

COST-TO-CONTINUE ITEMS AND ESTIMATED FISCAL IMPACT OF MAJOR LEGISLATIVE MANAGEMENT RECOMMENDATIONS

SUMMARY

The preliminary estimate of major general fund cost-to-continue items for the 2011-13 biennium is \$341.5 million. The estimated fiscal effect of 2009-10 Legislative Management recommendations is a reduction of general fund revenue of \$206.9 million, an increase in special fund revenue of \$176.3 million, an increase in general fund costs of \$41.2 million, and an increase in special fund costs of \$458.8 million. Overall, the estimated fiscal effect of these costs to continue and Legislative Management recommendations totals \$872.1 million of revenue reductions or cost increases. Schedules showing additional detail of these estimates are listed below.

COST TO CONTINUE

The preliminary estimate of major general fund cost-to-continue items for the 2011-13 biennium include:

	General Fund
Funding to replace federal fiscal stimulus funding relating to the enhanced federal medical assistance percentage (FMAP) (\$66.5 million) and child support incentive matching funds (\$2.7 million)	\$69,200,000
Increased costs for Department of Human Services' grants resulting from an anticipated reduction in the FMAP (55.40 percent for federal fiscal years 2012 and 2013)	103,000,000
Cost to continue the 6 percent second-year inflationary increase for Department of Human Services' service providers and to maintain the current caseload levels	32,000,000
Increased funding for state school aid formula changes enacted by the 2009 Legislative Assembly	54,000,000
Property tax relief - Continuation of the mill levy reduction grants approved by the 2009 Legislative Assembly	46,000,000
Other	37,300,000
Total	\$341,500,000

ESTIMATED FISCAL IMPACT OF MAJOR LEGISLATIVE MANAGEMENT RECOMMENDATIONS

Committee - Bill Description	2011-13 Biennium			
	Estimated Revenue Effect		Estimated Costs	
	General Fund	Special Funds	General Fund	Special Funds
Long-Term Care Committee Registration of health care professionals - A bill to transfer registration of nurse aides, home health aides, and medication assistants I and II from the State Board of Nursing to the State Department of Health			\$264,578	
Payment system pilot project - A bill requiring the Department of Human Services to implement a prospective reimbursement pilot project for the developmental disabilities program during the 2011-13 biennium			Not yet determined	Not yet determined
Taxation Committee Property tax relief - A bill to provide for continuation of property tax relief and reserve funding from the permanent oil tax trust fund for the 2013-15 biennium				\$341,790,000
Potash extraction tax - A bill to establish a 4 percent tax on extraction of potash and potash byproducts	Not yet determined			
Public Safety and Transportation Committee Road use fee collections - A bill to allocate extraordinary road use fee collections to the appropriate county general fund if the overweight vehicle violation did not occur on a state or federal highway		(\$148,500)		

Committee - Bill Description	2011-13 Biennium			
	Estimated Revenue Effect		Estimated Costs	
	General Fund	Special Funds	General Fund	Special Funds
Infrastructure grant program - A bill to create an infrastructure grant program for taxing districts affected by oil and gas development. The bill provides funding from the permanent oil tax trust fund.				100,000,000
Highway funding - A bill to provide that after June 30, 2011, motor vehicle excise tax collections, after distributions to the state aid distribution fund, are deposited in the highway tax distribution fund rather than the general fund	(\$176,500,000)	176,500,000		
Emergency medical services - A bill to create a statewide funding plan for emergency medical services. The bill provides funding from the insurance tax distribution fund.	(12,000,000)			12,000,000
State Radio towers - A bill to provide funding for additional State Radio towers and for access costs to the state message switch for entities that utilize wireless access for mobile data terminal systems			5,610,302	
Health and Human Services Committee Pilot voucher payment program - A bill to provide for the establishment and operation of a pilot voucher payment program to provide mental health and substance abuse services for the 2011-13 biennium			Not yet determined	Not yet determined
Government Services Committee Compensation philosophy statement - A bill to provide for a compensation philosophy statement and to provide directives to the Office of Management and Budget for the implementation of Hay Group's recommendations			Not yet determined	Not yet determined
Water-Related Topics Overview Committee Flood control - A bill to provide an appropriation from the resources trust fund for construction of a Devils Lake east end flood control structure				5,000,000
Tribal and State Relations Committee Indian education issues - A bill to provide for a Superintendent of Public Instruction study of Indian education issues			100,000	
Commission on Alternatives to Incarceration Short-term shelter care - A bill to continue the short-term shelter care and assessment program that was initiated during the 2009-11 biennium and provide an additional \$200,000 in funding to expand the program to another area of the state			400,000	
Energy Development and Transmission Committee Wind facilities sales tax exemption - A bill to remove the sunset on the sales tax exemption for wind facilities				
Biodiesel plant production incentive - A bill to create a biodiesel plant production incentive program			Not yet determined	Not yet determined
Advisory Commission on Intergovernmental Relations Inmates medical costs - A bill to provide for reimbursement by the Department of Corrections and Rehabilitation to correctional facilities for inmates' medical costs exceeding \$10,000			Not yet determined	Not yet determined
Judicial Process Committee Legal services - A bill to transfer the responsibility for providing legal services for individuals who are the subjects of sexually dangerous individual commitment proceedings from counties to the Commission on Legal Counsel for Indigents			814,923	

Committee - Bill Description	2011-13 Biennium			
	Estimated Revenue Effect		Estimated Costs	
	General Fund	Special Funds	General Fund	Special Funds
Judiciary Committee				
Gaming taxes - A bill to provide for changes in charitable games taxes and allowable expenses	(10,400,000)			
Debt-settlement providers - A bill to provide for the regulation of debt-settlement providers			Not yet determined	
Workforce Committee				
Manufacturing income tax credit - A bill to create two new manufacturing income tax credits relating to the purchase of manufacturing machinery and equipment and implementing lean manufacturing	(8,000,000)			
Higher education and workforce - A bill to amend the laws relating to TrainND, the new jobs training program, and Operation Intern and create an electronic portfolio pilot project and a student opportunity website			Not yet determined	Not yet determined
Angel fund investment tax credit - A bill to amend the angel fund investment tax credit to allow for transferability of the tax credit and to allow passthrough entities to claim the credit	Not yet determined			
Innovation 2020 award - A bill to create the innovation 2020 award program to be administered by the Department of Commerce			500,000	
Technology award grant program - A bill to create a technology award grant program to be administered by the North Dakota Development Fund, Inc.			500,000	
Centers of workforce excellence, centers of entrepreneurship excellence, centers of research excellence, and the Experimental Program to Stimulate Competitive Research (EPSCoR) - A bill to provide for the centers of workforce excellence, centers of entrepreneurship excellence, centers of research excellence, and EPSCoR.			33,000,000	
Technology impact zones - A bill to create a technology impact zone program to be administered by the Department of Commerce. The program allows a local government to qualify for a sales tax reimbursement.	Not yet determined			
Total	(\$206,900,000)	\$176,351,500	\$41,189,803	\$458,790,000