

SELECTED STATE SPECIAL FUNDS SUMMARY

The schedule below provides fund balance information on major state constitutional trust funds and statutory special funds. All constitutional and statutory special funds are designated for specific purposes. The purposes are summarized later in this memorandum.

Constitutional Trust Funds ¹			Statutory Special Funds		
Fund Name	Fund Balances as of June 30		Fund Name	Fund Balances as of June 30	
	2013 (Actual)	2015 (Projected)		2013 (Actual)	2015 (Projected)
Capitol building trust	\$2,841,003	\$2,746,855	Beginning farmer revolving loan	\$2,866,666	\$3,200,000
Coal development trust	116,969	9,839	Bonding	3,408,932	3,543,166
Common schools trust	2,417,363,782	*	Budget stabilization	402,485,214	583,545,798
Ellendale State College permanent trust	6,528,016	*	Centers of excellence	10,767,983	1,934,030
Foundation aid stabilization	335,364,942	617,471,617	Center of research excellence	4,732,148	1,501,656
Legacy	1,280,714,486	2,987,511,668	Community health trust	47,258	61,404
Mayville State University permanent trust	4,755,521	*	Electronic health information exchange	7,485,386	4,933,152
North Dakota State University permanent trust	40,849,758	*	Environment and rangeland protection	3,012,852	2,040,000
School for the Blind permanent trust	5,642,741	*	Fire and tornado	24,772,839	23,216,053
School for the Deaf permanent trust	14,035,624	*	Game and fish	27,963,442	*
School of Mines permanent trust	12,794,656	*	Health care trust	471,638	360,758
State College of Science permanent trust	11,165,942	*	Health information technology loan	0	0
State Hospital permanent trust	11,124,623	*	Health information technology planning loan	441,978	0
University of North Dakota permanent trust	18,602,001	*	Highway (cash and cash equivalents)	162,300,000	154,100,000
Valley City State University permanent trust	6,677,677	*	Lignite research	15,958,000	10,000,000
Veterans' Home permanent trust	4,036,445	*	Oil and gas research	3,875,671	500
Veterans' Postwar Trust	4,611,578	*	Outdoor heritage	0	0
Youth Correctional Center permanent trust	16,341,908	*	Property tax relief	341,790,000	657,000,000
			Public Employees Retirement System	1,957,670,026 ²	*
			Renewable energy development	2,757,612	1,000,000
			Research North Dakota	0	0
			Resources trust	292,961,846	114,247,357
			Risk management	2,721,454	2,679,556
			State disaster relief	78,896,179	80,000,000
			Strategic investment and improvements	969,920,162	1,058,142,998
			Student loan trust	41,475,000	39,000,000
			Teachers' Fund for Retirement	1,839,583,960 ³	*
			Tobacco prevention and control trust	40,654,657	47,567,075
			Water development trust	26,550,736	300,736
			Workforce Safety and Insurance	354,758,275	374,604,802
Total	\$4,193,567,672	N/A	Total	\$6,620,329,914	N/A

*Projected June 30, 2015, balance is not available at this time.

¹The amounts shown for each constitutional trust fund exclude any land and mineral values associated with the fund.

²Public Employees Retirement System had a net position of \$1,957,670,026 as of June 30, 2013; however, the actuarial accrued liability was approximately \$2,716.5 million.

³The Teachers' Fund for Retirement had a net position of \$1,839,583,960 as of June 30, 2013; however, the actuarial accrued liability was approximately \$2,997.1 million.

The schedule below summarizes the primary purpose of each on major state constitutional trust fund.

Constitutional Trust Funds	
Fund Name	Fund Purpose
Capitol building trust	The fund accounts for money accumulated from the sale or leasing of any lands granted in the Enabling Act for the purpose of erecting and maintaining public buildings at the capital for legislative, executive, and judicial purposes.
Coal development trust	Fund revenues are from the severance tax on coal. The fund is held in trust and administered by the Board of University and School Lands for loans to coal-impacted political subdivisions.
Common schools trust	The fund is to be used to support the common schools of the state. Money deposited into the fund is from the following sources: <ul style="list-style-type: none"> • Proceeds relating to public lands granted to the state by the federal government for the support of the common schools. • Proceeds relating to property acquired by the state through escheat (property reverting to the state in the absence of legal heirs). • Gifts, donations, and other property acquired by the state for the support of the common schools. • Proceeds of all bonuses relating to the leasing of coal, gas, oil, or other mineral interests relating to common schools lands.
Ellendale State College permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support. The beneficiaries of this trust are Dickinson State University, Minot State University, Dakota College at Bottineau, Veterans' Home, School for the Blind, State Hospital, and the State College of Science.
Foundation aid stabilization	The fund receives one-half of 20 percent of the revenue from oil extraction taxes collected and may be used to offset state school aid reductions due to a revenue shortage.
Legacy	The fund receives 30 percent of oil and gas gross production and oil extraction taxes on oil and gas produced after June 30, 2011. The principal and earnings of the fund may not be spent until after June 30, 2017, and any expenditure of principal after that date requires a vote of at least two-thirds of the members elected to each house of the Legislative Assembly. Not more than 15 percent of the principal of the fund may be spent during a biennium.
Mayville State University permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
North Dakota State University permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
School for the Blind permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
School for the Deaf permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
School of Mines permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support. The beneficiary of this trust is the University of North Dakota.
State College of Science permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
State Hospital permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
University of North Dakota permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
Valley City State University permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
Veterans' Home permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.
Veterans' postwar trust	The fund is utilized for programs of benefit and service to veterans or their dependents. The fund consists of money transferred or credited to the fund as authorized by the Legislative Assembly.
Youth Correctional Center permanent trust	A land grant from the federal government at statehood for the exclusive benefit of education and institutional support.

The schedule below summarizes the primary purpose of each major statutory special fund.

Statutory Funds	
Fund Name	Fund Purpose
Beginning farmer revolving loan	The loan fund was established for the purpose of making or participating in loans to North Dakota beginning farmers for the purchase of agricultural real estate, equipment, and livestock.
Bonding	The fund is used to maintain the bonding of public employees and officials of the state, county, city, or other unit of local government. Premiums for bond coverage are to be determined by the Insurance Commissioner but must be waived if the state bonding fund's balance is in excess of \$2 million. No premium has been charged, possibly since 1953, because the balance has exceeded the minimum level.
Budget stabilization	The Governor may order a transfer from the budget stabilization fund to the general fund if the Director of the Office of Management and Budget projects general fund revenues for the biennium to be at least 2.5 percent less than estimated by the most recently adjourned Legislative Assembly. 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; however, 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.
Centers of excellence	Money in the fund is appropriated to the Department of Commerce on a continuing basis for implementing and administering the centers of excellence program.
Center of research excellence	Money in the fund is appropriated to the Department of Commerce on a continuing basis for implementing and administering the centers of research excellence program.
Community health trust	The fund is to be used for community-based public health systems and other public health programs, including programs with an emphasis on preventing or reducing tobacco usage in the state. The fund is mainly comprised of money transferred from the tobacco settlement trust fund.
Electronic health information exchange	The fund is used to facilitate and expand the electronic health information exchange. Money may be used, subject to legislative appropriations, to provide services directly or for grants and for costs of administration of the fund.
Environment and rangeland protection	The fund is to be used for rangeland improvement projects. The fund receives collections from pesticide registration fees.
Fire and tornado	The fund is used to insure state agencies and political subdivisions against loss to the public buildings, fixtures, and permanent contents therein, through fire, lightning, windstorm, etc. The fund receives the collection of premiums and assessments for insurance coverage.
Game and fish	The fund accounts for the revenues and expenditures associated with the operation of the Game and Fish Department.
Health care trust	The fund is to be used for long-term care facilities-related projects. Money was generated for the health care trust fund as a result of the Department of Human Services making government nursing facility funding pool payments to two government nursing facilities--McVille and Dunseith. The payments were subsequently returned to the state and deposited in this fund.
Health information technology loan	The fund is for providing loans to health care providers to purchase and upgrade electronic health record technology, train personnel in its use, improve security of information technology exchange, and for other purposes as established by the Health Information Technology Office in collaboration with the Health information Technology Advisory Committee.
Health information technology planning loan	The fund is for providing low-interest loans to health care entities to assist those entities to improve health information technology infrastructure.
Highway	The fund accounts for revenues and expenditures associated with the general operation of the Department of Transportation.
Lignite research	The fund is to be used for contracts for land reclamation research projects and for research, development, and marketing of lignite and products derived from lignite. The fund receives a transfer of 70 percent of the taxes collected and deposited in the coal development trust fund.
Oil and gas research	The fund is available to the Oil and Gas Research Council as a continuing appropriation to provide financial assistance for research, development, marketing, educational projects, and processes or activities directly related to the oil and gas exploration, production, or refining industry or the petroleum marketing industry.

Outdoor heritage	<p>The fund purpose is to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations to:</p> <ul style="list-style-type: none"> • Provide access for sportsmen to public and private lands; • Create habitats for fish and other wildlife; • Improve, maintain, and restore water quality, soil conditions, plant diversity, and animal systems; • Support stewardship practices to support farming and ranching; and • Conserve natural areas for recreation.
Public Employees Retirement System	The fund is management by the Public Employees Retirement System to provide retirement income to public employees. The Public Employees Retirement System is a qualified defined benefit public pension plan.
Property tax relief	The fund is to be used for property tax relief programs. The fund receives an allocation of the state's share of oil and gas tax revenues.
Renewable energy development	The fund is for providing financial assistance as appropriate to foster the development of renewable energy and related industrial use technologies.
Research North Dakota	The fund is available to the Department of Commerce on a continuing basis for implementing and administering the Research North Dakota grant program and the Research North Dakota venture grant program.
Resources trust	The fund is used by the State Water Commission for planning for and construction of water-related projects, including rural water systems. The fund receives 20 percent of the revenue from oil extraction taxes collected.
Risk management	The fund is to administer the state's risk management program. Fund revenue is derived from risk management premiums assessed to state agencies, boards, commissions, and the North Dakota University System.
State disaster relief	The fund is to be used for defraying the expenses of state disasters. The fund receives an allocation of this state's share of oil and gas tax revenues.
Strategic investment and improvements	The fund accounts for income derived from the sale, lease, and management of the mineral interests acquired by the Board of University and School Lands and receives an allocation of the state's share of oil and gas tax revenues. Money in the fund may be used for one-time expenditures relating to improving state infrastructure or for initiatives to improve the efficiency and effectiveness of state government.
Student loan trust	The fund accounts for loans to students in postsecondary education. The trust acquires eligible loans guaranteed or insured by the United States government or the North Dakota guaranteed student loan program.
Teachers' Fund for Retirement	The fund is managed by the Retirement and Investment Office to provide retirement income to public educators. The Teachers' Fund for Retirement is a qualified defined benefit public pension plan.
Tobacco prevention and control trust	The fund consists of a portion of tobacco settlement dollars to be used for creating a comprehensive plan for the prevention and control of tobacco.
Water development trust	The fund is to be used to address the long-term water development and management needs of the state. Revenue to the fund is derived from tobacco settlement trust fund transfers.
Workforce Safety and Insurance	The fund accounts for the premium revenues and claims and operational expenditures associated with Workforce Safety and Insurance.