



North Dakota Legislative Council

Prepared for the Government Finance Committee
LC# 25.9065.01000
September 2023

OTHER DUTIES OF THE GOVERNMENT FINANCE COMMITTEE - BACKGROUND MEMORANDUM

MONITORING THE STATUS OF THE STATE BUDGET

Beginning with the 1975-76 interim, a Legislative Management interim committee has been assigned the responsibility to review state budget information, including the monitoring of state revenues and the status of major state agency and institution appropriations. The Government Finance Committee has been assigned this responsibility for the 2023-24 interim.

As in previous bienniums, the committee's review and monitoring of the state budget may include:

- The status of expenditures of major agency programs;
- The status of the issuance of bonds for major building projects;
- Potential one-time funding items to be considered by the Legislative Assembly in 2023;
- Federal funding received and anticipated to be received by state agencies;
- Projected revenues, expenditures, and fund balances of major state funds;
- Preliminary budget outlook for the 2025-27 biennium; and
- Other key budget issues for the 2025 legislative session.

A report on the status of agency compliance with legislative intent has been completed and presented each interim since 1987-88. This report includes the status of state agencies' and institutions' implementation of budget and programmatic changes, the status of legislative directives contained in appropriation bills and other legislation, and the identification of agency budget issues. These reports are also provided to members of the Budget Section for their information.

The budget information will provide the committee with early information on areas needing legislative consideration and action or may be the basis for legislation to be introduced to the Legislative Assembly in 2025.

STATE REVENUE FORECASTS

Beginning with the 2017-18 interim, a Legislative Management interim committee has been assigned the responsibility to review and develop state revenue forecasts, including reviewing economic forecasting data and analyzing alternative revenue forecasts. The Government Finance Committee has been assigned this responsibility for the 2023-24 interim.

As in previous bienniums, the committee's review and development of state revenue forecasts may include:

- Receiving economic forecasting data and revenue forecasts from an economic forecasting firm, currently S&P Global;
- Monitoring actual general fund and oil tax revenue collections compared to forecasted amounts;
- Receiving information from state agencies regarding revenue collections; and
- Receiving information from industry representatives regarding current trends, including updates from the agriculture industry and the oil and gas industry.

The economic information and revenue forecasts will provide the committee with early information on the status of the state's economy in preparation for the 2025 legislative session.

ASSIGNED REPORTS

In addition to the study responsibilities assigned to the Government Finance Committee for the 2023-24 interim, the committee has also been assigned to receive the following:

- Receive a report from the Office of Management and Budget regarding each executive branch agency that gives any full-time state employee a cumulative salary increase of 15 percent or more between April 1, 2021, and June 30, 2023, pursuant to North Dakota Century Code Section 54-44-04;
- Receive a semiannual report from the Department of Commerce regarding the status of the uncrewed aircraft systems test site program, which is administered in cooperation with the University of North Dakota, Aeronautics Commission, Adjutant General, and private parties appointed by the Governor pursuant to Section 54-60-28.
- Receive semiannual reports from the Department of Commerce regarding the development of the beyond visual line of sight uncrewed aircraft system program and the total amount deposited by the State Treasurer in the general fund pursuant to Section 54-60-29.1.
- Receive at least one report from each county or city that receives a distribution from the large facility development fund on the use of the funding pursuant to Section 57-39.2-26.4.
- Receive at least one report from the Department of Career and Technical Education regarding grants awarded to a workforce training center for the purposes of uncrewed aircraft system, autonomous vehicle, or other autonomous technology pursuant to Section 1 of House Bill No. 1519 (2023).
- Receive at least one report from the Agriculture Commissioner regarding grants awarded to individuals and entities in the agriculture industry for the purposes of uncrewed aircraft system, autonomous vehicle, or other autonomous technology pursuant to Section 2 of House Bill No. 1519 (2023).
- Receive a report from the Department of Emergency Services on grants awarded before June 30, 2023, to tribal governments, counties, cities, and townships for emergency snow removal pursuant to Section 5 of Senate Bill No. 2015 (2023) and Section 1 of Senate Bill No. 2183 (2013).
- Receive a report from the Office of Management and Budget before September 30, 2024, regarding the findings and recommendations from its study of improving the cash management practices of the state pursuant to Section 17 of Senate Bill No. 2015 (2023).
- Receive a biennial report from the Retirement and Investment Office regarding the amount of legacy fund earnings above the percent of market value that would have been transferred to the legacy earnings fund had Senate Bill No. 2330 (2023) not been passed by the 68th Legislative Assembly pursuant to Section 62 of Senate Bill No. 2015 (2023).
- Receive a report from the Department of Health and Human Services regarding the use of funding for the full-time equivalent position block grant program pursuant to Section 7 of Senate Bill No. 2012 (2023).
- Receive a presentation from the Department of Transportation before August 1, 2024, of the department's plan to complete the US Highway 85 four-lane project pursuant to Section 17 of House Bill No. 1012 (2023).
- Receive from the Department of Commerce one report by December 31, 2023, and no fewer than two reports during the period beginning January 1, 2024, and ending October 31, 2024, regarding the status of each grant program identified in Section 2 of House Bill No. 1018 (2023) derived from the general fund or state special funds, including funding spent to date, the number of individuals or businesses awarded funding, the name and amount of funding awarded to each individual and business, the date funding was awarded, criteria used when awarding funding, and a detailed listing of how the funding has been used pursuant to Section 30 of House Bill No. 1018 (2023).
- Receive a report from the Department of Career and Technical Education regarding the amount of funding provided per project to defray inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium and the construction status of each project pursuant to Section 10 of House Bill No. 1021 (2023) and Section 7 of Senate Bill No. 2015 (2023).
- Receive a report from the Office of Management and Budget regarding any uncommitted federal Coronavirus Capital Projects Fund appropriation authority transferred from the Information Technology Department to the Department of Career and Technical Education pursuant to Section 7 of House Bill No. 1021 (2023).