNIUM REVENUE - MONTHLY SUMMARY

This memorandum provides a summary of general fund revenue; oil production, oil prices, and rig counts; and oil tax revenue collections and allocations. The first section compares actual and forecasted general fund revenue. The second section compares actual and forecasted oil production, oil prices, rig counts, and oil tax revenue allocations.

GENERAL FUND REVENUE General Fund Revenue Collections

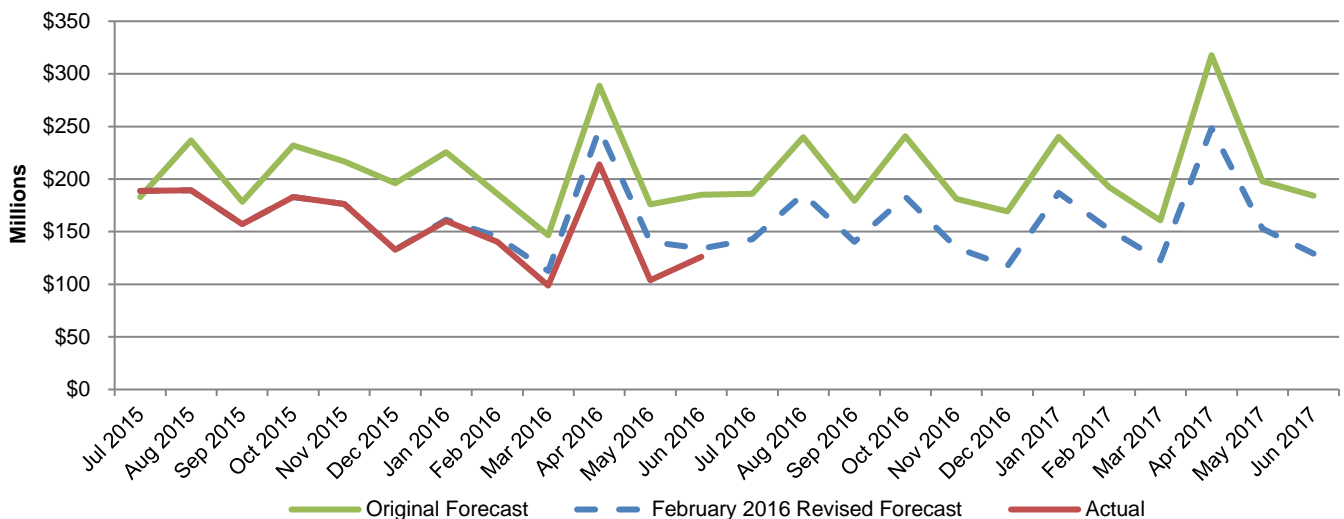
The schedule below provides a comparison of actual general fund revenue collections to the February 2016 revised forecast for the month of June 2016 and for the biennium-to-date.

Category	June 2016			Biennium-to-Date			
	Actual	Revised Forecast ¹	Variance	Actual	Revised Forecast ¹	Variance	
						Amount	Percentage
Ongoing Revenue							
Sales and use taxes	\$61,579,782	\$65,182,000	(\$3,602,218)	\$925,369,574	\$1,032,845,000	(\$107,475,426)	(10.4%)
Motor vehicle excise tax	8,000,000	10,359,000	(2,359,000)	107,096,639	116,702,000	(9,605,361)	(8.2%)
Individual income tax	16,583,661	16,689,000	(105,339)	353,937,749	351,687,000	2,250,749	0.6%
Corporate income tax	15,879,624	23,435,000	(7,555,376)	97,580,800	96,289,000	1,291,800	1.3%
Insurance premium tax	2,573,414	929,520	1,643,894	55,575,373	45,692,702	9,882,671	21.6%
Financial institutions tax	0	0	0	324,145	244,614	79,531	32.5%
Gross production tax	0	0	0	83,379,177	83,379,177	0	0.0%
Oil extraction tax	0	0	0	116,620,823	116,620,823	0	0.0%
Gaming tax	41,794	47,740	(5,946)	3,375,231	3,358,137	17,094	0.5%
Cigarette and tobacco tax	2,512,192	2,619,000	(106,808)	29,049,715	30,302,051	(1,252,336)	(4.1%)
Wholesale liquor tax	767,664	961,000	(193,336)	9,025,987	9,360,136	(334,149)	(3.6%)
Coal conversion tax	3,327,000	3,327,000	0	21,958,802	21,518,796	440,006	2.0%
Mineral leasing fees	1,128,221	819,488	308,733	13,801,576	13,259,365	542,211	4.1%
Departmental collections	3,750,107	3,244,442	505,665	40,888,872	38,234,767	2,654,105	6.9%
Interest income	9,792,279	6,526,263	3,266,016	12,219,058	9,038,920	3,180,138	35.2%
Total ongoing revenue	\$125,935,738	\$134,139,453	(\$8,203,715)	\$1,870,203,521	\$1,968,532,488	(\$98,328,967)	(5.0%)
Transfers							
Lottery	\$7,630,000	\$7,630,000	\$0	\$7,630,000	\$7,630,000	\$0	0.0%
State Mill profits - Transfer	4,300,000	6,887,500	(2,587,500)	4,300,000	6,887,500	(2,587,500)	(37.6%)
Major special funds - Transfer	0	0	0	657,000,000	657,000,000	0	0.0%
Other transfers	0	0	0	1,091,154	1,080,452	10,702	1.0%
Total transfers	\$11,930,000	\$14,517,500	(\$2,587,500)	\$670,021,154	\$672,597,952	(\$2,576,798)	(0.4%)
Total revenue	\$137,865,738	\$148,656,953	(\$10,791,215)	\$2,540,224,675	\$2,641,130,440	(\$100,905,765)	(3.8%)

¹The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the February 2016 revised revenue forecast for general fund revenue. The amounts shown for the gross production tax and the oil extraction tax forecast have been revised to reflect the actual allocations, because the allocations are limited to \$300 million per biennium.

Ongoing General Fund Revenue

The chart and schedule below provide a comparison of actual ongoing general fund revenue collections to the original May 2015 legislative forecast and to the February 2016 revised forecast.



	Actual	Original Forecast		February 2016 Revised Forecast		
		Amount	Variance	Amount	Variance	Percentage
July 2015	\$188,734,824	\$183,033,628	\$5,701,196	\$188,734,824	\$0	0.0%
August 2015	189,384,797	236,832,276	(47,447,479)	189,384,797	0	0.0%
September 2015	157,073,450	178,391,640	(21,318,190)	157,073,450	0	0.0%
October 2015	183,024,353	231,971,867	(48,947,514)	183,024,353	0	0.0%
November 2015	176,252,034	216,577,498	(40,325,464)	176,252,034	0	0.0%
December 2015	132,744,702	195,939,463	(63,194,761)	132,744,702	0	0.0%
January 2016	160,052,256	225,566,423	(65,514,167)	161,476,651	(1,424,395)	(0.9%)
February 2016	140,320,653	185,977,626	(45,656,973)	145,387,626	(5,066,973)	(3.5%)
March 2016	98,779,370	146,555,768	(47,776,398)	112,599,768	(13,820,398)	(12.3%)
April 2016	213,936,376	288,703,915	(74,767,539)	247,351,915	(33,415,539)	(13.5%)
May 2016	103,964,968	175,987,915	(72,022,947)	140,362,915	(36,397,947)	(25.9%)
June 2016	125,935,738	185,076,453	(59,140,715)	134,139,453	(8,203,715)	(6.1%)
Biennium-to-date	\$1,870,203,521	\$2,450,614,472	(\$580,410,951)	\$1,968,532,488	(\$98,328,967)	(5.0%)

OIL TAX REVENUE ALLOCATIONS Oil Production, Oil Prices, and Rig Counts

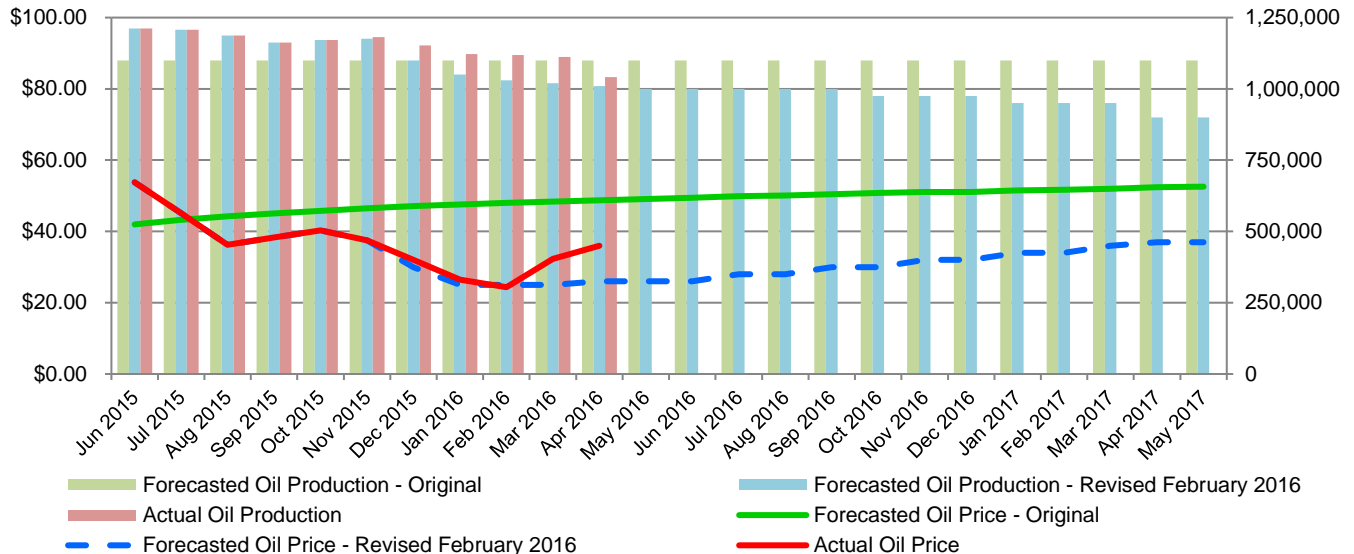
The schedule below provides a comparison of actual to forecasted amounts for oil production, oil prices, and rig counts for April 2016 and for the biennium-to-date. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil price and production are reported from June 2015 to May 2017.

	April 2016	Biennium-to-Date Average
Average daily production of oil in barrels		
Actual	1,041,007	1,151,609
Revised forecast ¹	1,010,000	1,120,504
Average daily oil price		
Actual - Flint Hills Resources (FHR)	\$30.75	\$30.70
Actual - West Texas Intermediate (WTI)	\$41.13	\$42.46
Actual - Average of FHR and WTI	\$35.94	\$36.58
Revised forecast ¹	\$26.00	\$34.76
Average daily rig counts		
Actual	29	59
Revised forecast (Unofficial - Reflects a decrease to 35 drilling rigs by the end of the first year and an increase from 35 to 50 drilling rigs for the second year)	35	60

¹The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the February 2016 revised revenue forecast for oil tax revenue.

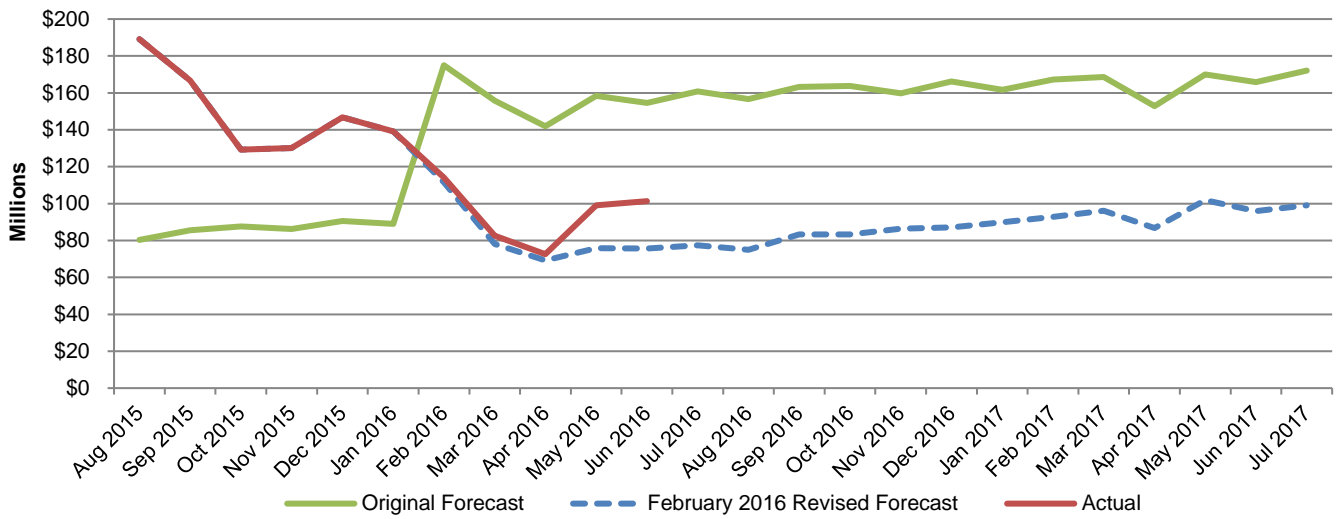
Oil Production and Prices

The chart below provides information on oil production and oil prices for the biennium-to-date. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil price and production are reported from June 2015 to May 2017. **The amounts shown for the actual oil price reflect the average of the FHR price and the WTI price.**



Oil Tax Revenue Collections

The chart and schedule below provide a comparison of actual to forecasted oil tax revenue collections for the biennium-to-date.



	Actual	Original Forecast		February 2016 Revised Forecast		
		Amount	Variance	Amount	Variance	Percentage
August 2015	\$189,128,527	\$80,330,580	\$108,797,947	\$189,128,527	\$0	0.0%
September 2015	166,733,048	85,500,294	81,232,754	166,733,048	0	0.0%
October 2015	129,281,384	87,557,206	41,724,178	129,281,384	0	0.0%
November 2015	130,038,372	86,283,120	43,755,252	130,038,372	0	0.0%
December 2015	146,746,620	90,583,240	56,163,380	146,746,620	0	0.0%
January 2016	139,202,168	89,039,280	50,162,888	139,202,168	0	0.0%
February 2016	114,171,236	174,991,652	(60,820,416)	111,507,000	2,664,236	2.4%
March 2016	82,627,992	155,757,888	(73,129,896)	78,120,000	4,507,992	5.8%
April 2016	72,580,606	141,985,536	(69,404,930)	69,216,000	3,364,606	4.9%
May 2016	99,139,519	158,442,240	(59,302,721)	75,888,000	23,251,519	30.6%
June 2016	101,344,321	154,503,360	(53,159,039)	75,628,800	25,715,521	34.0%
Biennium-to-date	\$1,370,993,793	\$1,304,974,396	\$66,019,397	\$1,311,489,919	\$59,503,874	4.5%

Oil Tax Revenue Allocations

The schedule below provides a comparison of actual to forecasted oil tax revenue allocations for the period August 2015 through June 2016. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil tax revenue allocations are reported from August 2015 to July 2017, and oil price and production are reported from June 2015 to May 2017. The amounts shown for the 2015-17 biennium forecast reflect the February 2016 revised revenue forecast.

	2015-17 Biennium-to-Date		Variance	
	Actual	Forecast	Amount	Percentage
Legacy fund	\$380,975,755	\$363,450,984	\$17,524,771	4.8%
Three Affiliated Tribes	101,074,070	99,986,097	1,087,973	1.1%
Oil and gas research fund	10,000,000	8,968,174	1,031,826	11.5%
Oil and gas impact grant fund	27,583,175	22,009,062	5,574,113	25.3%
Political subdivisions	252,502,974	238,335,690	14,167,284	5.9%
Abandoned well reclamation fund	4,726,157	3,504,261	1,221,896	34.9%
North Dakota outdoor heritage fund	8,802,101	6,358,309	2,443,792	38.4%
Foundation aid stabilization fund	57,798,952	56,910,842	888,110	1.6%
Common schools trust fund	57,798,952	56,910,842	888,110	1.6%
Resources trust fund	115,597,905	113,821,684	1,776,221	1.6%
General fund	200,000,000	200,000,000	0	0.0%
Tax relief fund	154,133,219	141,233,441	12,899,778	9.1%
Strategic investment and improvements fund	533	533	0	0.0%
Political subdivision allocation fund	0	0	0	N/A
State disaster relief fund	0	0	0	N/A
Total oil and gas tax revenue allocations	\$1,370,993,793	\$1,311,489,919	\$59,503,874	4.5%