

# State of North Dakota

# Executive Budget 2011-2013 Biennium

**Jack Dalrymple**  
Governor

**Pam Sharp**  
OMB Director

**Sheila Peterson**  
Fiscal Management Director





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**State of North Dakota**

For the Biennium Beginning

**July 1, 2009**

President

Executive Director

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<u>Agency</u>	<u>No.</u>	<u>Agency</u>	<u>No.</u>	<u>Agency</u>	<u>No.</u>
Adjutant General	540	Industrial Commission	405	Secretary of State, Office of the	108
Administrative Hearings, Office of	140	Information Technology Department	112	Securities Department, North Dakota	414
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# 2011-2013 Budget Address to the North Dakota Legislative Assembly

December 8, 2010

Governor Jack Dalrymple

# 2011-13 Budget Objectives

- Fund Our Priorities
- Provide Tax Relief
- Build Our Reserves

# Fund Our Priorities

## On-going Revenues Exceed On-going Expenditures

2011-13 General Fund Ongoing Revenues	\$3.197 Billion
2011-13 Recommended Ongoing Expenditures	\$3.185 Billion



# Reserves and Ending Balances

(in millions)

	<u>June 30, 2011</u>	<u>June 30, 2013</u>
General Fund	\$ 80	\$ 56
Permanent Oil Tax Trust Fund	\$ 620	\$ 232 *
Budget Stabilization Fund	\$ 325	\$ 330
Legacy Fund	–	\$ 619
	<hr/>	<hr/>
<b>TOTAL</b>	<b><u>\$ 1.025 B</u></b>	<b><u>\$ 1.237 B</u></b>

\* After one-time infrastructure investments.

# Tax Relief

2009-11 Property Tax Relief	\$300 Million
2011-13 Property Tax Relief	\$350 Million
2009-11 Income Tax Relief	\$100 Million
2011-13 Income Tax Relief	<u>\$150 Million</u>
<b>Cumulative Tax Relief</b>	<b>\$900 Million</b>

# Infrastructure Support for Oil Country

State Roads in Oil Country	\$229 Million
County & Township Roads in Oil Country	\$142 Million
Oil & Gas Impact Grant Fund	\$100 Million
Oil & Gas Production Tax Formula	\$247 Million
State/Federal Highway Funds	<u>\$240 Million</u>
<b>Total</b>	<b>\$958 Million</b>

# Increased Funding for K-12 Education

Completion of Adequacy	\$ 54.3 Million
Increase in Per Student Payment Rate	\$ 32.0 Million
Supplemental Performance Pay for Teachers	\$ 7.5 Million
Transportation, Principal Mentoring, Early Childhood Education, and Other Initiatives	<u>\$ 8.5 Million</u>
<b>Total</b>	<b>\$102.3 Million</b>



— State of —  
**North Dakota**  
*Office of the Governor*  
**Jack Dalrymple**  
*Governor*

**2011-2013 EXECUTIVE BUDGET ADDRESS**

**The Honorable Jack Dalrymple**  
**Governor of North Dakota**  
**December 8, 2010**

Good morning. I am pleased and honored this year to welcome the members of the 62nd North Dakota Legislative Assembly, Justices of the Supreme Court, Lt. Gov. Drew and Kathleen Wrigley, Senator-elect John and Mikey Hoeven, elected officials, cabinet members, state employees, First Lady Betsy, and my fellow North Dakotans.

At the outset, I want to thank the staff of the Office of Management and Budget, our cabinet agencies, and our staff in the Governor's Office for the hard work, diligence, and thoughtfulness they brought to the job of building our new budget.

Together, I believe we have produced a budget for the people of North Dakota that is farsighted and pragmatic, a budget that will continue to lead our state forward. (Chart 1)

In drafting our last budget, we were guided by three key objectives that, I believe, have served us well in the current biennium. We have set those same objectives for our new budget as well. They include funding priorities; setting aside adequate reserves for a rainy day; and providing additional tax relief for the hard-working men and women of North Dakota.

At the same time, we have identified some new areas of emphasis designed to build on our progress. I will discuss those in the course of my address.

Today, I am pleased to present the results of our efforts – the 2011-2013 executive budget.

**THE BIG PICTURE**

I'll begin with an overview of our budget plan.

Due to our growing economy, both our ongoing revenues and our reserves have shown gains since the beginning of the current 2009-2011 biennium, and that growth is forecasted to continue into the next two-year cycle, as well.

As always, we have carefully examined our revenues and expenditures, and we have taken care to ensure that our ongoing revenues exceed ongoing expenditures, as you can see in Chart 2.

In the 2011-2013 biennium, our General Fund ongoing revenues will total about \$3.197 billion. At the same time, ongoing expenditures will total \$3.185 billion, which is well within our means. Prudent budgeting maintains this structural balance, even as we provide tax relief and build our reserves.

The 61<sup>st</sup> Legislative Assembly wisely established a special fund, the Property Tax Relief Sustainability Fund, for the purpose of funding property tax relief. This is entirely appropriate.

Comparing the total legislative appropriations for the current biennium, and taking out the property tax relief of \$295 million that was previously included in general fund spending, our budget recommendation for 2011-13 represents an increase of 5.6 percent per year.

In total, General Fund expenditures increase by \$334 million over the current biennium; however, more than half of this increase is made necessary by having to replace \$174 million in decreased federal funding in Human Services alone.

Of that \$174 million reduction in federal funds, \$105 million is due to a formula change caused by our state's significant increase in per capita personal income, and \$69 million is due to the additional expense caused by the discontinuation of federal stimulus funding in the upcoming biennium. Excluding the \$174 million in discontinued federal funding, our increase in General Fund expenditures would be 2.7 percent per year.

Our growing revenues are reflected in a projected \$84 million ending fund balance for the current biennium. After a transfer of \$4.6 million to the Budget Stabilization fund, as required by law, our actual General Fund cash balance going forward is about \$80 million.

This Ending Fund Balance is largely the result of higher revenues from sales taxes, which represent approximately 45 percent of all General Fund revenues, and have been generated statewide by North Dakota's growing and more diversified economy. It is also a testament to our careful fiscal management in the current biennium. Remember that only \$71 million

of our oil and gas tax revenues is allowed by statute to flow to the General Fund.

### **One-time General Fund Expenditures**

We also propose \$110 million in General Fund one-time projects, which we can fund out of our ending fund balance and one-time revenues.

Some of our one-time projects are investments in flooded roads, communications equipment, and public safety; some are dedicated to educational infrastructure; and yet others fund innovative research, development, and commercialization of North Dakota products and services. They are investments that will further stimulate economic activity, make our state more competitive, and create more good jobs in the future.

As with our current budget, we exercise prudent fiscal management. We are able to fund our priorities, provide additional tax relief for our citizens, and set aside healthy reserves for the future. Our budget neither borrows nor bonds. And it imposes no new taxes or fees.

### **Reserves**

Now let's turn to a discussion of our reserves, illustrated on Chart 3. On July 1, 2009, North Dakota began the current biennium with a balance of approximately \$490 million in the Permanent Oil Tax Trust Fund. After appropriations, we are expecting an ending fund balance of \$620 million on June 30, 2011.

In addition, you will recall that the people of North Dakota decided in the last election to establish a Legacy Fund to retain some of our current oil expansion revenues. The Legacy Fund measure sets aside approximately \$619 million throughout the upcoming biennium. Beyond that, it will provide revenues for worthy programs and projects indefinitely into the future.

We anticipate total reserves at the end of the current biennium of just over \$1 billion. At the end of the 2011-13 biennium, you can see that reserves will have continued to grow an additional \$200 million, to a healthy reserve of \$1.237 billion, including the new Legacy Fund.

### **Expanded Tax Relief**

With our ongoing and one-time expenditures accounted for, and our reserves secured, our financial position still provides us with the resources necessary to provide additional tax relief for North Dakota citizens, as shown on Chart 4.

In the last biennium, we reduced property taxes by \$300 million through a reduction of approximately 75 mills in school district levies, simultaneously raising the state's share of school funding from about 48 percent to the long-sought goal of 70 percent.

We also reduced income taxes by \$100 million, resulting in an average 12 percent saving for North Dakota taxpayers.

But we can and should do more. So in the new biennium, we propose expanding the \$300 million in property tax relief passed in the last session to a level of \$350 million in the upcoming biennium. We also propose expanding the \$100 million in income tax relief to a total \$150 million in the upcoming biennium. This produces a total of \$900 million in cumulative tax relief over two bienniums.

As you'll recall, the 61<sup>st</sup> Legislative Assembly established the Property Tax Relief Sustainability Fund. Property tax relief in the 2011-13 biennium will be paid for with special fund dollars already deposited there by the Legislative Assembly. We are proposing to use that special fund again to set aside funding for property tax relief in the 2013-2015 biennium.

It is important that the hard-working men and women of North Dakota see a substantial share of our economic gains reflected in their tax bills.

Now that we've reviewed the overall structure for our budget, let's take a closer look at the individual funding priorities within the budget that will help us to maintain and support our growth.

A good place to begin is with North Dakota's emerging infrastructure needs.

### **Statewide Infrastructure Needs**

New economic growth cannot be supported without robust investments in infrastructure, and our budget addresses infrastructure needs in every region of the state. Transportation investments alone come to \$1.7 billion statewide. In addition, we are committed to flood prevention in the Red River Valley, control of water levels in Devils Lake, water supply projects throughout the state, and many other public and private sector infrastructure investments.

Let's review the statewide plan, beginning with western North Dakota.

## **Infrastructure Support for Western North Dakota**

The remarkable and rapid growth of oil and gas development in western North Dakota, and its associated revenues for the state, has been a welcome, but challenging, element in our economic growth. While jobs and population growth have been a significant benefit to this largely rural part of our state, the extreme wear and tear on roads, and the need for housing and water, demand a response. Chart 5 illustrates what we have in mind.

From the Permanent Oil Tax Trust Fund, we have set aside \$229 million solely for state road construction and maintenance in the 17 Oil and Gas Producing Counties. The Department of Transportation will set priorities for its expenditures according to the Statewide Transportation Improvement Program, which has been drafted in cooperation with local officials and engineers.

In addition, we propose dedicating \$142 million in funding for county and township roads in oil country, also from the Permanent Oil Tax Trust Fund, to address extraordinary road reconstruction needs.

These funds will be distributed to counties based on road conditions identified by a comprehensive study, which was just recently finalized by the Upper Great Plains Transportation Institute, and also by the DOT's observed conditions of the roads. Further, we recommend that the legislature approve these funds with an emergency clause to enable the affected communities to commence projects immediately.

In addition, we propose an increase in funding for the Oil and Gas Impact Grant Fund to \$100 million. This fund would fall under the authority of the State Land Board, advised by the Energy Development Impact Office. All entities experiencing impacts from oil and gas development can apply for funding to help mitigate those effects.

Of this \$100 million, we would like to see a large share, \$35 million, reserved for the largest and fastest growing cities. The balance of \$65 million would be available to the smaller cities, counties, townships, and other entities in the oil and gas producing areas of the state. It's important to note that this funding is also available to address the pressing need for housing infrastructure, including municipal water lines, sewer lines, and other residential construction needs.

Also, the Oil and Gas Gross Production Tax formula will generate an additional \$80 million for the affected counties over the course of the next biennium, for a total of about \$247 million. This funding is allocated to counties, cities, schools and townships.

Finally, in addition to the special needs projects I have just outlined for you, an additional \$240 million in regular state and federal highway

funding will be dedicated to projects in the Williston, Minot and Dickinson DOT Districts, to address construction and extraordinary repairs. This includes "Super-two" construction on U.S. 85 along with other projects in these western districts. Counting the regular highway funding committed to these Western Districts, we are providing \$958 million altogether for infrastructure in oil country. Most of this funding is, appropriately, from revenues generated by oil and gas development in the western part of our state.

This region of North Dakota is doing their share to build North Dakota's economy, and we need to do our share to help them with their challenges of growth.

## **Statewide Infrastructure Support**

While western North Dakota's infrastructure needs are clearly pressing, no less important are the infrastructure needs of other parts of our state, notably the Devils Lake region and the Red River Valley, where flood waters threaten homes, businesses and livelihoods on an annual basis.

In the Red River Valley, flood protection is an essential, long-term priority. We need to end the annual anxiety caused by chronic flooding, especially in the Fargo-West Fargo area.

As they work to design a flood diversion project, today we reaffirm Governor Hoeven's commitment to fund one half of the non-federal, non-Minnesota share of the cost of the project. We expect the total project cost to be in the vicinity of \$1.5 billion, depending on the final design, and the state of North Dakota's share to be about \$300 million over 10 years.

To cement that commitment, our budget sets aside an additional \$30 million from the Resources Trust Fund for a total of \$75 million in initial funding. This will ensure that state resources are readily available to begin flood protection work as soon as a plan is finalized. We cannot expect our citizens in the Valley to endure every year the stress and hardship of battling the Red River

Similarly, we need to address continued flooding and the potential for an uncontrolled release of water from Devils Lake. This is vital not just for the City of Devils Lake, but also to protect downstream communities, including Valley City, Fargo, and people in Minnesota and Canada.

We propose to commit up to \$120 million from the Resources Trust Fund for a major expansion of our flood protection efforts around Devils Lake. This funding will be used to construct a second outlet on the east end of Devils Lake, expand the existing outlet on the west end of the lake, and build a control structure on Tolna Coulee, the most likely site of an

uncontrollable release. The combined capacity of the two outlets would be approximately 600 cubic feet per second.

Additionally, we have budgeted significant one-time sums to mitigate impacts in the lake region, such as improvements to the Grahams Island road and other roadways. We have worked hard to protect the residents of Devils Lake from continued hardship, and the new plan we have developed will help. With cooperation from the federal government and our neighbors, we will implement it as soon as possible.

### **Water Supply Infrastructure Projects**

Our infrastructure plans also include measures to protect beneficial uses downstream of Devils Lake. Last year the state awarded nearly \$15 million to Valley City to expand and improve its municipal water supply facility. Currently, the city's water treatment plant does not remove sulfates and other minerals.

The new facility will use a reverse osmosis filtering system that will result in significantly higher water quality, and will provide enough reserve capacity to allow for community growth. We will also support additional funds for water discharge facilities.

We have also identified substantial water supply needs in western North Dakota, where oil and gas development is creating new demands on water supplies in the Williston area. We propose committing \$25 million for the Williston region toward the building of a new municipal water supply system that will serve not only the local community but also growing industry needs in the region.

To support these and other water projects, we recommend committing more than \$235 million primarily through the Resources Trust Fund for essential water projects throughout our state, plus another \$149 million of carryover funds for existing projects. New projects include the Valley City and Williston water supply projects that I just mentioned, as well as future projects in Fargo-West Fargo and elsewhere.

### **Additional Infrastructure Support**

We must be mindful that all areas of our state have important infrastructure needs, including the south central region and the northern Red River Valley. These needs may not be as obvious as others, but they are no less important, and our budget is committed to addressing them in the Department of Transportation budget.

We propose dedicating 25 percent of the state Motor Vehicle Excise Tax to the State Highway Distribution Fund, rather than the state Highway Fund. That represents an additional \$46 million for roads, \$17 million of which will flow directly to counties, cities, and townships.

### **Industry Infrastructure**

Finally, encouraging private-sector infrastructure investments in projects like oil and gas pipelines, electrical transmission lines, and other infrastructure necessary to get our energy products to larger markets are central to maintaining our economic strength.

Over the past decade, we have helped to build North Dakota's energy industry across all sectors using a comprehensive energy plan called Empower North Dakota. We also established a Transmission Authority and Pipeline Authority to facilitate new projects. Our budget continues to support these important tools.

Whether it's wind power, biofuels, petroleum or coal-based electrical generation, we must continue to work hard to realize our energy potential, and in doing so, our potential for the entire state.

### **PREPARING OUR YOUTH FOR TOMORROW**

The infrastructure projects we've just discussed are vital to a growing and dynamic state, but not all infrastructure consists of asphalt and concrete. Some infrastructure investments seek to build a strong intellectual and technical knowledge-base on which to build a productive and modern workforce.

Much of this work was begun by the Governor's Commission on Education Improvement, which I had the honor of chairing for Governor Hoeven, and our budget continues to make these kinds of investments. Our work brought about the greatest reform of K-12 funding in our history, and now we must finish the task. Chart 6 illustrates our plan.

### **K-12 Education**

After completing our work on equity in 2007, the commission has continued to work on education adequacy, and will now propose significant improvements in the quality of instruction in our schools. To achieve this, our budget proposes an increase of \$102 million.



That figure includes \$54 million to finish the work on adequacy we began in the current biennium, as well as \$32 million to fund an increase in the per student payment of \$100 for each year of the biennium.

Now that we have strengthened our core curriculum and established scholarships for student performance, the Commission is bringing forward a voluntary system of Alternative Teacher Compensation designed to reward teachers for achieving improved student success by improving teacher proficiency.

Achieving student success means having a highly effective teacher in the classroom every day. An Alternative Teacher Compensation System will provide for supplemental teacher pay based upon multiple components including, for example: hard-to-staff positions; added knowledge, skills or professional development; student educational growth; and added responsibilities such as mentoring, coaching or instructional leadership.

The plan will be developed locally by teachers and school boards. No teacher will suffer a reduction in pay as a result of these voluntary plans for supplemental performance pay. The commission believes that we can no longer compensate teachers solely on the basis of years of service. We must take a first step in beginning to reward teachers for good performance in the classroom.

## **Higher Education**

But in today's world, it is no longer sufficient to talk about K-12 education and higher education as though they were two discrete entities. Modern education is a continuum along which students acquire knowledge and skills that help them find not just jobs, but careers.

Our budget proposes an increase of \$82 million in ongoing funding and \$46 million in one-time funding for the 11 campuses of the North Dakota University System. This should enable the university system to hold the cost of tuition even at two-year institutions and to no more than a 2 ½ percent increase at four-year institutions.

We include in our ongoing budget \$10 million in merit-based scholarships for students who perform well in high school based on grades and ACT scores. This scholarship, combined with the \$19 million already in the base budget for needs-based scholarships, will provide nearly \$30 million to help students cover the cost of a postsecondary education in North Dakota.

Our one-time expenditures include a shared system-wide data center on the University of North Dakota campus; funding for the Stoxen Library at

Dickinson State University; and the final phase of the North Dakota State University greenhouse.

Additionally, our budget proposal includes a new science center at Valley City State University and a much-needed renovation of Old Main on the campus of the North Dakota State College of Science in Wahpeton.

The state-of-the-art greenhouse at NDSU is a farsighted investment our state has made in North Dakota's agricultural sector. D.C. Coston, North Dakota State University's vice president for Agriculture, told me that this facility is unequalled in the nation. It will attract the world's leading ag researchers and keep North Dakota farmers globally competitive far into the future. This is our commitment to our state's largest industry: agriculture.

Finally, our budget includes \$5 million for a new and exciting approach to higher education funding, an approach based on the actual educational outcomes desired by education leaders and the citizens of North Dakota.

In the new biennium, the Board of Higher Education will be asked to develop a new methodology to distribute funds to campuses based on meaningful educational results, such as an increase in the number of degrees awarded; an increase in the number of students graduating on time; the number of degrees completed by low income students; and the number of students transferring from two to four year schools.

I will ask the Board of Higher Education to work with me in establishing a new Commission on Higher Education Funding to develop recommendations to improve the equity, the transparency, and the effectiveness of higher education funding.

Our recommendation for higher education also includes a salary increase of 3 percent and 3 percent, with 1 percent devoted to fortifying the teacher fund for retirement. We propose that the state of North Dakota match that 1 percent, and fully fund the increase in employee health insurance. Our proposal for K-12 education will also allow school boards to make a similar commitment to teachers and the Teachers Fund for Retirement.

## **QUALITY OF LIFE AND TAKING CARE OF PEOPLE**

As we focus on competitiveness and the details of building a strong economy, we must not lose sight of the fact that the ultimate objective is a higher standard of living and a better quality of life for all North Dakotans.

## **Law Enforcement and Public Safety**

As North Dakota grows, in both commercial activity and population, we are determined to retain one of North Dakota's most valuable assets – one of the lowest crime rates in America.

Our budget recommends \$2.2 million for equipment on six towers to expand the communications infrastructure for state radio, our state's network for public safety. This will also benefit cell phone coverage in gap areas of our state.

In addition, our budget recommends committing \$4.1 million for the construction and equipping of an expanded Highway Patrol Training Academy. And to cover the needs created by more traffic in our state, both commercial and private, we are recommending the addition of three new Highway Patrol Officers.

We will also welcome legislation from the assembly in regard to a tiered or graduated driver's license program.

The public safety of our citizens must always be foremost in our minds.

## **Health and Human Services**

We also need to make investments that help take care of people. We have all been alarmed by headlines recently about teen suicide rates, especially on our Native American reservations. These highlight the need to make more resources available for critical mental health services for our citizens.

Our budget recommends an increase of nearly \$8 million across several agencies to address the mental health challenges facing some of our citizens.

This funding includes \$6.1 million for the Department of Human Services to fund psychiatric inpatient care; additional local resources to help stabilize patients suffering a mental health crisis; and more resources to treat chemical dependency.

We recommend \$1 million in funding for the suicide prevention efforts of our Department of Health, including outreach, education, and administration of grants to communities for suicide prevention activities.

These funds will also be available to North Dakota's Native American Tribes, but separately, we recommend providing the Department of Indian Affairs with an additional \$100,000 to help fight the tragedy of youth suicide on our reservations.

Our budget also provides approximately \$900,000 in funding for our campuses and high schools to help address mental health problems among

students. This will be used to establish at least one mental health officer per campus to help students, and to fund the "STOP the Violence" program at the Department of Public Instruction.

The physical and mental health of our citizens is always a top priority.

## **Long Term Care and other Healthcare Providers**

Our budget also addresses the needs of our seniors, the men and women who built our state.

In the last legislative session, we worked closely with providers to rebase our Medicaid reimbursement rates and square them with providers' actual costs. This resulted in a \$67 million cost adjustment for hospitals, doctors, dentists, chiropractors, and ambulance services.

To sustain that progress, we propose a 3 percent increase in each year of the new biennium for nursing homes and other health care providers, as well as for providers serving people with developmental disabilities and mental illness. This will help them to address rising costs, recruit and retain quality caregivers, and maintain the outstanding quality of service they provide to our citizens.

## **Military and Veterans**

Over the generations, our men and women in uniform have faced unprecedented challenges, both here at home and abroad, most recently in the Global War on Terror. They have met those new challenges with the courage, dedication, and distinction that we have come to expect and admire in our military. We owe them our deepest gratitude.

We have worked to help them and their families meet the personal challenges they encounter when they get home. Over the decade, we have established a Veterans Appreciation program, including bonuses for overseas and domestic service, scholarships, counselors, and other initiatives that show our appreciation to these brave men and women in tangible ways.

Our budget fully maintains funding for all of these programs, and adds a new outreach center for veterans and service men and women in Fargo.

In addition, we continue to support our veterans of all wars in their senior years. In the last session, we also enhanced funding for the North Dakota Veterans Home in Lisbon, a beautiful new \$35 million facility that is scheduled for completion in the spring of 2011.

Whether it's here in North Dakota fighting floods or tornadoes or overseas in a warzone fighting terrorism and extremism, the North Dakota

National Guard and all of our branches of military service are there for us. We need to make sure we're there for them by showing our appreciation in real ways.

Would all veterans in the audience please stand so that we may express our gratitude for your service.

### **Public Employee Salaries and Health Insurance**

In past bienniums, we have done our best to recognize the valuable contribution our public employees make to our state. They provide our citizens with a well-run, efficient state government.

Our budget proposes a 3 percent salary increase in each year of the new biennium, and in addition, fully funds the increase in public employee health care premiums.

Although North Dakota has not experienced the full brunt of the national recession, one important area where we have felt the impact is in our public sector pension funds, which are dependent on the performance of larger national and international financial markets.

To fortify these funds, we have – in conjunction with the Employee Benefits Committee – allocated one percent of the salary increase each year to the Public Employee Retirement Fund, and matched it with one percent contributed by the state of North Dakota.

The men and women who serve in our agencies are hard-working North Dakotans, committed to providing quality services to their fellow citizens, and we truly appreciate their work.

### **CONTINUED AGGRESSIVE ECONOMIC DEVELOPMENT IS VITAL**

Finally, we would not – could not – be in a position to fund any of these important priorities, had Governor Hoeven and I not made economic development and job creation priority number one over the past ten years. Aggressive economic development is what makes all of our worthy programs possible.

By following a strategic plan for economic development; by building the strongest business climate possible; and by establishing effective tools like the Department of Commerce and the North Dakota Trade Office, we have been able to grow and diversify our economy. This strategy, combined with good fiscal discipline and a solid partnership with the private sector, are the reasons for our current surplus and solid financial situation.

In our budget, I propose that we continue to make the kinds of investments that will further grow our economy, some of which are tried and true, and others that break new ground. Let's start with energy.

### **New Office of Energy Development**

Energy was designated as one of the five targeted industries in our strategic plan for economic development drafted nearly a decade ago.

As a result, we've grown wind energy in North Dakota from less than a megawatt when we started in 2000 to nearly 1500 megawatts built or under construction by 2009. The story is similar with biofuels. When Governor Hoeven and I began, North Dakota produced less than 40 million gallons of ethanol annually, and no biodiesel. Over the decade, we increased that capacity ten-fold; today, we can produce nearly 500 million gallons of biofuels every year in North Dakota.

When we began, oil companies were leaving the state. So we established the state Oil and Gas Research Fund and Council, established sensible incentives, and worked to cultivate North Dakota's oil patch. Today, we are second only to Texas in land-based drilling activity.

As a next step, we now propose establishing a new division within the North Dakota Department of Commerce. We recommend funding this division with \$600,000 from the General Fund.

The division will be headed by a new Director of Energy, whose entire focus will be to promote the development of all of North Dakota's energy resources, work with communities on infrastructure, and administer energy programs to help the various energy producers move their projects forward rapidly for the benefit of all North Dakotans throughout our state.

The potential for energy development in our state is so great that we need a full-time director leading the energy effort.

### **ND Trade Office**

Just as our energy industry has met with success so have North Dakota's exporters. North Dakota exports grew nearly 250 percent between 2000 and 2009. During the same time period, the nation's exports grew just 35 percent.

It has been my privilege to serve as chairman of the North Dakota Trade Office, and I must say it has more than paid its way in terms of increased economic activity and revenues for the state of North Dakota. Our budget, therefore, recommends increasing funding for the Trade Office by

about \$490,000 to continue its successful activities in marketing North Dakota businesses, products, and services to the world.

In particular, we recommend funds to acquire services in shipping logistics for all North Dakota exporters to master the great complexity of serving customers throughout the world. We also recommend supplying services to all entrepreneurs seeking assistance in capital formation.

### **Centers of Excellence**

North Dakota's Centers of Excellence program is another success story. As you know, the Centers program is built on the concept of partnering the research capacities found in our public colleges and universities with private-sector companies to generate jobs and new business opportunities.

To perpetuate this success, our budget recommends extending the Centers of Excellence program with an additional \$20 million. We also recommend structuring the centers by type to include Centers of Entrepreneurship Excellence, Centers of Research Excellence, and Centers for Workforce Excellence. This would correspond more closely with the missions of our various colleges and universities and enhance the effectiveness of each center.

### **BUILDING A BUDGET FOR CONTINUED GROWTH**

Over the past ten years, we have stood together to make the kinds of investments that have helped us advance our state and meet the challenges of competing, and competing well, in the national and international economy. We have made progress even as other states have struggled just to hold their ground. Today, I ask you to work with me to build on that progress.

Our budget continues to fund our important priorities for growth and provide ongoing tax relief for our citizens. Further, it creates a strong reserve for the future so that we can better preserve our advances, even in challenging times.

This budget has been prepared with the help of my years of experience in farming, business, education, and state government. Furthermore, my 16 years in the House of Representatives, and 10 years in the Governor's Office, have given me a unique perspective on the needs and enormous potential of our state. I have developed a great faith in this process. As we prepare for the hard work ahead, I look forward to working with all of you.

Thank you. May God bless you as you undertake this important work for the people of our state.

**COMPARISON OF 2009-2011 LEGISLATIVE APPROPRIATION AND  
2011-2013 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2011-2013

Category/Agency	2009-2011		2011-2013		2011-2013	
	Legislative Appropriation		Agency Budget Request		Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
<b>Executive Branch</b>						
101 Office of the Governor	3,447,358	108,147,037	3,603,520	3,603,520	3,773,942	25,291,658
108 Secretary of State	6,111,588	18,427,264	5,358,232	12,138,404	9,326,160	16,113,144
110 Office of Management and Budget	41,107,196	57,619,610	27,099,576	34,982,633	32,050,837	42,965,298
112 Information Technology	19,105,785	228,276,839	13,291,348	142,240,248	19,121,204	164,424,855
117 Office of the State Auditor	6,662,229	8,975,031	6,736,199	9,057,879	7,143,808	9,571,330
120 Office of the State Treasurer	2,228,985	2,228,985	2,258,169	2,258,169	1,649,802	1,649,802
125 Office of the Attorney General	28,060,432	53,121,841	29,482,447	53,489,938	31,609,538	58,450,856
127 Office of State Tax Commissioner	44,046,586	44,242,586	36,063,792	36,073,792	39,093,515	39,103,515
140 Office of Administrative Hearings	0	1,498,712	0	1,775,367	0	1,827,199
188 Commission on Legal Counsel for Indigents	9,470,148	11,420,365	9,560,958	11,523,893	9,808,430	11,779,282
190 Retirement and Investment Office	0	3,705,650	0	3,755,203	0	4,232,954
192 Public Employees Retirement System	13,000	6,146,488	0	6,531,671	0	6,776,890
<b>Total</b>	<b>160,253,307</b>	<b>543,810,408</b>	<b>133,454,241</b>	<b>317,430,717</b>	<b>153,577,236</b>	<b>382,186,783</b>
<b>Legislative and Judicial Branches</b>						
150 Legislative Assembly	16,014,554	16,014,554	14,128,734	14,128,734	14,128,734	14,128,734
160 Legislative Council	10,439,503	10,509,503	11,124,400	11,194,400	11,461,158	11,531,158
180 Judicial Branch	82,590,015	84,634,822	81,796,807	83,979,082	84,499,273	86,681,547
<b>Total</b>	<b>109,044,072</b>	<b>111,158,879</b>	<b>107,049,941</b>	<b>109,302,216</b>	<b>110,089,165</b>	<b>112,341,439</b>
<b>Elementary, Secondary &amp; Other Education</b>						
201 Dept of Public Instruction	1,109,405,590	1,623,026,744	1,091,527,263	1,504,878,019	902,064,740	1,694,573,163
226 State Land Department	0	13,792,561	0	12,756,004	0	105,575,020
250 State Library	4,601,028	6,528,864	4,831,633	6,943,214	5,263,975	7,398,585
252 School for the Deaf	7,099,896	9,266,346	6,500,586	7,734,087	6,718,772	8,806,779
253 ND Vision Services	3,492,068	4,307,970	3,603,188	4,415,945	4,080,240	4,915,331
270 Career and Technical Education	25,941,008	36,703,890	26,099,631	36,866,519	28,148,803	38,915,691
<b>Total</b>	<b>1,150,539,590</b>	<b>1,693,626,375</b>	<b>1,132,562,301</b>	<b>1,573,593,788</b>	<b>946,276,530</b>	<b>1,860,184,569</b>
<b>Higher Education</b>						
215 ND University System	88,758,682	93,507,640	112,492,431	115,947,149	100,171,450	103,926,168
227 Bismarck State College	27,788,123	28,197,623	40,912,882	48,412,882	30,553,301	38,053,301
228 Lake Region State College	10,703,599	13,313,519	13,812,329	13,812,329	9,314,859	9,314,859
229 Williston State College	9,775,476	25,150,476	20,020,576	20,020,576	9,100,096	11,920,096
230 University of North Dakota	134,516,002	196,135,002	211,158,879	232,858,879	156,873,093	178,573,093
232 UND Medical Center	41,115,401	41,115,401	52,087,359	52,087,359	46,653,406	46,653,406
235 North Dakota State University	128,415,664	186,515,664	135,208,844	171,308,844	130,186,316	166,286,316
238 ND State College of Science	39,094,630	46,230,630	45,122,312	54,122,312	43,703,080	54,203,080

**COMPARISON OF 2009-2011 LEGISLATIVE APPROPRIATION AND  
2011-2013 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2011-2013

Category/Agency	2009-2011		2011-2013		2011-2013	
	Legislative Appropriation		Agency Budget Request		Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
239 Dickinson State University	24,919,599	25,269,599	24,164,009	24,164,009	31,757,019	31,757,019
240 Mayville State University	18,707,055	22,375,555	13,800,518	13,800,518	13,685,384	13,685,384
241 Minot State University	39,565,688	66,815,688	45,234,651	58,269,206	38,810,736	43,860,736
242 Valley City State University	18,931,338	37,431,338	29,827,122	29,827,122	26,444,465	27,259,465
243 Dakota College at Bottineau	7,149,118	9,149,118	8,081,205	8,112,455	6,748,729	6,748,729
244 North Dakota Forest Service	3,855,768	4,853,254	4,858,834	5,856,320	4,212,472	5,209,958
<b>Total</b>	<b>593,296,143</b>	<b>796,060,507</b>	<b>756,781,951</b>	<b>848,599,960</b>	<b>648,214,406</b>	<b>737,451,610</b>

**Health and Human Services**

301 ND Department of Health	27,081,665	204,938,196	21,895,190	175,413,320	28,080,556	186,536,745
305 Tobacco Prevention and Control	0	12,882,000	0	12,882,000	0	12,922,614
313 Veterans Home	16,751,722	33,587,020	4,992,140	20,114,932	5,679,823	20,831,646
316 Indian Affairs Commission	682,585	700,585	695,939	695,939	847,878	847,878
321 Department of Veterans Affairs	1,031,487	1,031,487	1,026,086	1,026,086	1,137,219	1,137,219
325 Department of Human Services	650,645,814	2,287,745,951	898,740,796	2,552,578,675	927,363,658	2,611,024,908
360 Protection and Advocacy	1,555,815	4,543,318	1,800,429	4,919,317	2,020,365	5,139,253
380 Job Service North Dakota	1,565,442	71,370,286	1,569,122	67,306,540	1,879,892	71,996,698
<b>Total</b>	<b>699,314,530</b>	<b>2,616,798,843</b>	<b>930,719,702</b>	<b>2,834,936,809</b>	<b>967,009,391</b>	<b>2,910,436,961</b>

**Regulatory**

401 Office of the Insurance Commissioner	0	16,058,934	0	15,571,259	0	18,437,148
405 Industrial Commission	13,800,254	63,108,738	10,761,732	57,435,929	16,917,628	63,633,777
406 Office of the Labor Commissioner	1,401,583	1,814,334	1,452,083	1,876,593	1,540,125	1,964,636
408 Public Service Commission	5,603,165	16,230,407	5,769,554	18,035,498	6,020,215	19,081,863
412 Aeronautics Commission	550,000	12,918,666	550,000	12,581,052	550,000	12,633,688
413 Dept of Financial Institutions	0	6,086,488	0	6,377,956	0	6,662,411
414 Securities Department	1,788,362	2,105,561	1,827,865	2,145,064	1,909,220	2,226,419
471 Bank of North Dakota	11,100,000	55,267,274	9,000,000	54,495,152	9,400,000	56,253,155
473 ND Housing Finance Agency	0	71,344,343	0	38,241,404	0	38,590,046
475 ND Mill and Elevator Association	0	40,057,242	0	45,932,198	0	46,741,421
485 Workforce Safety and Insurance	0	56,877,605	0	56,518,209	0	58,413,293
<b>Total</b>	<b>34,243,364</b>	<b>341,869,592</b>	<b>29,361,234</b>	<b>309,210,314</b>	<b>36,337,188</b>	<b>324,637,857</b>

**Public Safety**

504 Highway Patrol	31,007,985	41,901,715	31,530,493	42,487,298	38,291,883	50,392,287
530 Dept of Corrections and Rehabilitation	164,090,829	235,602,574	146,719,963	176,731,715	161,604,273	192,110,423
540 Office of the Adjutant General	40,725,214	277,397,085	23,542,172	224,898,734	29,659,125	233,863,503
<b>Total</b>	<b>235,824,028</b>	<b>554,901,374</b>	<b>201,792,628</b>	<b>444,117,747</b>	<b>229,555,281</b>	<b>476,366,213</b>

**COMPARISON OF 2009-2011 LEGISLATIVE APPROPRIATION AND  
2011-2013 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2011-2013

Category/Agency	2009-2011		2011-2013		2011-2013	
	Legislative Appropriation		Agency Budget Request		Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
<b>Agriculture and Economic Development</b>						
601 Department of Commerce	58,476,303	196,737,408	28,149,550	92,146,428	46,089,494	134,724,431
602 Department of Agriculture	7,467,383	21,561,849	7,404,119	20,879,858	8,384,734	22,030,657
616 State Seed Department	0	6,805,495	0	6,684,687	0	6,894,011
627 Upper Great Plains Transportation Inst.	1,589,793	26,326,992	1,879,011	23,997,640	1,919,628	24,069,961
628 Branch Research Centers	12,367,190	27,559,006	15,655,087	30,421,905	13,935,208	28,812,789
630 NDSU Extension Service	22,000,412	47,929,289	29,158,769	53,568,163	25,615,644	48,744,454
638 Northern Crops Institute	1,439,221	3,037,486	1,711,973	3,512,158	1,692,582	3,347,307
640 NDSU Main Research Center	60,217,151	105,930,418	70,909,039	114,891,765	53,923,996	97,897,571
649 Agronomy Seed Farm	0	1,275,238	0	1,419,881	0	1,435,168
665 ND State Fair	15,697,150	18,697,150	697,150	697,150	730,000	730,000
670 ND Horse Racing Commission	295,000	325,000	301,041	431,041	317,501	447,501
<b>Total</b>	<b>179,549,603</b>	<b>456,185,331</b>	<b>155,865,739</b>	<b>348,650,676</b>	<b>152,608,787</b>	<b>369,133,850</b>
<b>Natural Resources</b>						
701 Historical Society	52,174,252	68,518,089	11,484,307	14,335,420	13,069,301	16,619,714
709 Council on the Arts	1,368,734	3,104,220	1,324,990	3,179,849	1,398,602	3,253,462
720 Game and Fish Department	0	59,463,938	0	63,346,204	0	64,737,742
750 Parks and Recreation Department	15,333,959	28,282,013	11,191,072	22,759,857	16,356,556	29,026,088
770 Water Commission	13,823,899	325,879,708	14,350,126	450,664,780	15,227,098	458,915,420
<b>Total</b>	<b>82,700,844</b>	<b>485,247,968</b>	<b>38,350,495</b>	<b>554,286,110</b>	<b>46,051,557</b>	<b>572,552,426</b>
<b>Transportation</b>						
801 Dept of Transportation	4,600,000	1,248,615,588	0	1,117,599,555	5,850,000	1,548,283,665
<b>Total</b>	<b>4,600,000</b>	<b>1,248,615,588</b>	<b>0</b>	<b>1,117,599,555</b>	<b>5,850,000</b>	<b>1,548,283,665</b>
<b>Total All Categories</b>	<b>3,249,365,481</b>	<b>8,848,274,865</b>	<b>3,485,938,232</b>	<b>8,457,727,892</b>	<b>3,295,569,541</b>	<b>9,293,575,373</b>

**One-Time General Fund Appropriations  
2011-2013 Executive Recommendation**

Agency	Description	Recommended General Fund Appropriation	
101 Office of the Governor	Governor's Transition Lines	65,000	
<b>Total Office of the Governor</b>			<b>65,000</b>
108 Secretary of State	CGov360-Database & Processing Platform Migration	3,500,000	
	Online Public Meeting Notice System	43,039	
<b>Total Secretary of State</b>			<b>3,543,039</b>
110 Office of Management and Budget	Capitol Envelope	2,800,000	
	ND 125th Anniversary Coordinator	50,000	
<b>Total Office of Management and Budget</b>			<b>2,850,000</b>
112 Information Technology	CJIS Projects	200,000	
	Longitudinal Database (SLDS Project)	1,757,624	
<b>Total Information Technology</b>			<b>1,957,624</b>
120 Office of the State Treasurer	IT Development Costs	235,000	
<b>Total Office of the State Treasurer</b>			<b>235,000</b>
125 Office of the Attorney General	Equipment and Vehicle Purchases	312,400	
<b>Total Office of the Attorney General</b>			<b>312,400</b>
127 Office of State Tax Commissioner	GenTax Upgrade	1,000,000	
<b>Total Office of State Tax Commissioner</b>			<b>1,000,000</b>
150 Legislative Assembly	Redistricting Special Session	272,018	
	Information Technology	1,470,688	
	Committee Room Renovation	500,000	
<b>Total Legislative Assembly</b>			<b>2,242,706</b>
160 Legislative Council	One-Time Funding	634,807	
<b>Total Legislative Council</b>			<b>634,807</b>
180 Judicial Branch	Disaster recovery study	100,000	
	Equipment over \$5,000	187,500	
	IT Equipment over \$5,000	534,480	
	WACP and WCL study	300,000	
<b>Total Judicial Branch</b>			<b>1,121,980</b>
201 Dept of Public Instruction	ESPB Database	200,000	
	IT Application Maintenance	384,000	
<b>Total Dept of Public Instruction</b>			<b>584,000</b>



**One-Time General Fund Appropriations  
2011-2013 Executive Recommendation**

Agency	Description	Recommended General Fund Appropriation
215 ND University System <b>Total ND University System</b>	Student Mental Health Services	156,000 <b>156,000</b>
227 Bismarck State College <b>Total Bismarck State College</b>	Capital Projects Special Assessments Payoff	1,500,000 900,000 <b>2,400,000</b>
230 University of North Dakota <b>Total University of North Dakota</b>	Capital Projects Special Assessments Payoff	11,200,000 281,013 <b>11,481,013</b>
235 North Dakota State University <b>Total North Dakota State University</b>	Special Assessments Payoff	2,319,700 <b>2,319,700</b>
238 ND State College of Science <b>Total ND State College of Science</b>	Special Assessments Payoff Major Capital Projects	125,851 8,180,000 <b>8,305,851</b>
239 Dickinson State University <b>Total Dickinson State University</b>	Capital Projects	8,800,000 <b>8,800,000</b>
240 Mayville State University <b>Total Mayville State University</b>	Special Assessments Payoff	392,493 <b>392,493</b>
242 Valley City State University <b>Total Valley City State University</b>	Capital Projects Special Assessments Payoff	7,971,000 283,567 <b>8,254,567</b>
244 North Dakota Forest Service <b>Total North Dakota Forest Service</b>	Emerald Ash Borer	250,000 <b>250,000</b>
252 School for the Deaf <b>Total School for the Deaf</b>	Extraordinary Repairs	103,800 <b>103,800</b>
253 ND Vision Services <b>Total ND Vision Services</b>	Contingency Equipment over \$5,000 Facility Master Plan Instructional Equipment	300,000 8,500 20,000 24,500 <b>353,000</b>

**One-Time General Fund Appropriations  
2011-2013 Executive Recommendation**

Agency	Description	Recommended General Fund Appropriation
270 Career and Technical Education	Stop the Violence Program	10,000
<b>Total Career and Technical Education</b>		<b>10,000</b>
301 ND Department of Health	Regional Health Network Incentives	275,000
<b>Total ND Department of Health</b>		<b>275,000</b>
313 Veterans Home	New Home Landscaping	25,000
	Repair Irrigation System	55,000
	Reshape and Grade Oxbow	46,500
<b>Total Veterans Home</b>		<b>126,500</b>
321 Department of Veterans Affairs	Discharge Project	22,000
	Website	15,593
<b>Total Department of Veterans Affairs</b>		<b>37,593</b>
325 Department of Human Services	State Hospital Capital Projects	1,800,000
<b>Total Department of Human Services</b>		<b>1,800,000</b>
405 Industrial Commission	Analysis of Oil-Bearing Rocks	40,000
	Paleontologic Prep Work	62,400
	Renewable Energy Development Program	3,000,000
	Sand Deposit Study	50,000
	Shallow Gas Study	25,000
<b>Total Industrial Commission</b>		<b>3,177,400</b>
504 Highway Patrol	Law Enforcement Training Academy Project	3,558,300
	Radio Equipment Replacement	1,076,000
<b>Total Highway Patrol</b>		<b>4,634,300</b>
530 Dept of Corrections and Rehabilitation	Capital Projects	617,968
	Equipment Over \$5,000	462,800
	Extraordinary Repairs	984,740
<b>Total Dept of Corrections and Rehabilitation</b>		<b>2,065,508</b>
540 Office of the Adjutant General	Central Electronics Bank Dispatch System	1,100,000
	Message Switch Upgrades	235,000
	Military Service Center East One-Time	72,700
	State Building Extraordinary Repairs	385,381
	State Radio Tower Package	2,100,000
	Statewide Seamless Base Map	400,000
	Base Budget Equipment	1,577,347
<b>Total Office of the Adjutant General</b>		<b>5,870,428</b>

**One-Time General Fund Appropriations  
2011-2013 Executive Recommendation**

Agency	Description	Recommended General Fund Appropriation	
601 Department of Commerce	American Indian Business Office	100,000	
	Centers of Excellence	15,000,000	
	Childcare Facility Grants and Loans	920,338	
	Education Commission - Childcare Development Grants	150,000	
	WorkKeys	125,000	
	<b>Total Department of Commerce</b>		<b>16,295,338</b>
628 Branch Research Centers	Capital Bond Payments	149,600	
	<b>Total Branch Research Centers</b>		<b>149,600</b>
640 NDSU Main Research Center	Capital Projects	6,991,650	
	Capital Bond Payments	421,690	
	<b>Total NDSU Main Research Center</b>		<b>7,413,340</b>
701 Historical Society	Extraordinary Repairs	125,000	
	Database Migration	30,900	
	Enhanced Marketing	75,000	
	Ft. Abercrombie Bank Stabilization	350,000	
	Historic Sites Exhibits	90,000	
	ITD Business Analysis	145,410	
	State's 125th Celebration Planning	50,000	
	Temporary Staff for Expansion	59,800	
	<b>Total Historical Society</b>		<b>926,110</b>
709 Council on the Arts	Culture Pulse Web Marketing Initiative	15,000	
	<b>Total Council on the Arts</b>		<b>15,000</b>
750 Parks and Recreation Department	Equipment	58,000	
	Capital Projects	4,299,210	
	Little Missouri Park Trail Leases	85,000	
	SCORP Plan	40,000	
	<b>Total Parks and Recreation Department</b>		<b>4,482,210</b>
801 Dept of Transportation	Devils Lake Highway Project	5,850,000	
	<b>Total Dept of Transportation</b>		<b>5,850,000</b>
	<b>Grand Total</b>		<b>5,850,000</b>
			<b><u>\$110,491,307</u></b>

## Introduction

The budget for the State of North Dakota's general governmental operations is prepared on a modified accrual basis. Revenues are recorded when available and measurable, and expenditures are recorded when the services or goods are received and the related liabilities are incurred.

The governor's message, statewide information, and budget detail have been consolidated in this single document. Additional detail for each agency request and recommendation, by reporting level and account code, is available in the multi-volume books prepared for the legislative session. Budget detail is also available on the Office of Management and Budget's Fiscal Management web site at [www.nd.gov/fiscal/](http://www.nd.gov/fiscal/).

## How to Use the Executive Budget Document

The information in this document begins with the Governor's Message. This message includes an overview of his philosophies and policies used to prepare the executive budget recommendations. The statewide information includes the following divisions:

- State Financial Structure
- Financial Summary
- General Fund Status
- Special Funds Status
- Budget Highlights
- Authorized FTE
- Compensation Adjustment
- Leases
- Telecommuting
- Capital Assets
- Technology

The budget detail is organized numerically, with like agencies grouped together into major categories. The numbering of the budgets follows these categories:

- 100s General Government
- 200s Education
- 300s Health and Human Services
- 400s Regulatory
- 500s Public Safety
- 600s Agriculture, Economic Development, Extension and Research
- 700s Natural Resources
- 800s Transportation

Following the sections containing each agency's budget, are schedules of optional requests, requested and recommended federal and special funding sources, a glossary, and a list of analysts assigned to each agency from the Office of Management and Budget (OMB) and Legislative Council. The optional adjustment requests are requests for additional funding or positions, prepared by agencies whose base budget request was restricted to 100% of the current general fund

appropriation. Information relating to the 3.0 percent optional savings packages, prepared by state agencies at the direction of the Governor, are included in the multi-volume publication.

## Budget Publications

OMB prepares additional publications to supplement the information available in the executive budget document. The following publications are available on the OMB website <http://www.nd.gov/fiscal/> or in paper format by calling 328-2680:

- Budget Detail
- Continuing Appropriations
- Performance Measures
- Legislative Appropriations (approved state budget)

The approved state budget document is published at the conclusion of the legislative session and reflects changes made by the legislature to the Governor's proposed executive budget.

## Budget Process

The budget process in North Dakota covers a two-year period.

At the beginning of each even-numbered year (2010), the Office of Management and Budget's Fiscal Management Division releases instructions and guidelines for state agencies to use in preparing budget requests for the upcoming biennium (July 1, 2011 – June 30, 2013).

After budget instructions are provided to agencies, OMB budget staff visit their assigned agencies. This provides an opportunity for the budget staff to learn about the agency's programs, functions, and budgetary needs. It is also an opportunity for agencies to ask questions or clarify how budget requests should be presented.

In April, preliminary information on buildings and infrastructure is due from agencies. This information is entered into the building and infrastructure formulas, then recalculated and returned to the agencies to use in budget preparation.

In July, the preliminary revenue forecast for the upcoming biennium is completed. July 15 is the statutory deadline for agencies to submit the budget request. Extensions may be available upon written request to the Office of Management and Budget.

From July to October, budget meetings are held on agency budget requests. After the budget meeting, the budget analyst completes the recommendation for each agency. This is done in discussion with the director of the Office of Management and Budget and the Governor and his policy advisors.

In early November, the executive revenue forecast is completed and recommendations are finalized. Documentation and publications are prepared and printed.

During the first week of December, the Governor presents the budget recommendations to the legislature. Following the Governor, Fiscal Management staff present budget details for each agency and review with legislators how to use the budget publications and budget computer system.

In January of each odd-numbered year (2011), the legislature convenes for a maximum of 80 days. During this time, hearings on all appropriation requests are held by the legislative appropriation committee. Prior to adjourning, the legislature passes, and the Governor signs, the appropriation measures for the state of North Dakota.

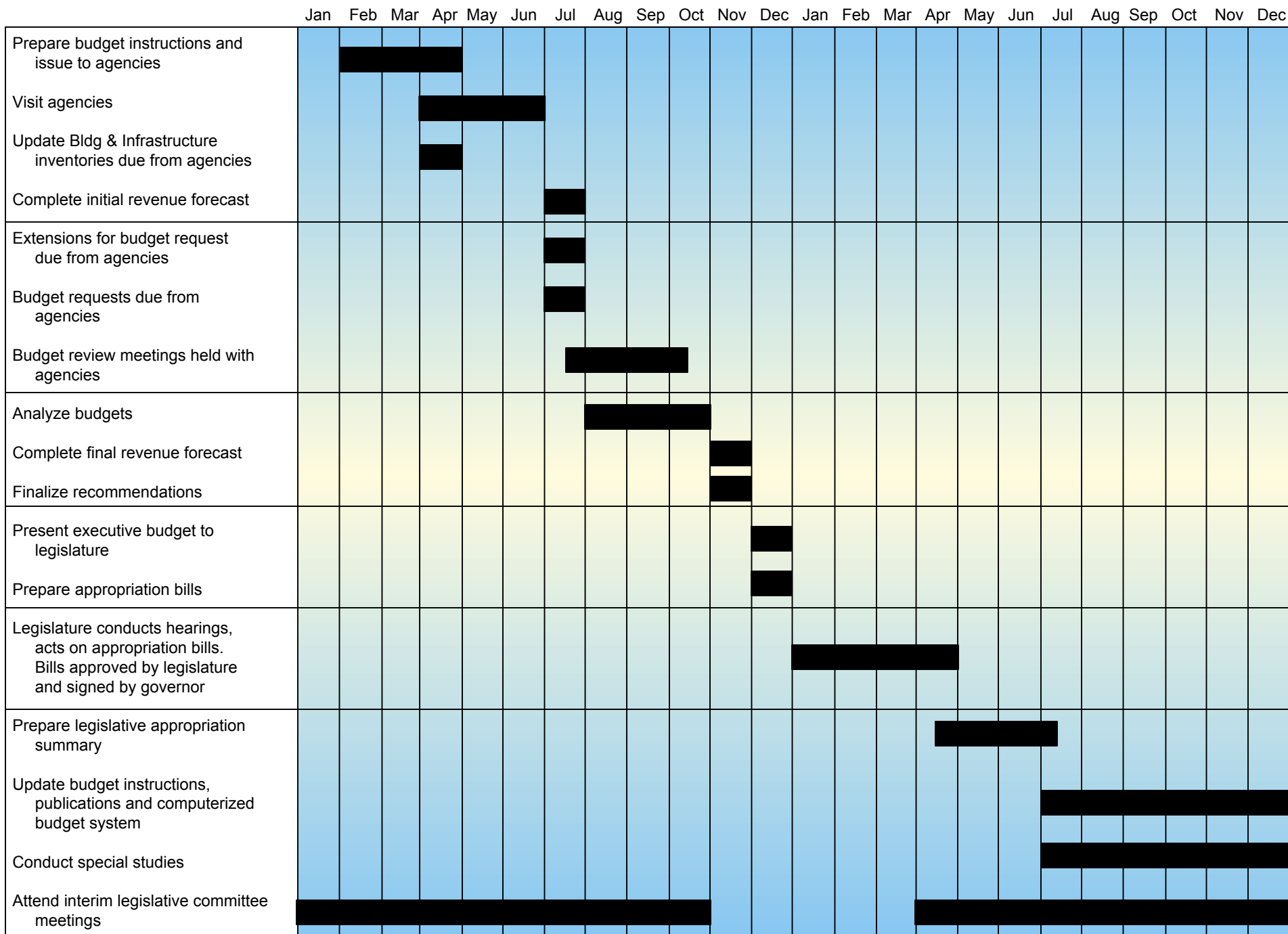
Following the legislative session, the Fiscal Management staff prepares and distributes a publication summarizing the state budget for the upcoming biennium.

### **Amending the Budget**

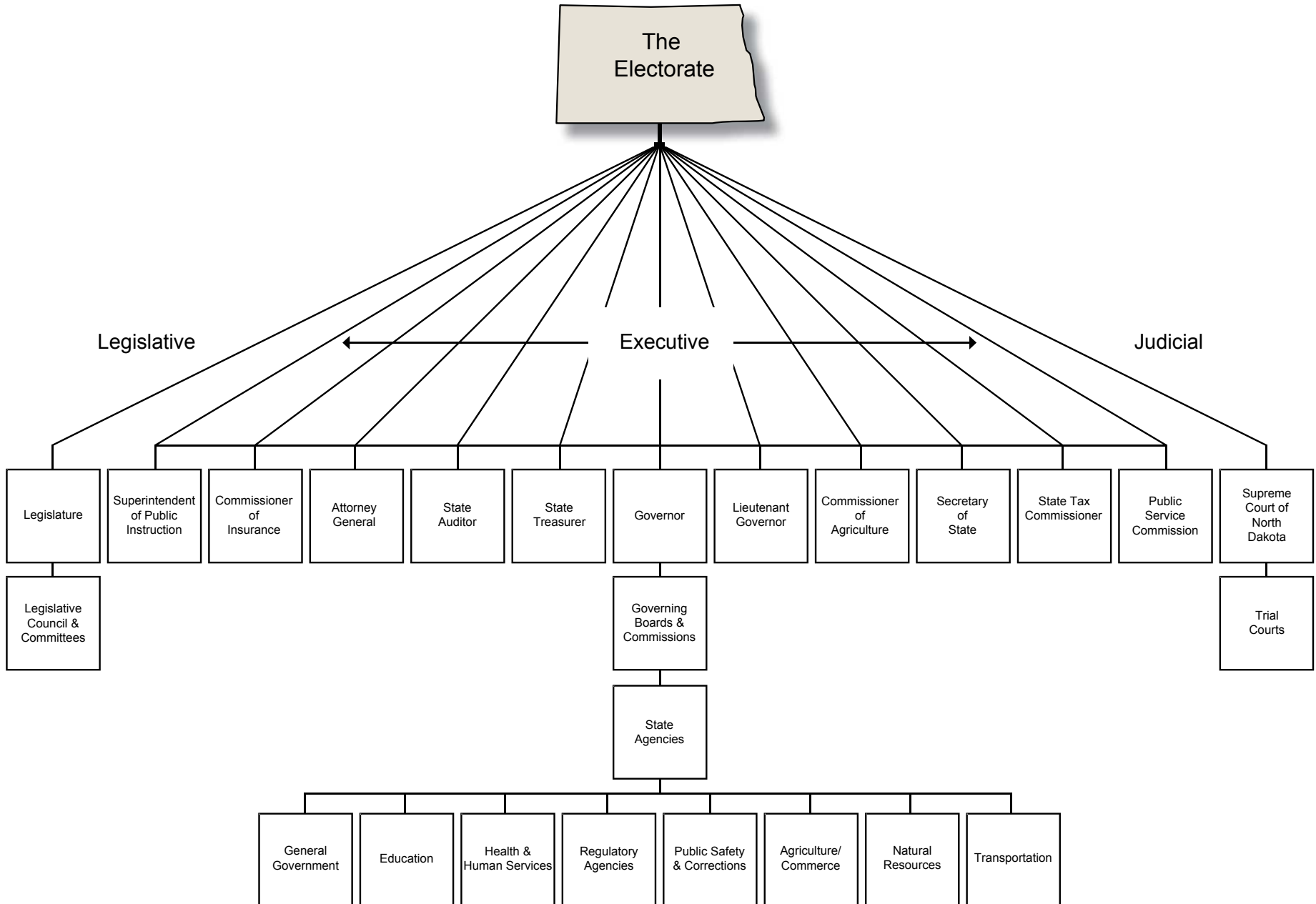
Once passed, the budget can be amended in one of four ways:

1. The legislature can be called into special session to adopt amendments to the budget.
2. If estimated revenues in a specific fund are insufficient to meet all legislative appropriations from the fund, the Governor can cut budgets of the departments that receive monies from that fund on a uniform percentage basis.
3. The Emergency Commission is authorized by statute to allow agencies to accept additional federal and special funds not anticipated during the budget process, and transfer funds between appropriated line items.
4. The legislature can include provisions in statute to modify appropriations should certain circumstances exist.

# Budget Process Timeline



# STATE OF NORTH DAKOTA ORGANIZATIONAL CHART



## Demographics

North Dakota is a state of 652,000 people. Slightly over 50 percent of the state's population lives in urban areas.

North Dakotans enjoy a high quality of life. Infant mortality rates are low; the state's violent crime rate is the lowest in the nation, and the number of fatalities from motor vehicle accidents is one of the lowest in the nation. North Dakota ranks high in the percent of public high school students who graduate.

Nearly two-thirds of North Dakota's adults are married. Families comprised of married couples with children make up a larger percentage of North Dakota's families than the national average. North Dakota's percent of births to teenage mothers and percent of births to unmarried women are less than the national average.

North Dakota's unemployment rate is low and the number of jobs continues to grow. Major employers in the state include MeritCare Health System, Altru Health System, Noridian Mutual Insurance Company, U.S. Bank Service Center, Minot Air Force Base, Wal-Mart Stores, Inc., MedCenter One Health Systems, Microsoft Business Solutions, MDU Resources Group, Inc., Aetna, Inc., and Phoenix International Corporation.

In 2009, per capita personal income was \$40,727, which is now higher than the national per capita income.

Overall, the quality of life in North Dakota is superb. It is a great place to live, work, and raise families.

This budget reflects the priorities of the state to invest in its children's education, tend to infrastructure needs statewide, and balance ongoing spending with ongoing revenue while maintaining adequate reserves for the future.

## Economic Analysis

North Dakota's economy has showed steady growth during the 2009-11 biennium. Although the weakness in the national economy continues to pose a concern for North Dakota, the state has thus far been well insulated from the economic decline facing most other states. North Dakota's economy is expanding. Increases in global business investment and favorable exchange rates are a boost to manufacturers and other export-related industries. Commodity prices are expected to increase as

the global recovery accelerates, supporting gains in state income. The state is on a sustainable pace of expansion.

Oil exploration activity continues to grow, providing increased oil tax collections for both the state and political subdivisions. Oil activity has also had a positive impact on income and sales tax collections. Oil production and drilling activity are at record levels. One hundred forty rigs were operating in the state in August 2010, compared to 45 rigs in August of 2009. Each oil rig represents up to 40 direct jobs and 80 indirect jobs.

The state's unemployment rate continues at an exceptionally low rate. The North Dakota unemployment rate in July 2010 was 3.5 percent. Nationally, the non-seasonally adjusted unemployment rate was 9.7 percent in July 2010. The number of jobs continues to increase in the state and economic forecasters predict continued growth in the job market.

## Fiscal Policies

The basis for the operating policies of the State of North Dakota are the North Dakota Century Code and Constitution. The Office of Management and Budget publishes its Fiscal and Administrative Policies as a guide for state agencies and institutions in order to achieve basic uniformity in the application of appropriation expenditures and management principles.

The Fiscal and Administrative Policies manual contains detailed procedures regarding:

- Payroll and miscellaneous fiscal policies
- Expenditure and revenue policies
- Purchasing policies
- Travel policies
- Fixed assets policies

The policy manual is available at <http://www.nd.gov/fiscal/> or in a printed version by calling 328-2680.

## Financial Organization

The budget is a financial planning document. It is organized according to the State of North Dakota's organizational, accounting and coding structures. Revenues are organized by type and source. Expenditures are organized by agency (business unit), account codes, classifications and positions.



## **Fund Structure**

A fund is an accounting entity with assets, liabilities, equities, revenues, and expenditures, held separately in the budget for specific activities or to accomplish defined objectives. Most funds must be legislatively appropriated in order to be utilized by agencies, while certain funds are authorized on an ongoing basis.

### **Appropriated Funds**

The State of North Dakota's appropriated funds are arranged by the fund's source of revenue and fall into three main categories: general, special, and federal.

The state's *general fund* provides for basic governmental services and receives funding from general tax dollars, such as income, sales and oil and gas production.

*Special funds* are dedicated funds usually earmarked for specific purposes. Certain special funds can be accessed by multiple state agencies, while others are available to only one agency. More than 200 special funds exist throughout state government.

*Federal funds* are used to account for the funding received from the federal government in the annual appropriation process.

The Financial Summary section contains an analysis of projections of how each fund will be impacted during the upcoming biennium. Presentation of special fund status statements is limited to the special funds with the largest statewide impact. The "Federal/Special Funds" section of this publication describes in detail all the special funds expected to be received in the 2011-13 biennium.

### **Non-Appropriated Funds (Continuing Appropriations)**

Continuing appropriations are legislatively-authorized funds within which revenues received can be expended for the purposes defined by statute on an ongoing basis. These funds are separate from the normal state budgeting and appropriation process and are not included within the executive budget. A summary, by state agency and institution, of each fund for which the legislature has provided continuing appropriation authority is provided as a separate publication and is available at <http://www.nd.gov/omb/> or in paper format by calling 328-2680.

## General Fund Revenues and Economic Outlook

### 2009-11

#### **Original Legislative Revenue Forecast**

The 2009-11 biennium began with a general fund balance of \$361.8 million, \$40.7 million higher than the 2009 legislative projection. The legislative revenue forecast provided for general fund revenues of \$2.957 billion; the biennial general fund appropriation was \$3.249 billion, including \$279.0 million in one-time appropriations.

In the midst of a lingering national recession, the North Dakota economy has continued to thrive. The state's diversified economy has seen growth in various sectors, including manufacturing, agriculture, and energy. At a time when many states face significant revenue shortfalls, revenue collections in North Dakota exceed original projections. Despite shortfalls in individual and corporate income taxes, growth in sales and motor vehicle excise tax collections has contributed to a positive overall variance. Through October 31, 2010, actual collections exceed the 2009 legislative forecast by \$11.3 million, or 0.6 percent.

#### **Revised Forecast**

The November 2010 executive revenue forecast revises the original legislative forecast for the 2009-11 biennium based on actual collections to date and new economic assumptions for the remainder of the biennium. The 2010 executive forecast anticipates 2009-11 biennium revenues of \$2.979 billion, an increase of \$19.9 million.

#### **Estimated Oil Prices and Production**

Stable oil prices and the success of drilling operations in western North Dakota continue to increase exploration activities and production. The result has been significant growth in oil and gas extraction and production tax collections. Pursuant to North Dakota Century Code (NDCC) Section 57-51.1-07.2, oil tax collections in excess of \$71.0 million are deposited in the permanent oil tax trust fund, rather than the general fund. Through October 31, 2010, the state has collected \$429.8 million for deposit into the permanent oil tax trust fund. Deposits into the permanent oil tax trust fund are anticipated to total \$890.2 million during the 2009-11 biennium, \$567.1 million more than originally estimated.

The price of oil is anticipated to remain stable, with the price per barrel staying between \$65.00 and \$70.00 through the rest of fiscal year 2011. Production is anticipated to continue increasing from current level of around 340,000 barrels per day to 390,000 barrels per day by June 30, 2011.

### 2011-13

#### **Executive Revenue Forecast**

The July 1, 2011, beginning general fund balance is projected to be \$79.6 million, based on the revised 2009-11 revenue forecast. Projected general fund revenues are \$3.272 billion for the 2011-13 biennium, \$293.0 million more than the revised estimate for the 2009-11 biennium; \$313.9 million more than the original legislative forecast for the 2009-11 biennium.

Comparing the 2011-13 biennium executive forecast to the 2009-11 revised forecast:

- Sales and use tax collections are expected to grow by \$195.4 million, or 16.4 percent, reflecting a positive outlook for personal income and consumer spending in North Dakota.
- Motor vehicle excise tax collections are expected to grow by \$19.4 million, or 16.3 percent. For the 2009-11 biennium, the legislature authorized the one-time deposit of 25.0 percent of motor vehicle excise tax collections into the highway fund, rather than the general fund. For the 2011-13 biennium, the executive budget recommendation provides for the continued transfer of 25.0 percent of motor vehicle excise tax collections, but provides that the moneys be transferred to the highway tax distribution fund rather than the highway fund. Providing for this transfer to be deposited into the highway tax distribution fund allows cities, counties, transit programs, and townships to share in this revenue.
- Individual income tax collections are expected to remain nearly unchanged, increasing by only 0.2 percent, after adjusting for a \$50.0 million reduction due to the Governor's income tax relief proposal.
- Corporate income tax collections are anticipated to increase by \$13.1 million, or 7.3 percent, reflecting a positive outlook for North Dakota corporations, as well as national corporations doing business in North Dakota.
- Transfers from the Bank of North Dakota are authorized at \$60.0 million in 2011-13. Excluding the 2009-11 biennium, at least \$60.0 million has been transferred from Bank profits each biennium since 2001-03.
- Transfers from the lands and minerals trust fund are increased from \$35.0 million to \$239.0 million, of which \$75.0 million is considered one-time. Lands and minerals trust fund revenues have increased significantly as a result of oil and gas activity involving state owned mineral interests.
- Transfers from the permanent oil tax trust fund are reduced from \$435.0 million to \$232.0 million and are considered an ongoing revenue source for the general fund.

Based on the executive revenue forecast and recommended appropriation levels, the projected June 30, 2013, ending balance is \$55.7 million.

#### **Estimated Oil Prices and Production**

The executive budget uses a conservative outlook to develop the 2011-13 oil price forecast. Oil prices are anticipated to remain stable, increasing only slightly throughout the biennium. The forecast assumes an average price of \$72.00 per barrel in fiscal year 2012 and \$75.00 per barrel during fiscal year 2013. Production is anticipated to continue increasing, from 390,000 barrels per day at the start of the biennium to 425,000 barrels per day by June 30, 2013.

Oil extraction and gross production tax collections are projected to total \$2.042 billion during the 2011-13 biennium, allocated as follows:

- \$247.2 million to cities, counties, school districts, and townships in oil producing counties.

- \$100.0 million to the oil and gas impact grant fund, based on recommended legislation to increase the cap on gross production tax allocations to the fund from the current level of \$8.0 million per biennium.
- \$71.0 million to the general fund.
- \$4.0 million to the oil and gas research fund.
- \$199.8 million to the resources trust fund.
- \$99.9 million to the common schools trust fund.
- \$99.9 million to the foundation aid stabilization fund.
- \$612.5 million to the newly created legacy fund.
- \$607.3 million to the permanent oil tax trust fund.

### **Federal Fund**

Federal funds represent 35.8 percent of the recommended state budget. Agencies receiving significant federal funds include the Department of Transportation, Department of Human Services, Job Service North Dakota, and the Agricultural Research Centers throughout the state.

Congress sets the amount of federal funds received by states in annual appropriation sessions. The amounts that appear in the 2011-13 budget recommendations are the agencies' best estimates of what they may receive in the future. If anticipated federal funds are not forthcoming, the agencies cannot use all of their appropriation authority. If actual federal funds received exceed budget estimates, the agency can request from the Emergency Commission authority to accept and expend additional funds.

The executive and legislative branches of state government have little control over the amount of federal funds state agencies will receive. The "Federal/Special Funds" section of this publication describes in detail the funds estimated to be received from the federal government during the 2011-13 biennium.

### **Special Fund**

Special funds represent 28.7 percent of the recommended state budget. Special funds are best described as dedicated funds usually earmarked for specific purposes. One example is the state gas tax, earmarked for Department of Transportation functions.

Agencies with significant amounts of dedicated funds include the Retirement and Investment Office, Public Employees Retirement System, and the State Land Department, which operate on interest from investments. The Bank of North Dakota and the North Dakota Mill and Elevator Association operate on their own profits. Agencies like the Information Technology Department and the Central Services

Division of the Office of Management and Budget charge agencies for services provided. The Game and Fish Department spends funds received from hunting and fishing license sales.

These special, dedicated funds are estimated by state agencies in their individual budget requests. The "Federal/Special Funds" section of this publication describes in detail the special funds recommended to be spent during the 2011-13 biennium.

In North Dakota, appropriation measures passed by the legislature do not distinguish between federal and special funds. They are totaled together and designated as "other" funds or estimated income.

### **Tax Relief**

For the 2011-13 biennium, the Governor's budget continues income and property tax relief measures approved by the 2009 legislature. The 2009 legislature enacted the property tax relief program, which provides mill levy reduction grants to school districts and establishes the property tax relief sustainability fund. The program was funded by the 2009 legislature with moneys transferred from the permanent oil tax trust fund. For the 2009-11 biennium, \$295.0 million was transferred from the permanent oil tax to the general fund for the purpose of providing mill levy reduction grants. Additionally, another \$295.0 million was transferred to the property tax relief sustainability fund to be set aside to fund property tax relief in the subsequent biennium. The actual cost of mill levy reduction grants in 2009-11 will be \$299.2 million. Consequently, a supplemental appropriation of \$4.2 million is recommended from the property tax relief sustainability fund, along with a corresponding transfer from the permanent oil tax trust fund to fully fund the program for the 2009-11 biennium.

For the 2011-13 biennium, \$46.8 million is transferred from the permanent oil tax trust fund to the property tax relief sustainability fund to provide a total of \$341.8 million in mill levy reduction grants during that biennium. An additional \$341.8 million is transferred from the permanent oil tax trust fund to the property tax relief sustainability fund to be set aside for mill levy reduction grants during the 2013-15 biennium.

In addition to \$341.8 million for property tax relief, the Governor's budget proposes a \$50.0 million reduction in individual income taxes. Current individual income tax rates range from 1.84 percent to 4.86 percent, depending on the level of North Dakota taxable income. The Governor's income tax relief proposal provides for a 0.21 percent rate reduction in each tax bracket, lowering rates to 1.63 percent in the lowest bracket to 4.65 percent in the highest income bracket.

## General Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>\1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$295,541,176	\$321,091,738	\$361,843,514 <sup>\2</sup>	\$79,627,542
Revenue	\$2,715,263,379	\$2,957,803,122	\$2,978,638,819 <sup>\3</sup>	\$3,271,678,675 <sup>\4</sup>
Expenditures:				
Original appropriations - One time	(\$139,526,649)	(\$278,984,727)	(\$278,984,727)	(\$110,491,307)
Contingent appropriations - One time	(5,000,000)		(10,000,000)	
Original appropriations - Ongoing	(2,317,447,307)	(2,970,380,754)	(2,970,380,754)	(3,185,078,234)
Supplemental appropriations	(127,156,319)		(1,868,904)	
Unspent authority/adjustments	70,949,621		5,000,000	
Total expenditures	<u>(\$2,518,180,654)</u>	<u>(\$3,249,365,481)</u>	<u>(\$3,256,234,385)</u>	<u>(\$3,295,569,541)</u>
Ending balance before transfers	\$492,623,901	\$29,529,379	\$84,247,948	\$55,736,676
Transfers and adjustments:				
Adjustments and cash certifications	(\$5,843,839)			
Transfer to budget stabilization fund	(124,936,548)		(4,620,406) <sup>\5</sup>	
Total transfers and adjustments	<u>(\$130,780,387)</u>	<u>\$0</u>	<u>(\$4,620,406)</u>	<u>\$0</u>
Ending Balance	\$361,843,514 <sup>\2</sup>	\$29,529,379	\$79,627,542	\$55,736,676

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2009.

\2 Actual July 1, 2009 balance.

\3 Based on actual revenues through October 31, 2010, and estimated revenues for the remainder of the biennium using the November 2010 executive revenue forecast.

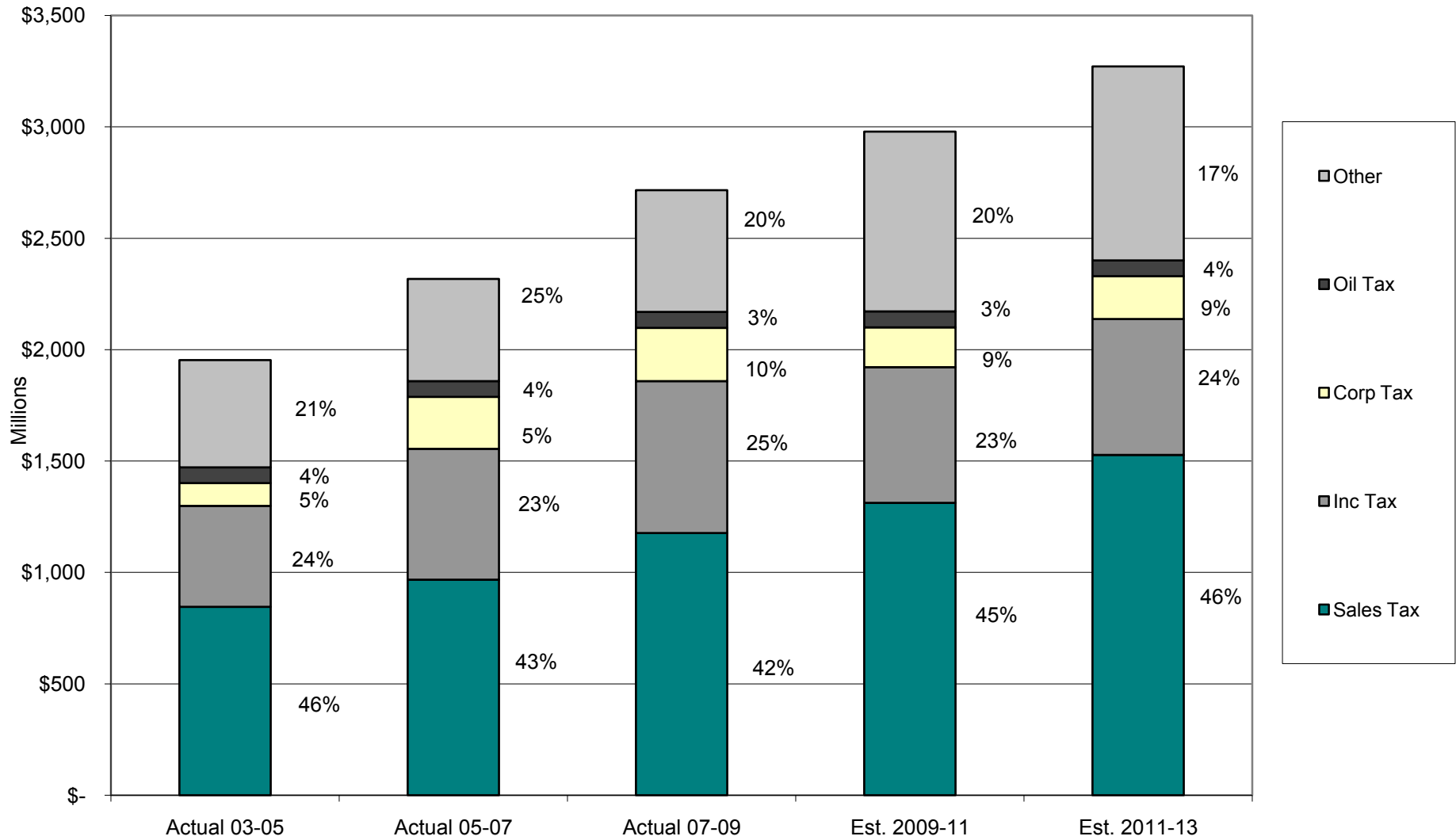
\4 Estimated revenues for 2011-13 include a one-time transfer of \$75.0 million from the lands and minerals trust fund.

\5 Transfer based on recommended 2011-13 biennium general fund appropriations and the statutory cap of 10 percent of appropriations, as defined in NDCC Section 54-27.2-01.

**State of North Dakota**  
**Comparison of General Fund Revenue by Major Source**  
**For Bienniums 2003-05 through 2011-13**

<b>Revenue Source</b>	<b>Actual 2003-05</b>	<b>Actual 2005-07</b>	<b>Actual 2007-09</b>	<b>Revised Forecast 2009-11</b>	<b>Executive Forecast 2011-13</b>
<b>Tax Revenue:</b>					
Sales and use taxes	\$717,758,293	\$841,930,866	\$1,046,485,684	\$1,193,004,326	\$1,388,405,000
Motor vehicle excise tax	128,010,103	125,722,268	130,151,534	119,549,899	139,031,000
Individual income tax	452,547,326	587,659,377	681,703,888	608,717,335	610,048,000
Corporate income tax	102,926,972	232,294,310	239,695,937	179,074,592	192,205,000
Financial institutions tax	4,958,673	9,702,362	10,486,495	6,330,665	8,500,000
Oil and gas production tax	45,534,044	45,970,447	39,309,315	32,718,333	31,700,000
Oil extraction tax	25,465,956	25,029,553	31,690,685	38,281,667	39,300,000
Cigarette and tobacco tax	39,476,712	44,683,370	45,230,771	44,881,315	43,902,000
Coal conversion tax	47,196,831	49,217,864	49,438,952	42,687,869	40,038,000
Insurance premium tax	56,284,535	52,873,010	64,388,601	64,152,315	70,900,000
Wholesale liquor tax	11,889,465	12,787,869	14,076,919	14,700,872	14,776,000
Gaming tax	20,850,911	17,986,019	20,042,392	16,165,195	16,038,675
Departmental collections	61,004,537	53,781,397	62,143,185	63,991,948	64,000,000
Interest income	6,935,015	36,507,217	49,506,190	42,200,448	42,700,000
Mineral leasing fees	11,024,583	13,960,279	25,306,589	18,033,905	20,000,000
Total tax revenue	<u>\$1,731,863,956</u>	<u>\$2,150,106,208</u>	<u>\$2,509,657,137</u>	<u>\$2,484,490,684</u>	<u>\$2,721,543,675</u>
<b>Transfers:</b>					
Federal fiscal relief payments	\$56,456,581				
Bank of North Dakota profits	60,000,000	\$60,000,000	\$60,000,000	\$1,000,000	\$60,000,000
Student loan trust fund interest	26,258,969	9,000,000	3,100,000		
Transfers from State Mill profits	5,000,000	5,000,000		9,585,457	6,650,000
Gas tax administration	1,396,200	1,400,000	1,274,056	1,288,000	1,485,000
Lottery	7,269,005	12,600,000	11,055,000	11,155,000	11,000,000
Lands and minerals trust fund	\$2,000,000	\$6,800,000	\$15,000,000	\$35,000,000	\$239,000,000
Water development trust fund	10,070,373				
Permanent oil tax trust fund	11,910,000	55,300,000	115,000,000	435,000,000	232,000,000
Bonding fund	2,800,000				
Health care trust fund	35,911,035	16,900,000			
Miscellaneous transfers	2,461,911	310,132	177,187	1,119,678	
Total transfers	<u>\$221,534,074</u>	<u>\$167,310,132</u>	<u>\$205,606,243</u>	<u>\$494,148,135</u>	<u>\$550,135,000</u>
<b>Total Revenues</b>	<u><b>\$1,953,398,030</b></u>	<u><b>\$2,317,416,340</b></u>	<u><b>\$2,715,263,380</b></u>	<u><b>\$2,978,638,819</b></u>	<u><b>\$3,271,678,675</b></u>

State of North Dakota  
 Comparison of General Fund Revenue by Major Source  
 For Bienniums 2003-05 through 2011-13



## Bonding Fund Status Statement

	2007-09	2009-11		2011-13
	Actual	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$2,302,806	\$2,589,306	\$2,515,054 <sup>\1</sup>	\$2,673,536
Revenue:				
Premiums	\2	\2	\2	\2
Investment revenue	(\$476,318)	\$150,000	\$300,000 <sup>\3</sup>	\$400,000 <sup>\3</sup>
Transfer from insurance regulatory trust	500,000 <sup>\4</sup>			
Claims restitution	103,569	90,000	43,000	50,000
Other revenue	6,580	7,000	7,000	7,000
Total revenue	\$133,831	\$247,000	\$350,000	\$457,000
Expenditures:				
Claim liabilities/payments/write-offs	\$139,998 <sup>\5</sup>	(\$125,000)	(\$125,000)	(\$125,000)
Claims related expenses	(3,274)	(15,000)	(15,000)	(20,000)
Investment expense	(23,401)	(10,000)	(23,000)	(10,000)
Administration	(34,906)	(41,518)	(28,518)	(46,769)
Total expenditures	\$78,417	(\$191,518)	(\$191,518)	(\$201,769)
Ending Balance	\$2,515,054 <sup>\1</sup>	\$2,644,788	\$2,673,536	\$2,928,767

\1 From June 30, 2009, comprehensive annual financial report (CAFR).

\2 There have been no premiums assessed or payments received in this fund since 1953. Pursuant to NDCC Section 26.1-21.09, premiums must be assessed if the fund balance falls below \$2.0 million.

\3 Investment revenue is based on Insurance Department projections.

\4 Section 2 of 2009 House Bill No. 1010 provides for a transfer of \$500,000 from the insurance regulatory trust fund to the bonding fund. The transfer was authorized by the 2009 legislature to ensure that the balance in the bonding fund does not fall below the statutorily required \$2.0 million, necessitating the assessment of premiums.

\5 Claims expenditures reflect recorded liabilities for filed claims. Actual liability is determined after a review and audit of the loss. Adjustments are made to reflect claim liabilities written off and no longer carried as a potential liability. During the 2007-09 biennium, the write-off of a significant claim resulted in offsetting all new claims expenses and a net addition to the fund balance of \$139,998.

**Notes:**

The bonding fund was created in 1915 and is maintained for bond coverage of public employees. The bonding fund is managed by the Insurance Commissioner. The amount of coverage provided to each state agency, department, industry, and institution is determined by the commissioner, based upon the amount of money and property handled and the opportunity for default. Section 26.1-21-09 provides that premiums for bond coverage are to be determined by the Insurance Commissioner but can be waived if the bonding fund balance is in excess of \$2.0 million.

## Budget Stabilization Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$200,000,000	\$324,936,548	\$324,936,548 <sup>12</sup>	\$329,556,954
Revenue:				
Transfer from general fund	\$124,936,548	\$0	\$4,620,406 <sup>13</sup>	\$0
Transfers:				
Transfers to general fund	\$0	\$0 <sup>14</sup>	\$0 <sup>14</sup>	\$0 <sup>14</sup>
Ending Balance	\$324,936,548 <sup>12</sup>	\$324,936,548	\$329,556,954	\$329,556,954

<sup>1</sup> Final revenues and expenditures per state accounting system reports dated June 30, 2009.

<sup>12</sup> Actual July 1, 2009 balance.

<sup>13</sup> Estimated transfer from the general fund based on appropriations recommended for the 2011-13 biennium and the provisions of NDCC Section 54-27.2-01 requiring a transfer sufficient to bring the balance of the fund to 10 percent of appropriations.

<sup>14</sup> No transfers from the budget stabilization fund to the general fund are anticipated during the 2009-11 or 2011-13 bienniums. Transfers will only take place if actual general fund collections fall short of revenue projections, as provided in Section 54-27.2-03.

**Notes:**

The budget stabilization fund is a statutory fund created in 1987. Section 54-27.2-02 provides that any end of biennium balance in the general fund in excess of \$65.0 million be transferred to the budget stabilization fund, subject to the provisions of Section 54-27.2-01.

Pursuant to Section 54-27.2-01, the fund is limited to no more than 10 percent of current biennium appropriations. Any deposits or interest that would otherwise be deposited or retained in the fund must instead be deposited in the general fund once the maximum balance is reached.

Section 54-27.2-03 provides that if general fund revenues are projected to be at least 2.5 percent less than included in the legislative revenue forecast, the Governor may order a transfer from the budget stabilization fund to the general fund.



## Community Health Trust Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance <sup>1</sup>	\$2,392,943	\$1,235,113	\$1,299,379 <sup>2</sup>	\$0
Revenue:				
Transfers from the Tobacco Settlement Trust	\$6,149,540	\$4,388,119	\$4,373,246	\$4,583,119
Contingency Transfer from General Fund <sup>4</sup>		2,405,371	671,987	
Total revenue	<u>\$6,149,540</u>	<u>\$6,793,490</u>	<u>\$5,045,233</u>	<u>\$4,583,119</u>
Expenditures:				
Dental loan program	(\$356,896)	(\$483,448)	(\$448,448) <sup>3</sup>	(\$260,000)
Dental new practice grant		(10,000)	(10,000) <sup>3</sup>	(10,000)
Medical loan repayment program	(39,570)	(272,500)	(127,500) <sup>3</sup>	(75,000)
Veterinarian loan repayment program		(350,000)	(245,776) <sup>3</sup>	(310,000)
Colorectal cancer screening	(111,767)	(300,000)	(338,233) <sup>3</sup>	
EMS training grants	(300,000)	(300,000)	(300,000) <sup>3</sup>	
Tobacco coordinator and operating expenses	(119,833)	(139,397) <sup>5</sup>	(139,397) <sup>3,5</sup>	
Tobacco quit line	(1,090,097)	(1,069,000) <sup>5</sup>	(1,069,000) <sup>3,5</sup>	
Tobacco prevention and control		(2,302,098) <sup>5</sup>	(2,302,098) <sup>3,5</sup>	(3,510,495) <sup>5</sup>
Advisory committee	(66,302)			
City/county & state employee cessation	(173,142)			
Local health & tobacco programs	(4,671,731)			
Women's way program		(304,332)	(304,332)	
Heart disease and stroke		(472,700)	(472,700)	(222,624)
DHS breast & cervical cancer	(213,904)	(790,015)	(587,128)	
Governor's Prevention and Advisory Council	(99,862)			
Total expenditures	<u>(\$7,243,104)</u>	<u>(\$6,793,490)</u>	<u>(\$6,344,612)</u>	<u>(\$4,388,119)</u>
Ending Balance	\$1,299,379	\$1,235,113	\$0	\$195,000

<sup>1</sup> Final revenue and expenditures per state accounting system reports dated June 30, 2009.

<sup>2</sup> Actual July 1, 2009 balance.

<sup>3</sup> Estimated expenditures for the 2009-11 biennium projected by the Health Department.

<sup>4</sup> 2009 Senate Bill 2004 provided a contingent appropriation to transfer \$2,405,371 from the general fund to the community health trust fund in the event revenue is not sufficient to fund the appropriated programs.

<sup>5</sup> Approved by voters in 2008, Measure #3 provides that 80 percent of the tobacco settlement revenue allocated to the community health trust fund must be spent on tobacco related programs. Eighty percent of the projected revenue for 2009-11 equals \$3,510,495.

**Notes:**

The community health trust fund originated in 1999. The purpose of the fund is to provide for public health programs, including those emphasizing prevention or reduction of tobacco usage in this state. The revenue source for the community health trust fund is the tobacco settlement trust fund (North Dakota Century Code Section 54-27-25). All tobacco settlement monies received by the state are to be deposited in the tobacco settlement trust fund. Monies in the fund must be transferred as follows, within 30 days of deposit in the fund:

- 10% to the community health trust fund
- 45% to the common schools trust fund
- 45% to the water development trust fund

In November 2008, voters approved Measure No. 3, which creates a tobacco prevention and control trust fund that will receive all tobacco settlement strategic contribution fund payments to the state. Strategic contribution fund payments are estimated by OMB at \$14.1 million per year through 2017. After 2017, no additional strategic contribution fund payments are anticipated.

The community health trust fund is administered by the Department of Health which may use monies in the fund subject to legislative appropriation.

## Disaster Relief Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance		\$0 <sup>\2</sup>	\$623,216	\$24,914,212
Revenue:				
Transfer from the general fund	\$6,000,000	\$43,000,000	\$37,000,000	
Interest earnings			250,000	\$250,000
Miscellaneous reimbursements			69,055	
<b>Total Revenue</b>	<b>\$6,000,000</b>	<b>\$43,000,000</b>	<b>\$37,319,055</b>	<b>\$250,000</b>
Expenditures:				
2009 Flood disaster		(\$23,000,000) <sup>\3</sup>	(\$4,183,488)	(\$2,900,000)
Emergency snow removal grants	(\$5,376,784)	(20,000,000) <sup>\4</sup>		
January 2010 winter storm			(1,814,327)	(500,000)
April 2010 ice storm			(2,653,906)	(1,400,000)
2010 Flood			(2,660,904)	(3,043,000)
State match for disasters prior to 2009			(1,715,434)	
<b>Total Expenditures</b>	<b>(\$5,376,784)</b>	<b>(\$43,000,000)</b>	<b>(\$13,028,059)<sup>\5</sup></b>	<b>(\$7,843,000)</b>
Ending Balance	\$623,216	\$0	\$24,914,212	\$17,321,212

\1 Final revenues and expenditures per state accounting system reports.

\2 Actual July 1, 2009 balance.

\3 Section 8 of 2009 Senate Bill 2012 authorized expenditures of up to \$23.0 million for emergency disaster relief grants.

\4 Section 7 of SB2012 authorized expenditures of up to \$20.0 million for emergency snow removal grants.

\5 Based on actual expenditures through October 31, 2010 and agency estimated expenditures through June 30, 2011.

**Notes:**

North Dakota Century Code Section 37-17.1-27 establishes the state disaster relief fund. Money is available pursuant to legislative appropriation to defray expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential-declared disasters in the state. Interest and other fund earnings must be deposited in the fund.

## Fire and Tornado Fund Status Statement

	2007-09	2009-11		2011-13
	Actual	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$28,222,236	\$21,357,331	\$21,504,828 <sup>\1</sup>	\$27,222,224
Revenue:				
Premium revenue	\$6,544,857	\$7,000,000	\$10,000,000 <sup>\2</sup>	\$7,000,000 <sup>\2</sup>
Investment revenue (loss)	(3,564,114)	2,000,000	6,000,000	6,000,000
Claims recovery	7,879,970 <sup>\3</sup>	1,000,000 <sup>\3</sup>	300,000 <sup>\3</sup>	200,000 <sup>\3</sup>
Boiler inspection fee	354,376	350,000	350,000	350,000
Anhydrous ammonia inspection revenue	97,079 <sup>\4</sup>	150,000 <sup>\4</sup>	150,000 <sup>\4</sup>	60,000 <sup>\4</sup>
Total revenues	<u>\$11,312,168</u>	<u>\$10,500,000</u>	<u>\$16,800,000</u>	<u>\$13,610,000</u>
Expenditures:				
Insurance claims	(\$12,292,420)	(\$5,000,000)	(\$5,000,000)	(\$6,000,000)
Claims related payments	(3,860,820)	(3,900,000)	(3,856,337)	(5,300,000)
Administration/investment expenses	(1,444,220)	(1,454,159)	(1,746,267)	(1,611,575)
Fire Marshal inspection fees	(262,116)	(310,000)	(310,000)	(310,000)
ND Firefighter's Association	(170,000)	(170,000)	(170,000)	(170,000)
Total expenditures	<u>(\$18,029,576)</u>	<u>(\$10,834,159)</u>	<u>(\$11,082,604)</u>	<u>(\$13,391,575)</u>
Ending Balance	\$21,504,828 <sup>\1</sup>	\$21,023,172	\$27,222,224	\$27,440,649

<sup>\1</sup> From June 30, 2009, Comprehensive Annual Financial Report (CAFR).

<sup>\2</sup> The legislative forecast for premium revenue assumed premium discounts in place for fiscal year 2009 would continue. However, premium discounts were not in place for fiscal year 2010, resulting in significantly increased premium revenue collections. For fiscal year 2011 and subsequent years, the department has instructed agencies to budget assuming fiscal year 2010 premiums will increase by 5.0 percent annually based on property valuations, then to apply a 50.0 percent credit to determine the estimated premium.

<sup>\3</sup> Claims recovery reflects amounts recovered through re-insurance purchased to cover claims that exceed a specific amount per incident.

<sup>\4</sup> Based on actual funds available from ND Department of Agriculture anhydrous ammonia storage facility inspection fund.

**Notes:**

The state fire and tornado fund originated in 1919. The fund is maintained to insure the state and its political subdivisions against loss to public buildings and fixtures. North Dakota Century Code Section 26.1-22-14 requires that if the fire and tornado fund balance is less than \$12.0 million, the Insurance Commissioner must increase assessments.

## Foundation Aid Stabilization Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>\1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$29,009,838	\$64,484,111	\$65,750,547 <sup>\2</sup>	\$134,222,814
Revenue:				
Oil extraction tax allocations	\$36,740,709	\$24,892,171	\$68,472,267 <sup>\3</sup>	\$99,906,000 <sup>\4</sup>
Transfers:				
Transfer to state school aid program	\$0	\$0	\$0	\$0
Ending Balance	\$65,750,547 <sup>\2</sup>	\$89,376,282	\$134,222,814	\$234,128,814

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2010.

\2 Actual July 1, 2009 balance.

\3 Based on actual revenues through October 31, 2010, and estimated revenues for the remainder of the biennium using the November 2010 executive revenue forecast.

\4 Revenue estimates based on the November 2010 executive revenue forecast, which assumes oil prices averaging \$72 to \$75 per barrel and production increasing to 425,000 barrels per day by the end of the 2011-13 biennium.

### Notes:

The foundation aid stabilization fund was created in 1994 upon voter approval of Article X, Section 24 of the Constitution of North Dakota. Section 24 provides that 20% of oil extraction taxes are to be allocated as follows:

50% to the common schools trust fund

50% to the foundation aid stabilization fund

Section 24 also provides that interest from the foundation aid stabilization fund must be transferred to the general fund; the principal can only be spent upon order of the Governor to offset foundation aid reductions made by executive action due to a revenue shortfall. North Dakota Century Code Section 54-44.1-12 provides that in the case of an allotment, all agencies that receive monies from a fund must be allotted on a uniform basis. The exception is that appropriations for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund.

## Health Care Trust Fund Status Statement

	2007-09	2009-11		2011-13
	Actual	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$2,821,191	\$3,345,679 <sup>\1</sup>	\$3,484,946 <sup>\1</sup>	\$238,644
Revenue:				
Investment earnings	\$136,644	\$118,339	\$28,944	\$7,498
Principal and interest repayments	1,131,466	1,011,095	1,099,260	1,107,884
Total revenue	<u>\$1,268,110</u>	<u>\$1,129,434</u>	<u>\$1,128,204</u>	<u>\$1,115,382</u>
Expenditures:				
Nursing home inflationary increases	(\$525,597)			
Nursing home grants		(\$3,000,000)	(\$3,000,000)	
Nursing home & basic care salary increase		(800,000)	(800,000)	
Increase nursing home bed limit		(324,506)	(324,506)	
Assisted living rent subsidy and basic care remodel grants		(200,000) <sup>\2</sup>	(200,000) <sup>\2</sup>	
Quick response unit pilot project - Health Dept.	(5,000)	(125,000)	(50,000)	
Trauma system evaluation - Health Dept.	(73,758)			
Total expenditures	<u>(\$604,355)</u>	<u>(\$4,449,506)</u>	<u>(\$4,374,506)</u>	<u>\$0</u>
Ending Balance	\$3,484,946 <sup>\1</sup>	\$25,607	\$238,644	\$1,354,026

<sup>\1</sup> Actual July 1, 2009 balance.

<sup>\2</sup> HB 1327 provides grant funding to a nursing facility for remodeling costs incurred with the transition to an assisted living facility. The grant also requires that a pilot rent subsidy project be implemented.

**Notes:**

The health care trust fund was established by the 1999 legislative assembly to provide grants and loans to nursing facilities. Additional uses of moneys have been approved in subsequent bienniums. Revenue for the fund was originally generated through nursing facilities funding pool payments to government nursing facilities based on the difference between Medicare and Medicaid rates for nursing care. This funding stream was known as the Intergovernmental Transfer Program (IGT). The federal government passed regulations phasing out the IGT program and the final pool payment was made to the state in July 2004. Current revenues to the fund consist of loan repayments and investment earnings.

## Highway Tax Distribution Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$0	\$0	\$0 <sup>2</sup>	\$0
Revenue:				
Motor vehicle fuel tax	\$152,094,710	\$161,850,725	\$161,850,725	\$170,100,000
Special fuel taxes	118,947,197	111,400,000	111,400,000	127,000,000
Motor vehicle registration fees	110,460,000	122,600,000	122,600,000	130,800,000
Motor vehicle excise tax				46,344,000 <sup>4</sup>
Total revenue	<u>\$381,501,907</u>	<u>\$395,850,725<sup>3</sup></u>	<u>\$395,850,725<sup>3</sup></u>	<u>\$474,244,000<sup>3</sup></u>
Transfers:				
State highway fund allocation	(\$235,100,887)	(\$234,166,000)	(\$234,166,000)	(\$281,200,000)
Counties allocation	(85,838,447)	(82,130,000)	(82,130,000)	(100,900,000)
Cities allocation	(52,205,240)	(49,660,000)	(49,660,000)	(57,400,000)
Townships allocation		(10,314,000)	(10,314,000)	(12,400,000)
Transit allocation		(5,730,000)	(5,730,000)	(6,900,000)
Highway Patrol	(4,234,214)	(4,550,725)	(4,550,725)	(5,600,000)
Motorboat safety account	(223,068)	(200,000)	(200,000)	(244,000)
State snowmobile fund	(168,158)	(200,000)	(200,000)	(200,000)
Administrative assistance to transferees		(5,500,000)	(5,500,000)	(5,500,000)
Ethanol production incentive	(3,731,893)	(3,400,000)	(3,400,000)	(3,900,000)
Total transfers	<u>(\$381,501,907)</u>	<u>(\$395,850,725)</u>	<u>(\$395,850,725)</u>	<u>(\$474,244,000)</u>
Ending Balance	\$0 <sup>2</sup>	\$0	\$0	\$0

\1 Final revenues and expenditures per Department of Transportation.

\2 Actual July 1, 2009 balance.

\3 Revenue notes:

- Motor fuel tax amounts are net of amounts withheld for the refund reserve and the motor fuels operating fund. Motor fuel tax amounts include amounts collected for penalties and interest, and license and permit fees (57-43.1-28).

- Special fuel taxes include amounts collected for penalties and interest, and license and permit fees (57-43.2-19).

- Motor vehicle registrations are net of amounts withheld to pay fuel tax refunds for the International Fuel Tax Agreement (IFTA) member states, and the motor vehicle operating fund. Motor vehicle registrations exclude the fees collected by the Motor Vehicle Division but paid to other funds, such as the motor vehicle excise tax and the state aid distribution, the motorcycle safety education fund (39-28-05), abandoned motor vehicle disposal fund (39-26-12), veterans' cemetery maintenance fund (39-04-10.10), all-terrain vehicle fund (39-29-01.1), the employment of people with disabilities fund (39-01-15), and the unsatisfied judgement fund (39-24-03).

- On July first of each year, the State Treasurer transfers from the highway tax distribution fund to the motorboat program and safety account an amount equal to \$2.50 multiplied by the number of motorboats licensed with the Game and Fish Department (20.1-02-16.6).
  - Annually, an amount equal to the tax collected on 30 gallons of motor vehicle fuel multiplied by the number of snowmobiles registered must be transferred from the highway distribution fund to the state snowmobile fund (39-24-05).
  - The State Treasurer transfers annually from the highway tax distribution fund to the ethanol incentive fund an amount equal to 40 percent of all sums collected for the registration of farm vehicles (39-04-39).
- 14 Revenue from motor vehicle excise tax assumes passage of statutory changes that would allocate 25 percent of motor vehicle excise taxes to the highway tax distribution fund. Under current law effective after June 30, 2011, all moneys collected and received pursuant to Chapter 57-40.3, after moneys are deposited in the state aid distribution fund under Section 57-39.2-26.1, must be deposited in the general fund (57-40.3-10).

**Notes:**

The highway tax distribution fund is a statutory fund established by NDCC Section 54-27-19. The fund receives moneys from motor vehicle registrations and fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes. The first \$5.5 million deposited in the fund is transferred to the highway fund to provide administrative assistance to transferees. Appropriations for the Highway Patrol, ethanol production incentives, motorboat safety, and state snowmobile fund are deducted before remaining moneys are allocated pursuant to the the following formula:

- 61.3 percent to the highway fund for use by the state DOT.
- 2.7 percent to township highway fund for allocation to townships pursuant to Section 54-27-19.1.
- 1.5 percent to the public transportation fund to be allocated pursuant to Section 39-04.2-04.
- 34.5 percent to cities and counties, allocated pursuant to the distribution formula provided in Section 54-27-19.



## Lands and Minerals Trust Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$14,056,683	\$26,805,940	\$32,586,643 <sup>12</sup>	\$213,931,549
Revenue:				
Mineral royalties	\$23,017,314	\$8,889,008	\$41,802,122	\$49,896,000
Mineral rents	382,874	432,599	704,742	694,412
Mineral bonus	10,915,471	2,287,157	173,852,266	40,000,000
Developmental disability (DD) facility loan repayments	953,784	372,372	464,174	203,727
Investment income	1,416,649	1,352,447	1,863,500	2,701,789
Total revenue	<u>\$36,686,092</u>	<u>\$13,333,583</u>	<u>\$218,686,804 <sup>13</sup></u>	<u>\$93,495,928</u>
Expenditures:				
Transfer to common schools for DD facility loan	(\$1,417,504)	(\$717,182)	(\$697,344)	(\$306,065)
Transfer to general fund	(15,000,000)	(35,000,000)	(35,000,000)	(239,000,000)
Continuing appropriation for scholarships				(10,000,000)
Appropriation to Industrial Commission	(248,186)	(515,207)	(314,242) <sup>14</sup>	
Appropriation to OMB for planning and design of Heritage Center expansion	(1,000,164)		(499,836)	
Appropriation to Historical Society for purchase of cold war missile site	(250,000)			
Administrative expenses	(240,278)	(222,227)	(830,476)	(800,000)
Total expenditures and transfers	<u>(\$18,156,132)</u>	<u>(\$36,454,616)</u>	<u>(\$37,341,898)</u>	<u>(\$250,106,065)</u>
Ending Balance	\$32,586,643	\$3,684,907	\$213,931,549	\$57,321,412
Less Designated Fund Balance			(\$53,049,169) <sup>15</sup>	(\$57,049,169) <sup>15</sup>
Ending Balance - Undesignated	<u>\$32,586,643 <sup>12</sup></u>	<u>\$3,684,907</u>	<u>\$160,882,380</u>	<u>\$272,243</u>

<sup>1</sup> Final revenues and expenditures per Land Department.

<sup>12</sup> Actual July 1, 2009 balance.

<sup>13</sup> Based on actual revenues received through September 30, 2010, and estimated receipts for the remainder of the biennium, as determined by the Land Department.

<sup>14</sup> 2009 SB2014 provides a contingent appropriation of \$515,207 from the lands and minerals trust fund to the Industrial Commission for 2.00 FTE relating to oil and gas activity (\$319,041) and 1.00 FTE relating to potash and uranium mining (\$196,166). The \$319,041 appropriation has been approved by the Emergency Commission; however, the Industrial Commission anticipates using only \$314,242. No action is expected to be taken to make the \$196,166 appropriation effective for the 2009-11 biennium.

<sup>15</sup> Pursuant to action of the Board of University and School Lands, a portion of the fund balance is designated to be held in reserve pending the settlement of mineral ownership title disputes on certain riverbed tracts.

**Notes:**

The lands and minerals trust fund originated in 1977 when the Legislative Assembly transferred to the Board of University and School Lands possessory interests in real property belonging to or managed by the Bank of North Dakota. Upon sale of the real property, the state retained the mineral interests. All income from the sale, lease, and management of these lands and mineral interests is deposited in the lands and minerals trust fund (NDCC Section 15-08.1-08). The principal and interest of the trust fund may be expended upon approval by the Legislative Assembly.

## Legacy Fund Status Statement

	2007-09	2009-11		2011-13
	Actual	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$0	\$0	\$0 <sup>\1</sup>	\$0
Revenue:				
Transfers from oil and gas taxes				\$612,468,000 <sup>\2</sup>
Interest on investment				6,090,000
Total revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$618,558,000</u>
Expenditures:				
Legislative appropriations	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 <sup>\3</sup></u>
Ending Balance	\$0	\$0	\$0	\$618,558,000

\1 Actual July 1, 2009 balance. The fund was created pursuant to voter passage of Measure No. 1 on the November 2010 ballot.

\2 Revenue estimate based on the November 2010 executive revenue forecast for oil price and production, resulting in \$2.042 billion in oil tax collections, 30.0 percent of which are allocated to the legacy fund.

\3 Based on the provisions of 2009 HCR 3054, no expenditures of principal or interest may be made from the fund until after June 30, 2017.

**Notes:**

House Concurrent Resolution No. 3054 (2009) was adopted by the 2009 legislature and approved by the voters in November 2010. This measure establishes the North Dakota legacy fund as a constitutional trust fund. Thirty percent of all revenue collected by the state from oil and gas production and extraction taxes will be transferred to the fund beginning July 1, 2011. The State Investment Board will invest the fund principal. Interest and investment earnings will be retained in the fund until June 30, 2017, after which time they will be transferred to the general fund once each biennium. For the 2011-13 through 2015-17 bienniums, interest earnings will be added to the fund principal.

## Permanent Oil Tax Trust Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$143,270,662	\$475,352,493	\$489,727,017 <sup>12</sup>	\$620,101,616
Revenue:				
Oil and gas production and extraction taxes	\$484,256,596	\$323,092,000	\$890,208,857 <sup>13</sup>	\$607,271,000 <sup>14</sup>
Expenditures:				
Appropriation for centers of excellence	(\$8,379,459)		(\$6,620,541)	
Department of Human Services MMIS	(55,834)		(1,130,027)	(\$1,474,362)
Higher education	(5,916,167)	(\$10,750,000)	(12,691,145)	(2,320,000)
Grants to tribal colleges	(700,000)	(700,000)	(700,000)	(1,000,000)
Veterans Home facility	(6,483,226)			
Water project grants	(265,555)	(2,792,000)	(2,526,445)	
Prairie Public Broadcasting		(1,008,100)	(1,008,100)	
Agricultural research and extension	(750,000)	(925,000)	(925,000)	
Livestock disaster assistance	(250,000)			
State road projects				(228,600,000)
County and township road projects				(142,000,000)
Property tax relief - 2009-11		(295,000,000)	(295,000,000)	
Property tax relief - 2009-11 deficiency			(4,233,000)	
Transfer to PTRSF - 2011-13 tax relief <sup>15</sup>				(46,790,000)
Transfer to PTRSF - 2013-15 tax relief <sup>15</sup>		(295,000,000)	(295,000,000)	(341,790,000)
Transfer to the general fund	(115,000,000)	(140,000,000)	(140,000,000)	(232,000,000)
Total expenditures and transfers	<u>(\$137,800,241)</u>	<u>(\$746,175,100)</u>	<u>(\$759,834,258)</u>	<u>(\$995,974,362)</u>
Ending Balance	<u>\$489,727,017 <sup>12</sup></u>	<u>\$52,269,393</u>	<u>\$620,101,616</u>	<u>\$231,398,254</u>

<sup>1</sup> Final revenues and expenditures per state accounting system reports dated June 30, 2009.

<sup>2</sup> Actual July 1, 2009 balance.

<sup>3</sup> Based on actual revenues through October 31, 2010 and estimated receipts for the remainder of the biennium, using the November 2010 executive revenue forecast.

<sup>4</sup> Revenue estimates based on the November 2010 executive revenue forecast. Estimated revenues are reduced by revenue allocations to the legacy fund totaling \$612.5

<sup>5</sup> Transfers to property tax relief sustainability fund (PTRSF).

### Notes:

North Dakota Century Code Section 57-51.1-07.2 establishes the permanent oil tax trust fund. This section provides that all oil extraction and production taxes collected and deposited in the general fund in excess of \$71.0 million are transferred to the permanent oil tax trust fund. The State Treasurer transfers interest earnings of the trust fund to the general fund at the end of each fiscal year. The principal may only be spent upon approval of two-thirds of the members of each house of the Legislative Assembly.

Passage of Constitutional Measure No. 1 on the November 2010 ballot results in the creation of the legacy fund, which will receive 30.0 percent of revenue derived from oil taxes. The allocation of revenues to the legacy fund will reduce revenue allocations to the permanent oil tax trust fund.

## Property Tax Relief Sustainability Fund Status Statement

	2007-09	2009-11		2011-13
	Actual	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$0	\$0	\$0	\$295,000,000
Revenue:				
Transfers from permanent oil tax trust fund	\$0	\$295,000,000	\$299,233,000 <sup>\1</sup>	\$388,580,000 <sup>\3</sup>
Expenditures:				
Appropriations for mill levy reduction program				(\$341,790,000)
Supplemental appropriations for mill levy reduction			(\$4,233,000) <sup>\2</sup>	
Total expenditures	\$0	\$0	(\$4,233,000)	(\$341,790,000)
Ending Balance	\$0	\$295,000,000	\$295,000,000	\$341,790,000

\1 Transfers consist of \$295.0 million transferred from the permanent oil tax trust fund on July 1, 2010, pursuant to 2009 SB2199 and an additional \$4.2 million for a recommended supplemental appropriation required for the 2009-11 biennium.

\2 A supplemental appropriation of \$4.2 million has been requested for 2009-11 biennium mill levy reduction allocations.

\3 Transfers from the permanent oil tax trust fund consist of \$46.8 million to be used along with the \$295.0 million balance to provide mill levy reduction grants for the 2011-13 biennium. In addition, \$341.8 million is transferred from the permanent oil tax trust fund to provide for mill levy reduction grants during the 2013-15 biennium.

**Notes:**

The property tax relief sustainability fund was created by the 2009 Legislative Assembly to set aside funding for the continuation of the property tax relief initiative enacted during the 2009 legislative session. Senate Bill No. 2199 provided for the July 1, 2010 transfer of \$295.0 million from the permanent oil tax trust fund to the property tax relief sustainability fund.

## Resources Trust Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$32,655,609	\$83,013,609	\$87,378,167 <sup>12</sup>	\$128,447,646
Revenue:				
Repayments and reimbursements	\$3,549,610	\$2,009,000	\$3,504,000	\$3,509,000
Oil extraction tax collections	73,481,417	49,784,000	129,947,875	199,812,353 <sup>16</sup>
Interest	2,791,531	1,000,000	2,217,604	1,101,820
Total revenue	<u>\$79,822,558</u>	<u>\$52,793,000</u>	<u>\$135,669,479<sup>14</sup></u>	<u>\$204,423,173</u>
Expenditures:				
Water Commission expenditures	<u>(\$25,100,000)</u>	<u>(\$135,806,609)<sup>13</sup></u>	<u>(\$94,600,000)<sup>15</sup></u>	<u>(\$332,400,000)</u>
Ending Balance	\$87,378,167 <sup>12</sup>	\$0	\$128,447,646	\$470,819

<sup>1</sup> Final revenues and expenditures per state accounting system reports.

<sup>12</sup> Actual July 1, 2009 balance.

<sup>13</sup> Legislatively authorized expenditures are \$188.4 million, but actual expenditures cannot exceed available funding. For this schedule, expenditures have been reduced by \$52.6 million to match anticipated available funding. Per 2009 House Bill 1020, planned expenditures include \$45.0 million for Fargo flood control. Another \$342,000 was appropriated in 2009 Senate Bill 2305 for a Beaver Bay embankment study.

<sup>14</sup> Actual revenues through October 31, 2010 plus estimated receipts for the remainder of the biennium, based on the November 2010 executive revenue forecast.

<sup>15</sup> Estimated agency expenditures for the 2009-11 biennium.

<sup>16</sup> Executive forecast assumes average price of \$72 per barrel and 395,500 barrels of oil per day (BOPD) for FY 2012; and average price of \$75 per barrel and 413,750 BOPD for FY 2013.

### Notes:

The resources trust fund was created pursuant to passage of Measure No. 6 in the November 1980 general election. Measure No. 6 established a 6.5 percent oil extraction tax, 10 percent of which was distributed to the resources trust fund. Measure No.2, a constitutional amendment approved in the June 1990 primary election, establishes the resources trust fund as a constitutional trust fund and provides that the principal and income of the fund may be spent pursuant to legislative appropriations for constructing water related projects, including rural water systems, and funding energy conservation programs.

North Dakota Century Code Section 57-51.1-07 provides that the resources trust fund is available for legislative appropriation to the State Water Commission for planning and constructing water-related projects and to the Industrial Commission for energy conversion and waste products utilization programs and studies. The 1995 Legislative Assembly amended Section 57-51.1-07 to provide that 20 percent of oil extraction tax collections will be deposited in the resources trust fund.

## State Aid Distribution Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$0	\$0	\$0 <sup>12</sup>	\$0
Revenue:				
Sales tax revenue	\$90,993,437	\$96,519,548	\$103,739,507	\$120,730,870
Motor vehicle excise tax revenue	12,550,381	10,084,435	13,860,858	16,119,536
Total revenue	<u>\$103,543,818</u>	<u>\$106,603,983</u>	<u>\$117,600,365<sup>13</sup></u>	<u>\$136,850,406<sup>14</sup></u>
Expenditures:				
Distributions to cities and counties	<u>(\$103,543,818)</u>	<u>(\$106,603,983)</u>	<u>(\$117,600,365)</u>	<u>(\$136,850,406)</u>
Ending Balance	\$0 <sup>12</sup>	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2009.

\2 Actual July 1, 2009 balance.

\3 Based on actual revenues through October 31, 2010, and estimated receipts for the remainder of the biennium using the November 2010 executive revenue forecast.

\4 Estimated revenues based on the November 2010 executive revenue forecast.

**Notes:**

North Dakota Century Code Section 57-39.2-26.1 provides for the deposit of a portion of sales, use, and motor vehicle excise tax collections into the state aid distribution fund. The amount deposited into the state aid distribution fund is equal to 40% of an amount determined by multiplying 1%, divided by the general sales tax rate, times the net sales, use, and motor vehicle excise tax collections. The calculation results in 8% of all sales and motor vehicle excise taxes being distributed through the state aid distribution fund to cities and counties. Revenues deposited in the state aid distribution fund are allocated to political subdivisions pursuant to the formula provided in Section 57-39.2-26.1.

## Tobacco Prevention and Control Trust Fund Status Statement

	2007-09	2009-11		2011-13
	Actual	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$0	\$14,104,952	\$14,107,486 <sup>12</sup>	\$25,901,527
Revenue:				
Fiscal year 1 payments		\$14,138,011	\$12,274,393 <sup>13</sup>	\$12,274,393
Fiscal year 2 payments	\$14,138,011	14,138,011	12,274,393	12,274,393
Investment income	8,290	345,463	127,255	213,616
Total revenue	<u>\$14,146,301 <sup>11</sup></u>	<u>\$28,621,485</u>	<u>\$24,676,041</u>	<u>\$24,762,402</u>
Expenditures:				
Appropriated expenditures	(\$38,815)	(\$12,882,000)	(\$12,882,000)	(\$12,922,614)
Total expenditures	<u>(\$38,815)</u>	<u>(\$12,882,000)</u>	<u>(\$12,882,000)</u>	<u>(\$12,922,614)</u>
Ending Balance	\$14,107,486 <sup>12</sup>	\$29,844,437	\$25,901,527	\$37,741,315

<sup>11</sup> Final revenue and expenditures per state accounting system reports dated June 30, 2009.

<sup>12</sup> Actual July 1, 2009 balance.

<sup>13</sup> Actual revenue received during fiscal year 2010.

**Notes:**

In November 2008, voters approved Measure No. 3, which created a tobacco prevention and control trust fund. All tobacco settlement strategic contribution fund payments received by the state will be deposited in the fund. The strategic contribution fund payment received by the state in April 2010 was \$12.3 million. Future payments are projected to continue at this level through 2017. After 2017, no additional strategic contribution fund payments are anticipated.

2009 House Bill 1015, based on the intent of Measure No. 3, creates the Tobacco Prevention and Control Committee as a state agency. Section 35, appropriates funding for the 2009-2011 biennium. Section 36, provides retroactive funding for expenditures that occurred during the period of January 1, 2009, through June 30, 2009. Section 39 changes language in the measure concerning the ability to spend funding from the water development trust fund. The legislature required that water development trust fund moneys may only be spent pursuant to legislative appropriation.

## Tobacco Settlement Trust Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$0	\$0	\$0 <sup>2</sup>	\$0
Revenue:				
Fiscal year 1 payments	\$36,481,077	\$22,705,622	\$20,816,865 <sup>3</sup>	\$22,915,593 <sup>4</sup>
Fiscal year 2 payments	25,014,321	22,705,622	22,915,593 <sup>4</sup>	22,915,593 <sup>4</sup>
Total revenue	<u>\$61,495,398</u>	<u>\$45,411,244</u>	<u>\$43,732,458</u>	<u>\$45,831,186</u>
Transfers:				
Transfer to community health trust fund	(\$6,149,540)	(\$4,541,124)	(\$4,373,246)	(\$4,583,119)
Transfer to water development trust fund	(27,672,929)	(20,435,060)	(19,679,606)	(20,624,034)
Transfer to common schools trust fund	(27,672,929)	(20,435,060)	(19,679,606)	(20,624,034)
Total expenditures and transfers	<u>(\$61,495,398)</u>	<u>(\$45,411,244)</u>	<u>(\$43,732,458)</u>	<u>(\$45,831,186)</u>
Ending Balance	\$0 <sup>2</sup>	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2009.

\2 Actual July 1, 2009 balance.

\3 Actual revenues received during fiscal year 2010.

\4 Estimated revenues based on average of fiscal year 2009 and 2010 actual amounts.

**Notes:**

North Dakota Century Code Section 54-27-25, enacted in 1999, establishes the tobacco settlement trust fund. The fund is to be used for the deposit of tobacco settlement dollars obtained by the state under the master settlement agreement and consent agreement adopted by the east central judicial district court. All moneys received by the state pursuant to the judgment and for enforcement of the judgment, except amounts relating to the strategic contribution fund, must be deposited in the tobacco settlement trust fund. Strategic contribution fund moneys received by the state are deposited directly into the tobacco prevention and control trust fund. The principal of the tobacco settlement trust fund must be allocated as follows:

- 10% to the community health trust fund
- 45% to the common schools trust fund
- 45% to the water development trust fund

All transfers out of the fund must be made within 30 days of receipt of the tobacco settlement moneys.

In November 2008, voters approved Measure No. 3, which created a tobacco prevention and control trust fund. All tobacco settlement strategic contribution fund payments received by the state will be deposited directly into that fund and are not reflected on this statement.



## Tuition Apportionment Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$1,133,040	\$859,039	\$1,149,701 <sup>2</sup>	\$1,151,701
Revenue:				
Fines for violation of state laws	\$9,144,167	\$9,300,000	\$9,124,000 <sup>3</sup>	\$9,124,000
Transfers from common schools	66,800,000	77,000,000	77,178,000 <sup>4</sup>	92,514,000 <sup>4</sup>
Total revenue	<u>\$75,944,167</u>	<u>\$86,300,000</u>	<u>\$86,302,000</u>	<u>\$101,638,000</u>
Expenditures:				
Tuition fund distributions to schools	(\$75,927,506)	(\$86,300,000)	(\$86,300,000)	(\$101,638,000)
Ending Balance	<u>\$1,149,701 <sup>2</sup></u>	<u>\$859,039</u>	<u>\$1,151,701</u>	<u>\$1,151,701</u>

<sup>1</sup> Final revenues and expenditures per state accounting system reports, dated June 30, 2010.

<sup>2</sup> Actual July 1, 2009 balance.

<sup>3</sup> Actual revenues through October 31, 2010 and estimated revenues for the remainder of the biennium, based on previous years average annual collections.

<sup>4</sup> Common schools trust fund distribution estimates provided by Land Department.

**Notes:**

The common schools trust fund is a constitutional trust fund established in 1889. Article IX, Section 2, of the Constitution of North Dakota provides that state distributions to schools shall include the interest and income of the common schools trust fund, as well as all fines for violation of state laws. These amounts are deposited in the state tuition fund, pursuant to North Dakota Century Code Section 15.1-28-01. Beginning with the 2007-2009 biennium, tuition apportionment payments are included in state school aid distributions to school districts.

## Water Development Trust Fund Status Statement

	2007-09	2009-11		2011-13
	Actual <sup>1</sup>	Legislative Forecast	Revised Forecast	Executive Forecast
Beginning Balance	\$8,989,953	\$21,862,883	\$21,010,583 <sup>2</sup>	\$25,614,113
Revenue:				
Transfers from the tobacco settlement trust	\$27,672,929	\$19,746,536	\$19,679,606 <sup>3</sup>	\$20,624,034
Expenditures:				
Water Commission expenditures	(\$15,652,299)	(\$30,843,001)	(\$15,076,076) <sup>4</sup>	(\$37,189,734)
Ending Balance	\$21,010,583 <sup>2</sup>	\$10,766,418	\$25,614,113	\$9,048,413

<sup>1</sup> Final revenues and expenditures per state accounting system reports.

<sup>2</sup> Actual July 1, 2009 balance.

<sup>3</sup> Actual revenues received during fiscal year 2010 and estimated revenues for fiscal year 2011 based on average of fiscal year 2009 and 2010 actual amounts.

<sup>4</sup> Estimated expenditures for the 2009-11 biennium, as projected by the State Water Commission.

**Notes:**

The water development trust fund was established by the Legislative Assembly in 1999, upon enactment of North Dakota Century Code Section 54-27-25. North Dakota Century Code Section 54-27-25 established the tobacco settlement trust fund, in which is deposited state proceeds received pursuant to the tobacco master settlement agreement. Monies in the tobacco settlement trust fund were allocated 45 percent to the water development trust fund, 45 percent to the common schools trust fund, and 10 percent to the community health trust fund. Monies in the water development trust fund are to be used for the long-term water development and management needs of the state.

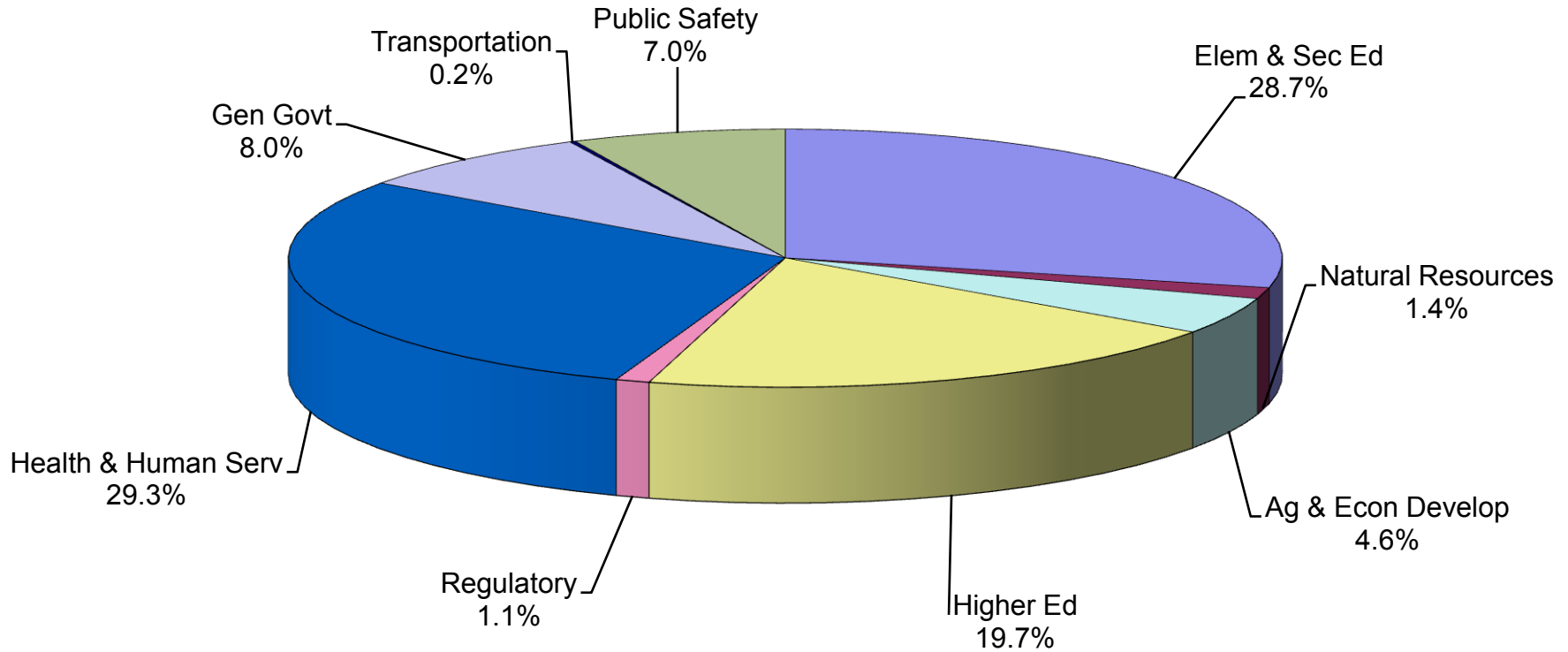
In November 2008, voters approved Measure No. 3, which created a tobacco prevention and control trust fund to receive all tobacco settlement strategic contribution fund moneys received by the state. Provisions of the measure were in effect prior to receipt of the 2009 strategic contribution fund payment in April 2009, resulting in a reduction of water development trust fund revenue for the 2007-09 and subsequent bienniums due to amounts deposited in the tobacco prevention and control trust fund that would have otherwise been deposited in the water development trust fund.

The initiated measure also established that if the tobacco prevention and control trust fund does not have adequate money to fund a comprehensive statewide tobacco prevention and control program, money will be transferred from the water development trust fund to the tobacco prevention and control trust fund in an amount determined necessary by the Tobacco Prevention and Control Executive Committee. The 2009 Legislative Assembly clarified that any money deposited in the water development trust fund may only be spent if legislatively appropriated.

# State of North Dakota Recommended General Fund Appropriations by Function for the 2011-13 Biennium

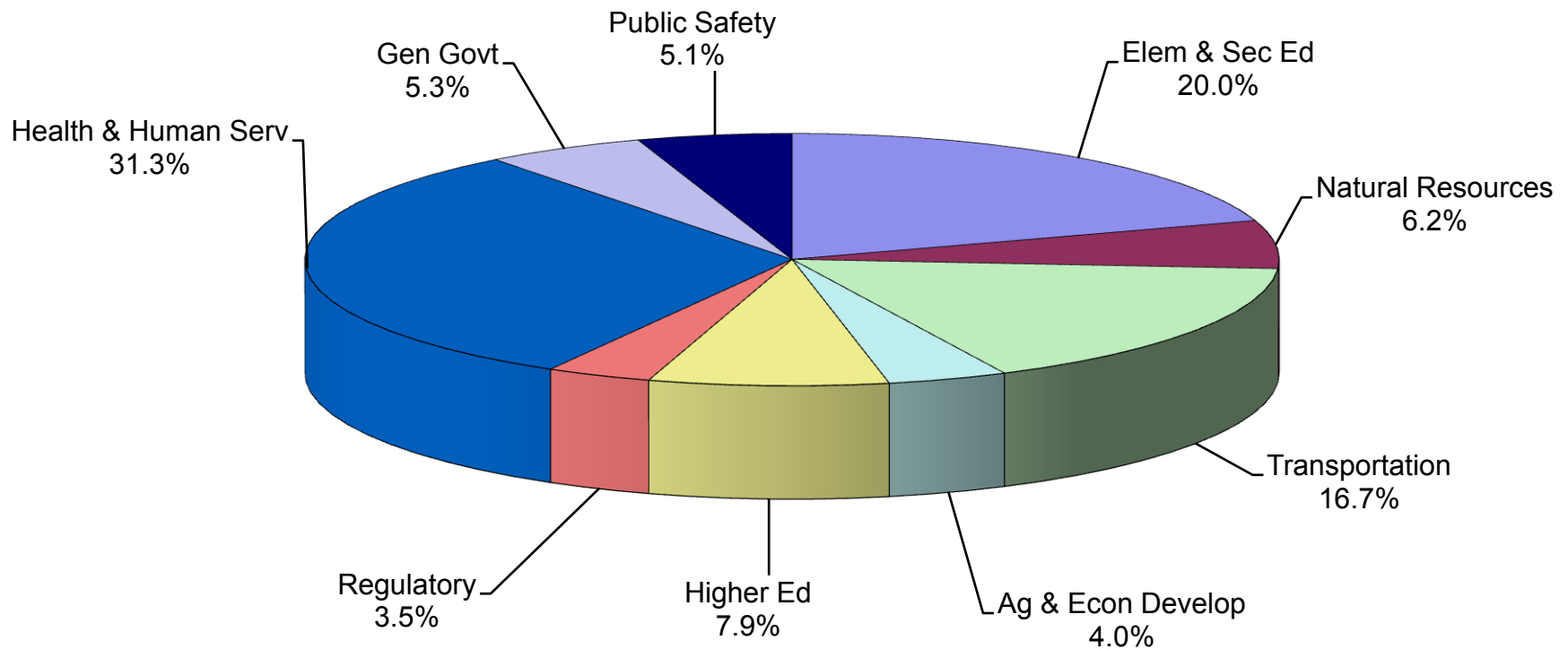
**\$3.296 Billion \***

**\* \$3.185 Billion On-Going Expenditures  
\$0.110 Billion One-Time Investments**



# State of North Dakota Recommended Total Fund Appropriations by Function for the 2011-2013 Biennium

**\$9.294 Billion**



## **Budget Highlights**

### **General Government**

#### **Office of Management and Budget**

The executive recommendation provides \$43.0 million to the Office of Management and Budget to continue to provide services to state agencies. Funding includes \$3.0 million from the capitol renovation fund as recommended by the Capital Grounds Planning Commission to install exterior signs at each entrance to the capitol grounds, brass restoration throughout the legislative wing and ground floor, restoring the wood and desks in the legislative chambers and remodel of the capitol café and hallway. Planning of North Dakota's 125<sup>th</sup> anniversary is included by funding a coordinator to plan events.

#### **Information Technology**

The executive recommendation includes the Commission on Education Improvement's recommendations of \$4.8 million to continue funding the Statewide Longitudinal Data System and Center for Distance Education tuition subsidy for North Dakota students. Funding provides staffing of 3.00 FTE and hosting and maintenance of the Longitudinal Data System. The tuition subsidy will support North Dakota students enrolling in online courses to ensure adequate access to education statewide.

Also important to the Governor is continuing efforts to build the Health Information Exchange (HIE). The budget recommendation includes 3.00 FTE and \$14.9 million for salaries and operating. The HIE will enable healthcare providers to maintain electronic health records so medical information is accessible when treating patients. Funding includes \$4.5 million from carryover of the Bank of North Dakota transfer authorized in the 2009-11 biennium. The transfer can be used for matching funds and ongoing operations to support the Health Information Exchange. The remaining \$5.2 million special fund authority is for revenue received from providers for use of the exchange. Federal authority of \$5.1 million provides for carryover of federal stimulus funds. Also included is authority to continue the loan program at the Bank of North Dakota with an additional \$5.0 million for loans to providers to assist with efforts in accessing hardware and converting to electronic health records ultimately connecting to the Health Information Exchange.

The executive recommendation for the Information Technology Department includes \$19.1 million from the general fund for a total budget of \$164.4 million. Funding provides an additional \$306,956 for base operations and storage costs for the Geographical Information System, allowing electronic accessibility to statewide geographical data. The Criminal Justice Information Sharing (CJIS) projects are included with an additional \$200,000 from the general fund for a total program funding of \$3.0 million. Funding includes operation of the new Statewide Automated Victim Information and Notification (SAVIN) system. Funding authority is included to complete several projects such as Enhanced 911, which will ensure help arrives near the location of the 911 caller, and broadband mapping, a project to develop and maintain a statewide map of broadband availability throughout the state.

Additional FTE included in this budget recommendation were reallocated from existing programs within the department resulting in no new FTE.

#### **Secretary of State**

The executive recommendation provides \$3.5 million from the general fund to continue the database and processing platform migration project. This platform change will enhance services for customers and enhance productivity within the department. In addition, \$43,039 is authorized from the general fund to develop an online public meeting notification system.

#### **Office of Attorney General**

The executive recommendation includes one-time funding of \$312,400 from the general fund for Crime Lab equipment and Bureau of Criminal Investigation undercover vehicles and surveillance van. Special fund authority of \$900,000 is devoted to update various law enforcement computer applications. The budget also includes one-time funding of \$486,300, of which \$450,000 is from special funds and \$36,300 from the general fund, for criminal history rewrite information technology project planning. The budget includes an operating expense increase of \$204,018, of which \$180,767 is from the general fund, primarily for maintenance agreements and data processing costs. In addition, \$192,293 from the general fund is included for forensic scientist salary equity adjustments and salary adjustments for achieving certification.

#### **Office of Tax Commissioner**

The executive budget recommendation for the Office of the Tax Commissioner includes \$8.8 million for the homestead tax credit program, an increase of \$2.8 million or 47.4 percent. This increase is based on Tax Department estimates to fully fund the program with no changes to current law. In addition, a \$1.8 million supplemental appropriation is recommended for the program for the 2009-11 biennium. The Governor's budget for 2011-13 also includes \$4.2 million, an increase of \$1.2 million or 41.5 percent, for the disabled veterans' credit program.

The department's GenTax software application has proven to be a valuable tool for the department in administering taxes and collecting tax revenues. The executive budget includes \$3.2 million for the upgrade, maintenance, and support of this critical application.

### **Elementary and Secondary Education**

#### **Department of Public Instruction**

The Governor's recommendation for elementary and secondary education funding continues the groundbreaking work of the Governor's Commission on Education Improvement. The Commission was created by the Governor in January 2006 and has received national recognition for its collaborative work to improve elementary and secondary education funding equity and adequacy in North Dakota. Commission recommendations have received broad support and were adopted with little change in the 2007 and 2009 legislative sessions.

For the 2011-13 biennium, the Governor's budget recommendation includes \$919.5 million for state school aid, an increase of \$94.3 million. Per student payments are increased by \$100 per year, using \$94.3 million of new funding and \$9.0 million of carryover authority from the 2009-11 biennium. Included in the school aid increase is \$54.3 million to continue payment levels and formula changes enacted by the 2009 legislature and \$7.5 million for an alternative teacher compensation system pilot project. In addition, funding for special education contracts is increased by \$500,000 and funding for transportation aid is increased by \$5.0 million.

The Commission on Education Improvement has adopted many important recommendations for improving the state's elementary and secondary education system, all of which are incorporated into the executive budget. In addition to school aid program changes, the Governor's budget includes the following items recommended by the Commission on Education Improvement for the 2011-13 biennium:

- \$678,400 for the estimated costs of administering the ACT test, including the writing section, to all eleventh grade students in North Dakota.
- \$122,000 for costs associated with the professional development advisory committee established by the 2009 legislature.
- \$100,000 for curriculum alignment grants to improve the alignment of language arts between high schools and institutions of higher education.
- \$461,500 for the establishment of a mentoring program for new principals.
- \$125,000 for grants of up to \$5,000 per classroom to assist schools making safety compliant space available for licensed pre-kindergarten programs.
- \$150,000 for continuing education grants for pre-school teachers.
- \$300,000 for costs associated with the alternative teacher compensation system review panel and a contracted program adviser.

Other amounts included in the executive recommendation for the Department of Public Instruction include:

- \$200,000 for contracted grant writing consultants to assist the department in applying for competitive grants.
- \$66,000 to continue the North Dakota Indian Education Advisory Council.
- \$763,586 to increase state funding for assessment programs from \$1.4 million to \$2.2 million.
- \$82,500 for teacher stipends and assessment fees paid by the Educational Standards and Practices Board (ESPB) through the National Board Certification Program. Funding for the program is increased from \$102,500 to \$185,000.
- \$2.3 million to be provided to ESPB to continue the teacher mentoring and support program established during the 2009-11 biennium.
- \$384,000 from the general fund for required updates and maintenance of the department's STARS application. The STARS application is the primary system used to collect educational data from school districts.
- \$200,000 from the general fund to allow the ESPB teacher database project to be completed in compliance with federal requirements.

The property tax relief program enacted by the 2009 legislature provides for mill levy reduction grants to school districts. The program was funded for the 2009-11 biennium with a \$295.0 million appropriation from the permanent oil tax trust fund. The 2009 legislature also established the property tax relief sustainability fund to provide funding for the mill levy reduction grant program in future bienniums. The executive recommendation provides the following:

- A supplemental appropriation of \$4.2 million from the property tax relief sustainability fund to fully fund the program for the 2009-11 biennium.
- An appropriation of \$341.8 million from the property tax relief sustainability fund for the mill levy reduction grant program for the 2011-13 biennium.
- A transfer of \$51.0 million from the permanent oil tax trust fund to the property tax relief sustainability fund to provide funding for the mill levy reduction grant program for the 2009-11 and 2011-13 bienniums.
- An additional transfer of \$341.8 million from the permanent oil tax trust fund to the property tax relief sustainability fund to reserve money to fund the mill levy reduction grant program for the 2013-15 biennium.

The executive recommendation also provides federal spending authority of \$21.5 million for the Education Jobs Fund program awarded to the state. An emergency clause is included to allow funding to be distributed to school districts during the 2010-11 school year.

### **Higher Education**

The executive recommendation includes a \$656.8 million state-funded higher education system budget for the 2011-13 biennium. The state general fund contributes \$643.5 million while \$3.3 million comes from the permanent oil tax trust fund and \$10.0 million is lands and minerals trust fund dollars. Infrastructure investments represent \$48.7 million of the total budget. Included is \$40.0 million for capital projects, \$4.4 million for extraordinary repairs, and \$4.3 million to pay off special assessments throughout the campuses.

The largest portion of the ongoing increase consists of \$32.6 million for parity distributions to colleges. Parity includes funding for 3.0 percent annual salary increases and fully-funded health insurance for NDUS employees. Additionally, cost adjustments are allowed for building utilities for existing and newly opened campus facilities.

To begin a shift towards a results-oriented funding model, the Governor is recommending \$5.0 million to be allocated to the colleges utilizing a program completion-based funding formula. A \$10.0 million appropriation was also approved to continue the equity distributions under the NDUS long-term funding plan.

The Governor continued the emphasis on students by providing \$6.6 million to freeze tuition at two-year colleges and limit tuition increases at other institutions to 2.5 percent per year. The lands and minerals trust fund has been identified as the permanent funding source for the career and technical education and academic scholarship program initiated in the 2009-11 biennium. These scholarships for the 2011-13 biennium are expected to approach \$10.0 million. Additionally, needs-

based grants are sustained at 2009-11's historical level of \$19.0 million from the general fund.

Student safety and health concerns are important to the Governor. The NDUS requested, and the Governor approved, \$871,000 for a student mental health services initiative. \$715,000 would be used to ensure that licensed mental health counseling services are always available at every campus, while \$156,000 would cover one-time start-up expenses such as training and software.

In an effort to improve the medical services available to North Dakotans, the executive budget directs \$2.4 million to the UND School of Medicine and Health Sciences Master's in Public Health and geriatrics training initiatives and sustains the Rural Medicine scholarship program with existing funding. Another \$1.6 million is recommended to support and expand the statewide nursing consortium.

### **Land Department**

The executive recommendation provides authorization for 3.0 FTE positions. Two positions relate to the department's responsibilities administering state owned mineral interests. The increasing volume of oil activity has resulted in a significant increase in the workload for the agency. In order for the agency to continue to effectively manage state assets and meet its statutory and constitutional obligations, additional staffing is required.

The oil and gas impact grant program is administered by the Land Department to provide competitive grants to political subdivisions negatively impacted by oil and gas development. In order to more adequately address the negative impact on political subdivisions in western North Dakota, the oil and gas impact program is expanded from the current level of \$8.0 million per biennium to \$100.0 million per biennium. One additional administrative assistant is recommended to assist in the administration of the expanded energy development impact grant program.

### **School for the Deaf**

The executive recommendation for the School for the Deaf includes \$200,000 from the general fund to continue the higher education interpreter grant program authorized by the 2009 legislature. The executive budget also provides nearly \$1.0 million for critical fire suppression, air handling, electrical service, and other safety/health improvements to the school building, kitchen/dining building, and dormitory. The improvements are partially funded with \$835,000 originally appropriated by the 2009 legislature for remodeling of the Trades Building. The executive recommendation provides for the transfer of the unspent \$835,000 appropriation to the School for the Deaf fund for appropriation for the 2011-13 biennium.

### **Career and Technical Education**

The 2011-13 executive recommendation for the Department of Career and Technical Education increases general fund grants by nearly \$2.0 million to provide \$20.0 million for grants to support career and technical education (CTE) programs. An additional \$400,000 is provided to increase CTE program reimbursements and an additional \$400,000 is provided to expand CTE course offerings. Grant funding is increased by \$1.0 million to provide support for the establishment of one new

virtual CTE center to expand CTE offerings for students. Workforce training grants are continued at \$3.0 million for the 2011-13 biennium.

### **Health and Human Services**

#### **ND Department of Health**

The Governor's recommendation for the Health Department is \$186.5 million, including \$28.0 million from the general fund, to continue to promote healthy lifestyles throughout North Dakota. Included in the recommendation is \$1.0 million to support suicide prevention among at-risk groups including youth, young adults, American Indians and Veterans. Addressing the needs of citizens in all age groups will require coordination of prevention and early intervention strategies. Funding is used to implement community-based programs in areas with the highest rates of youth suicide mortality.

Important programs previously funded with community health trust fund dollars are continued with funding from the general fund. Those programs include Domestic Violence, Stroke Registry, Women's Way, Colorectal Cancer Screenings, EMS training grants and several medical loan programs. Included in the executive recommendation is \$1.0 million to continue the efforts in domestic violence. Total agency funding of \$1.7 million will provide additional grants to 21 agencies to support victims of domestic violence. The state Stroke Registry is funded with \$472,700 from the general fund. The Women's Way program receives \$300,500 from the general fund for total program funding of \$654,332 to provide screening for breast and cervical cancer to low-income, uninsured and underinsured clients. Colorectal cancer screenings continue to be funded with \$477,600 from the general fund. The budget recommendation continues funding of \$300,000 from the general fund to maintain program funding of \$1.2 million for training to 3,000 EMTs.

Medical loan repayment programs are continued with \$270,000 to provide loans to three new physicians and three new mid-level practitioners each year for total program funding of \$420,000. The dental loan program funding includes an additional \$200,000 for ten new dentists for total funding of \$470,000. Loan programs ensure that needed medical services are provided in rural areas of the state. The veterinary loan program continues to be funded from the general fund with \$135,000 for three new veterinarians per year for total funding of \$445,000.

Regionalization of local public health units provides efficiencies and ensures adequate services are provided throughout North Dakota communities. One pilot program was funded in the 2009-11 biennium. The success of that program results in funding of \$275,000 to establish one additional regional public health unit. Prenatal alcohol screening supports screening and intervention tools for mothers drinking during pregnancy to reduce mortality rates in infants. Funding of \$388,458 is included for this program.

#### **Veterans Home**

The executive recommendation provides \$20.8 million, with \$5.7 million from the general fund, to care for North Dakota veterans in a new basic and skilled care

facility. Funding of \$155,000 is provided to complete projects on the grounds around the new Veterans Home building.

### **Indian Affairs Commission**

The executive recommendation for the Indian Affairs Commission includes \$100,000 for suicide prevention and education for American Indian youth. In addition, an increase of \$20,000 for a program total of \$60,000 is provided to continue the North Dakota Indian Youth Leadership Academy.

### **Department of Veterans Affairs**

The executive recommendation for the Department of Veterans Affairs is \$847,878, an increase of \$163,293. Included is \$30,000 to arrange for training of county veterans service officers on emerging issues including post traumatic stress disorder (PTSD) and traumatic brain injury (TBI). Also provided is nearly \$40,000 to enhance services by continuing conversion of veterans' records to electronic format and purchase of web software to better enable access to veterans' available benefits and services.

### **ND Department of Human Services**

The Governor's recommendation for the Department of Human Services provides \$2.611 billion, including \$927.4 million from the general fund. As a result of the growing economy and rising personal income in North Dakota along with the struggling economy in other states causing their average income to drop, the Federal Medical Assistance Percentages (FMAP) has again decreased federal support for medical programs in North Dakota from the current ARRA enhanced level of 69.9 percent to 55.4 percent beginning in federal fiscal year 2012. This decrease has resulted in additional state need of \$174.2 million. Of this amount, \$69.3 million is to replace the federal stimulus program funding received for FMAP in the 2009-11 biennium. The cost to maintain other program services authorized by the 2009 legislature is \$74.2 million from the general fund.

Other significant changes included in the Governor's recommendation are providing \$3.4 million to hospitals for uncompensated care when serving the Department of Human Services mental health clients. The budget also includes \$1.4 million from the general fund for additional beds in a crisis stabilization unit for the seriously mental ill. Nearly \$1.0 million is added to provide additional contract services for chemical dependency residential services to include services for social detox and crisis mental health. Residential adult crisis bed capacity is expanded with \$309,128. These additions will help maintain the capacity limit at the State Hospital.

The executive recommendation provides inflationary increases to providers of 3.0 percent each year of the biennium at a cost of \$54.3 million, including \$25.5 million from the general fund. Federal healthcare reform legislation results in the addition of 7.00 FTE to implement new requirements to expand the Medicaid program and implement various federal regulations. The increased FTE for this program are offset by the FTE reduction, resulting in an overall decrease of 20.53 FTE for the department.

The executive budget includes \$300,000 to increase the funding available to senior service providers, a network of nonprofit agencies and volunteers delivering home and community based services to the elderly, such as meals, chore services, transportation and health maintenance services. To support seniors' education in the legislative process, the Governor includes \$10,000 for the Silver Haired Assembly. In order to maintain accreditation at the State Hospital, the recommendation provides \$1.8 million to complete Joint Commission requirements of testing fire and smoke dampers, replacing an emergency generator and expanding the electrical capacity at the New Horizons building.

### **Job Service North Dakota**

The executive recommendation includes \$1.0 million in federal fund authority for the agency's portion of the state-wide project to build a comprehensive education and workforce longitudinal data system.

### **Regulatory**

#### **Insurance Commissioner**

The executive recommendation for the Insurance Department continues grants to fire districts at \$6.2 million from the insurance tax distribution fund. Grants to the North Dakota Firefighters Association are continued at \$790,000, \$620,000 from the insurance tax distribution fund and \$170,000 from the fire and tornado fund. In addition, \$2.5 million, \$2.0 million of federal funds and \$500,000 from the insurance regulatory trust fund, along with 5.00 FTE positions, is recommended for enhanced insurance premium rate review activities relating to health care reform.

#### **Industrial Commission**

Increased energy activity within the state has significantly impacted the operations of this agency. As a result, the executive recommendation funds 10.00 new FTE to conduct field inspections of drilling rigs and facilities; to ensure that all oil and gas production is accurately and timely reported; and to administer the subsurface minerals program. In addition, 2.00 FTE previously funded from the lands and mineral trust fund through a contingent appropriation are sustained from the general fund. The budget also includes \$255,819 from the general fund for market salary adjustments targeted for recruitment and retention of geologist and engineer positions. Finally, the Governor's budget provides a \$3.0 million one-time transfer from the general fund to the renewable energy development fund to enhance renewable energy research, development, and education programs.

#### **Bank of North Dakota**

The executive budget enhances the beginning farmer loan program with a \$1.4 million transfer from the general fund to the beginning farmer revolving loan fund. General fund support for the PACE programs total \$8.0 million, with \$6.0 million allocated to PACE, \$1.0 million directed to agriculture PACE, and \$1.0 million allocated to biofuels PACE. The Governor's budget also includes \$3.0 million in federal fund authority to provide financial aid related education and outreach services for those pursuing higher education.



## **North Dakota Mill and Elevator Association**

The executive budget recommends 4.00 new FTE, including: two rail car checker positions, a sales representative, and a laboratory technician, to meet the demands of increased production. These positions are funded entirely from mill profits.

## **Public Safety**

### **Highway Patrol**

The executive budget provides one-time funding of \$4.1 million, of which \$3.6 million is from the general fund, for the construction of an emergency vehicle operations course and an indoor weapons training range for the Law Enforcement Training Academy. Also included is one-time funding of \$1.2 million, of which \$1.1 million is from the general fund, to replace out-dated analog radio equipment with digital repeaters for patrol vehicles.

The Governor's budget also includes 3.00 new FTE motor carrier officer positions to increase weight enforcement to address the impact on North Dakota roadways as a result of increased truck traffic.

### **Department of Corrections and Rehabilitation**

The Governor's recommendation for the Department of Corrections and Rehabilitation equips the agency to deal with the continually increasing number of inmates and provides funding to continue alternative sanctions and treatment options.

The prison expansion project, authorized by the 2009 legislature, is expected to be completed by December 2012. The budget recommendation includes 66.00 FTE positions to be filled in October 2012 so that the new staff can be trained prior to offenders occupying the new facility. The budget recommendation includes \$32.1 million to continue contracted services with county and regional jails and private entities. The budget for contracted services and programming is increased by \$3.2 million based on modest contract rate increases and an inmate population that is estimated to grow at a rate of around 2.0 percent per year. The budget is based on a diminished need to contract for inmate housing beginning in December 2012 as additional beds become available in the new facility.

### **Office of the Adjutant General**

The Office of the Adjutant General consists of the North Dakota National Guard and the Department of Emergency Services, which includes both the homeland security and state radio divisions. The Governor has recommended a two-year total budget of \$232.1 million, of which 12.5 percent, \$29.1 million is from the general fund. The budget supports a staffing level of 242.00 FTE.

The executive budget includes a \$4.0 million investment from the general fund targeted toward the safety and security of North Dakotans. This investment includes \$2.3 million to purchase equipment and lease the radio tower space to close gaps in the state radio tower communication infrastructure. Another \$1.1 million will be used to upgrade the State Radio central electronics bank that is integral to maintaining radio communications and dispatching ability with law

officers, rural fire departments and emergency medical services throughout the state. Finally, \$600,000 will complete the statewide seamless base map project initiated in the 2009-11 biennium and upgrade the state radio message switch.

For the third consecutive biennium, the Governor's budget enhances the reintegration program for North Dakota soldiers by providing \$150,000 from the general fund to establish a military service center in eastern North Dakota. Similar to the one-stop resource center in Bismarck, the center will provide a multitude of transition services to all veterans and their families, regardless of age, service, or conflict served in.

Other significant items within the budget include:

- \$1.5 million for the final payment on the Motorola lease for state radio equipment.
- \$650,000 to maintain and repair state supported military buildings.
- \$356,000 for support and maintenance of the computer aided dispatch project completed during the 2009-11 biennium.
- \$198,000 insurance for utilities and a new 1.00 FTE maintenance worker at the Regional Training Institute, funded with 75.0 percent federal funds.
- \$149,000 and 4.00 FTE for regional emergency management coordinators funded 25.0 percent from the general fund and 75.0 percent from federal funds.
- Authorization of 5.00 FTE for firefighters at the Hector Airfield, entirely funded with federal funds.

## **Agriculture and Economic Development**

### **Department of Commerce**

The Commerce budget encompasses the divisions of Community Services, Economic Development and Finance, Tourism, Workforce Development, as well as the Governor-recommended new Division of Energy, that work together to expand the economy of North Dakota, support community development and provide services to low-income people. The Governor's recommendation includes an overall biennial budget of \$134.1 million, of which approximately \$45.6 million is from the general fund, to support a staffing level of 70.25 FTE.

The newly created Division of Energy will be responsible for promoting energy development within the state, handling energy infrastructure issues, and managing renewable energy programs. The recommended \$600,000 general fund appropriation will fund 2.00 new FTE for a division director and program manager, as well as contracted professional services and other operating expenses.

The executive budget continues support for the North Dakota Trade Office and recommends a \$489,000 increase in the office's two year budget. Funds will be utilized to identify transloading opportunities, assist with capital formation, replace grant funding not anticipated to be available in the 2011-13 biennium and expand North Dakota's overseas presence.

As suggested by the Commission on Education Improvement, the executive budget provides \$150,000 from the general fund for grants to individuals working in the childcare industry who wish to obtain a child development associate credential. Funding will allow for grants of up to \$1,200 per person for 125 individuals.

The executive budget includes \$125,000 from the general fund to develop a statewide marketing effort to educate employers on the Work Keys program and create demand for its use as an assessment and recruitment tool with businesses and individuals.

The Governor recommends \$20.0 million from the general fund (\$15.0 million one-time and \$5.0 million carryover from unexpended current appropriations) for a restructured centers of excellence program that will utilize North Dakota's universities and colleges to help drive economic growth. Funding will be targeted towards:

- Centers of Research Excellence – The program would target up to \$10.0 million to commercialization and research talent attraction grants and up to \$3.0 million to infrastructure development grants.
- Centers of Entrepreneurship Excellence – \$5.0 million from the general fund would provide assistance to entrepreneurs in the areas of accessing capital, marketing, entrepreneur infrastructure, and entrepreneur talent.
- Centers of Workforce Excellence – This program, previously known as the workforce enhancement grant program, will direct \$2.0 million to allow two-year colleges to respond to the workforce needs of private sector partners.

The Governor recommends \$920,338 from the general fund to continue both the child care grant and loan programs established in the 2009-11 biennium. Grant funding of \$500,000, loan funds of \$400,000 and \$20,338 of administrative costs will enable the program to continue providing financial assistance to individuals and businesses to start and expand operations.

Funding for the American Indian Business Office is increased by \$100,000, a 100.0 percent increase, to enable the office's contract for services to assist Native American owned businesses with procurement opportunities and job training.

Additionally, the Governor recommends \$100,000 from the general fund to continue support of the four existing Jobs for America's Graduates (JAG) programs for the 2011-13 biennium.

### **Department of Agriculture**

The Department of Agriculture consists of six divisions: administration; pesticides, feeds & fertilizer; plant protection; business development; state veterinarian; and livestock services. For the 2011-13 biennium, the Governor recommends a budget of \$21.5 million to support a staff of 74.50 full-time employees. The state general fund portion of the budget is \$8.1 million, a 6.7 percent increase over the previous biennium.

The 2009 Legislative Assembly directed the Agriculture Commissioner to implement a program to promote agricultural commodities that are sustainably grown in North Dakota. The executive budget recommendation provides \$288,347 from the general fund for 1.00 FTE and the related operating expenses to fulfill this requirement. Similarly, \$67,005 from the general fund is approved to fund a part-time marketing specialist to increase business development and marketing services to the Pride of Dakota member companies.

Agriculture is the largest user of freight transportation in the United States, and railroads transport more than 70.0 percent of the commodities produced in North Dakota. The executive budget approves \$50,000 from the general fund for contracted research surrounding the transportation trends, policies, and rates impacting North Dakota's agriculture industry.

Federal funding levels have been reduced in several department areas. To ensure that critical services are continued as funds decrease, the Governor's recommendation includes approximately \$78,000 from the general fund for administrative support for the Board of Animal Health and \$65,000 to maintain the Reserve Corps Veterinarian program.

Finally, the recommended biennial budget authorizes \$26,240 from the general fund to conduct critical emerald ash borer inspections and survey work, as well as to conduct plant pest surveys to enable export certifications and nursery dealer inspections. Another \$27,140 will be utilized by the apiary inspection program for complaint investigations and colony inspections related to colony collapse disorder.

### **Agricultural Research and Extension**

The 2011-13 executive budget appropriates the final \$7.0 million from the general fund to complete construction of the state-of-the-art research greenhouse complex, which, when completed, will feature conventional, or biosafety level BL1-P, biosafety level BL2P and biosafety level BL3-P greenhouses. Each consecutive level guarantees an increased level of security and precision, which expands the types of research possible. The \$35.0 million facility was funded with \$27.4 million state bonds or general fund moneys. Remaining dollars were a combination of donated special funds or federal grants.

In addition to the ongoing operational costs for the Main and Branch Research Centers, Extension Service and the Agronomy Seed Farm, the Governor recommends a funding increase of \$4.9 million for the following items ranked highest by the State Board for Agriculture Research and Extension:

- Greenhouse utilities: \$173,622
- Soil, health, productivity and land management: \$2.1 million
- Technical support (salaries, operating, equipment): \$2.3 million
- Livestock stewardship: \$250,000

The Governor's budget also includes \$887,800 for the Soil Conservation Committee, an increase of \$50,000 over the previous biennium.

## **Natural Resources and Transportation**

### **Historical Society**

The Governor's budget recommendation for the Historical Society authorizes 1.00 new FTE exhibit specialist to assist in managing the expanded exhibit space that will result upon the completion of the Heritage Center expansion project authorized by the 2009 legislature. The budget recommendation also includes \$1.0 million, of which \$650,000 is from federal funds and \$350,000 from the general fund, for a bank stabilization project to protect the Fort Abercrombie State Historic Site.

The interpretation and preservation of the state's heritage is only possible through the efforts of qualified staff, both temporary seasonal staff and permanent FTE positions. As private sector wages increase, the agency finds it increasingly difficult to hire and retain seasonal temporary staff, which is critical for the operation of the state's historic sites. To address this issue, \$174,000 is provided to increase temporary seasonal salaries \$1.00 per hour each year of the biennium, to an average of \$10.50 per hour by 2012-13.

### **Game and Fish Department**

A key initiative of the department has been the expansion of public hunting access on private land. The Governor's budget continues the focus on this initiative and authorizes \$8.4 million, an increase of \$1.4 million, for landowner payments to maintain public hunting access to over 1.0 million acres.

The Game and Fish Department provides grants to support various agencies and programs. The Governor's budget recommendation includes the following:

- Grants to support the federal Wildlife Services agency are continued at \$768,800.
- Grants to support the Garrison Dam Fish Hatchery are increased from \$440,000 to \$520,000.
- Grants to support the Department of Agriculture's Board of Animal Health are continued at \$200,000.
- Grants to support boat ramp operation and maintenance at state parks are continued at \$122,000.
- A grant of \$400,000 is provided to the Parks and Recreation Department to provide a portion of the non-federal cost share of the Grahams Island State Park access road project.

### **Parks and Recreation Department**

State parks provide valued outdoor recreational opportunities for North Dakotan's and visitors to the state. To preserve and improve the state's park system, over \$750,000 is recommended for major repairs at various parks. Over \$5.2 million is recommended for capital projects, including the following:

- \$2.9 million, \$400,000 from the Game and Fish Department and \$2.4 million from the general fund, for the non-federal cost share of the \$14.4 million project to raise the Grahams Island State Park access road.

- \$240,000 to complete the purchase of new docks at the Fort Stevenson State Park marina.
- \$175,000 to provide electricity and water service to a portion of the new docks at Fort Stevenson.
- \$565,000 for road maintenance and repair projects at Lewis and Clark State Park.
- \$700,000, \$350,000 from the general fund and \$350,000 from federal funds, for a campground expansion at Grahams Island State Park.
- \$90,000 to construct a shower facility at Little Missouri State Park.
- \$240,000 to upgrade water and electric service at Lewis and Clark State Park.
- \$275,000, \$55,000 from the general fund and \$220,000 from federal funds, for the development of multi-use trails, primarily in the Pembina Gorge and Turtle Mountain areas.

An additional position is authorized to convert a long-term temporary grants administrator position to an FTE position. In addition, \$96,800 is provided to increase seasonal temporary salaries to an average wage rate of \$10.50 per hour by the end of the 2011-13 biennium, allowing the department to offer competitive wages and fill important seasonal staff positions.

### **Water Commission**

The executive budget includes 1.00 new FTE for a Water Development Division director to address increasing demands as a result of significant flood control and water supply issues occurring in the state. Previously, the assistant state engineer served in that capacity and as the Water Development Division director.

### **Department of Transportation**

Increased oil and gas production has had a significant impact on the state's infrastructure. Oil and gas exploration and production rely heavily on the state's roads to move drilling rigs, supplies, and produced oil, which have taken a toll on state, county, and township roads. To address the need to make immediate repairs and improvements to infrastructure at the state and local level, the executive budget provides a three-pronged approach. First, the executive budget provides \$228.6 million in one-time funding from the permanent oil tax trust fund for extraordinary state highway maintenance needs. Second, the Governor's budget provides an additional \$142.0 million in one-time funding from the permanent oil tax trust fund for county road reconstruction needs to support oil and gas production and distribution in North Dakota. This funding is based on a needs assessment study conducted by the Upper Great Plains Transportation Institute that resulted in a four-year plan to reconstruct both paved and unpaved county roads affected by the increase in oil and gas production. The funding addresses one hundred percent of paved road needs and provides approximately one-third cost share for unpaved roads for the two-year period. The Department of Transportation will allocate funding based on the priorities identified in the study, as well as observed road conditions. Third, the executive budget increases funding for state, county, city, and township infrastructure needs by allocating twenty five percent of the motor vehicle excise tax to the highway tax distribution fund, an increase of approximately \$46.3 million.

The executive budget also includes \$5.9 million in one-time general fund authority to complete the ND 20 roads-acting-as dams project in the Devils Lake area. In addition, the executive budget recommends special fund authority for:

- 12.00 FTE for motor vehicle licensing specialists, driver's license examiners, and heavy equipment operators to address customer service needs, roadway safety, and increased demand for commercial driver's license testing.

- \$1.1 million for market salary adjustments targeted primarily for recruitment and retention of heavy equipment operators.
- \$2.5 million in one-time authority for asbestos abatement in the central office headquarters building.
- \$500,000 in one-time authority to conduct a planning study for replacing the driver's license information technology system.
- \$538,866 in one-time authority to convert the agency's entire radio network to digital.

## **Compensation Package**

The recommended compensation package includes funds for a 3.0 percent average salary increase per month effective July 1, 2011 and another 3.0 percent average salary increase per month effective July 1, 2012. Salary increases must be based on merit and equity, and are not to be given across the board. Employees whose documented performance levels do not meet standards are not eligible for any salary increase.

The compensation package continues full health insurance coverage for state employees and their families. The total cost for health insurance is \$886.62 per month per employee. This is a \$60.96 or a 7.4 percent increase over last biennium.

The executive recommendation funds the retirement contributions bill endorsed by the interim Employee Benefits Committee. The bill proposes an increase in contributions to the retirement system of 2.0 percent on January 1, 2012 and

another 2.0 percent increase on January 1, 2013. Employees would pay 1.0 percent of the increased contribution and the employer, the State of North Dakota, would pay 1.0 percent of the contribution increase.

In addition to the compensation package noted above, the budget recommends targeted salary equity increases in four agencies as follows:

- Office of the Attorney General, \$192,293 from the general fund, primarily for forensic scientists in the Crime Lab.
- Department of Health, \$70,000 from the general fund, primarily for the air quality and environmental engineers.
- Industrial Commission, \$255,819 from the general fund, primarily for geologists and petroleum engineers.
- Department of Transportation, \$1.1 million from special funds, primarily for heavy equipment operators.

### **Supplemental Appropriation**

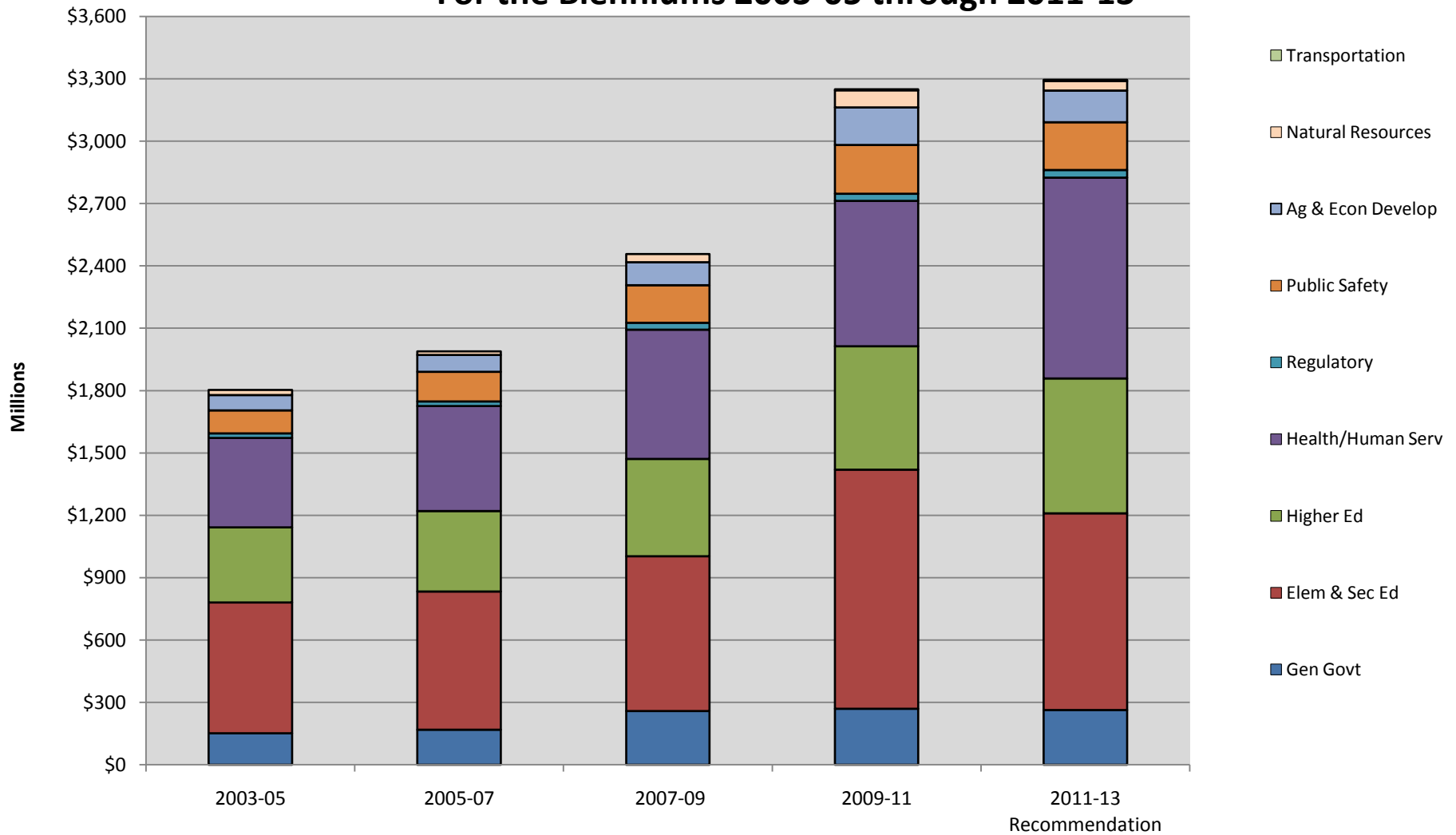
Supplemental appropriations have been recommended for agencies as follows:

- The Office of the Tax Commissioner to cover shortfalls of \$1,349,000 for the Homestead Tax Credit and \$461,000 for the Disabled Veteran's Credit. These supplemental appropriations are funded from the general fund.
- The Department of Public Instruction (DPI) to cover a shortfall of \$4,233,000 for property tax relief based on school district property valuations. This amount will be transferred from the permanent oil tax trust fund to the property tax sustainability fund. This supplemental appropriation is funded from the property tax sustainability fund.
- Valley City State University to cover the state share of costs and FEMA ineligible costs for the 2009 flood totaling \$58,904. This supplemental appropriation is funded from the general fund.

**State of North Dakota**  
**Comparison of General Fund Appropriation by Function**  
**For the Bienniums 2003-05 through 2011-13**

	<b>2003-05</b>		<b>2005-07</b>		<b>2007-09</b>		<b>2009-11</b>		<b>Recommendation 2011-13</b>	
General Government	\$151,008,049	8.4%	\$168,852,736	8.5%	\$258,567,029	10.5%	\$269,297,379	8.3%	\$263,666,401	8.0%
Elementary and Secondary Education	629,628,592	34.9%	664,681,161	33.4%	744,513,198	30.3%	1,150,539,590	35.4%	946,276,530	28.7%
Higher Education	361,541,418	20.0%	387,157,893	19.5%	468,649,624	19.1%	593,296,143	18.3%	648,214,406	19.7%
Health and Human Services	430,097,751	23.8%	505,573,540	25.4%	621,698,364	25.3%	699,314,530	21.5%	967,009,391	29.3%
Regulatory	21,593,990	1.2%	21,112,165	1.1%	33,552,068	1.4%	34,243,364	1.1%	36,337,188	1.1%
Public Safety	110,488,151	6.1%	142,777,447	7.2%	180,305,009	7.3%	235,824,028	7.3%	229,555,281	7.0%
Agriculture and Economic Development	74,596,964	4.1%	81,048,559	4.1%	109,951,724	4.5%	179,549,603	5.5%	152,608,787	4.6%
Natural Resources	24,706,246	1.4%	18,249,122	0.9%	39,736,940	1.6%	82,700,844	2.5%	46,051,557	1.4%
Transportation		0.0%		0.0%		0.0%	4,600,000	0.1%	5,850,000	0.2%
<b>TOTAL</b>	<b>\$1,803,661,161</b>	<b>100.0%</b>	<b>\$1,989,452,623</b>	<b>100.0%</b>	<b>\$2,456,973,956</b>	<b>100.0%</b>	<b>\$3,249,365,481</b>	<b>100.0%</b>	<b>\$3,295,569,541</b>	<b>100.0%</b>

## State of North Dakota Comparison of General Fund Appropriations by Function For the Bienniums 2003-05 through 2011-13

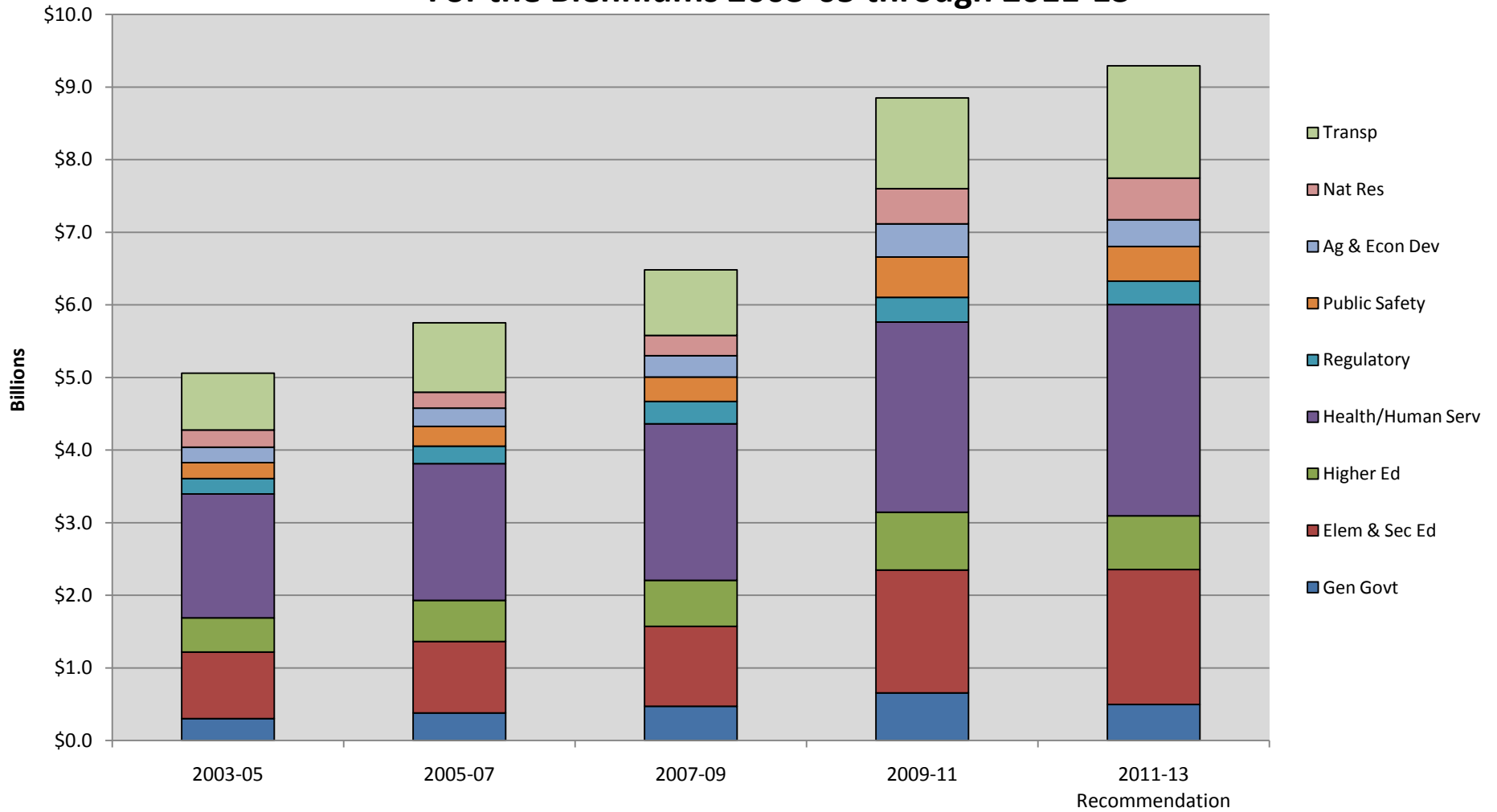




**State of North Dakota**  
**Comparison of Total Funds Appropriations by Function**  
**For the Bienniums 2003-05 through 2011-13**

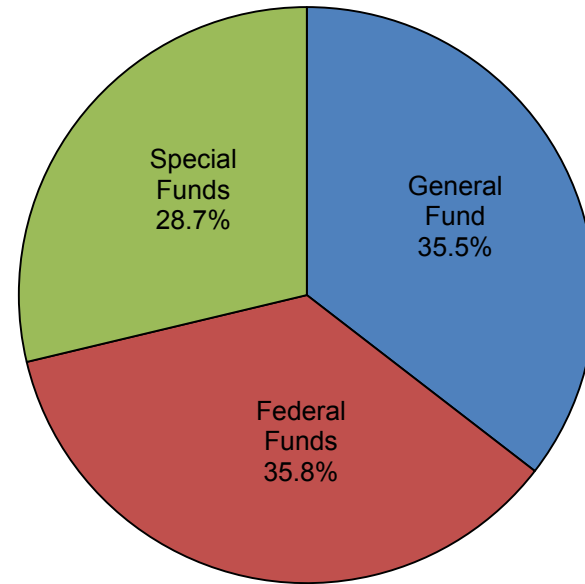
	<b>2003-05</b>		<b>2005-07</b>		<b>2007-09</b>		<b>2009-11</b>		<b>Recommendation 2011-13</b>	
General Government	\$299,857,664	5.9%	\$379,725,102	6.6%	\$471,273,892	7.3%	\$654,969,287	7.0%	\$494,528,222	5.3%
Elementary and Secondary Education	917,804,540	18.1%	983,530,999	17.1%	1,099,105,320	17.0%	1,693,626,375	18.2%	1,860,184,569	20.0%
Higher Education	472,088,193	9.3%	565,710,001	9.8%	634,069,325	9.8%	796,060,507	8.6%	737,451,610	7.9%
Health and Human Services	1,703,558,805	33.7%	1,881,658,571	32.7%	2,157,102,223	33.3%	2,616,798,843	28.2%	2,910,430,160	31.3%
Regulatory	215,333,036	4.3%	240,883,388	4.2%	307,378,766	4.7%	341,869,592	3.7%	324,637,238	3.5%
Public Safety	216,485,182	4.3%	274,585,418	4.8%	337,243,839	5.2%	554,901,374	6.0%	476,366,213	5.1%
Agriculture and Economic Development	214,995,227	4.2%	252,438,998	4.4%	293,302,979	4.5%	456,185,331	4.9%	369,133,850	4.0%
Natural Resources	234,930,831	4.6%	219,132,965	3.8%	279,855,196	4.3%	485,247,968	5.2%	572,552,426	6.2%
Transportation	784,385,918	15.5%	955,008,348	16.6%	903,157,500	13.9%	1,248,615,588	13.4%	1,548,283,665	16.7%
<b>TOTAL</b>	<b>\$5,059,439,396</b>	<b>100.0%</b>	<b>\$5,752,673,790</b>	<b>100.0%</b>	<b>\$6,482,489,040</b>	<b>100.0%</b>	<b>\$8,848,274,865</b>	<b>95.2%</b>	<b>\$9,293,567,953</b>	<b>100.0%</b>

## State of North Dakota Comparison of Total Funds Appropriations by Function For the Bienniums 2003-05 through 2011-13



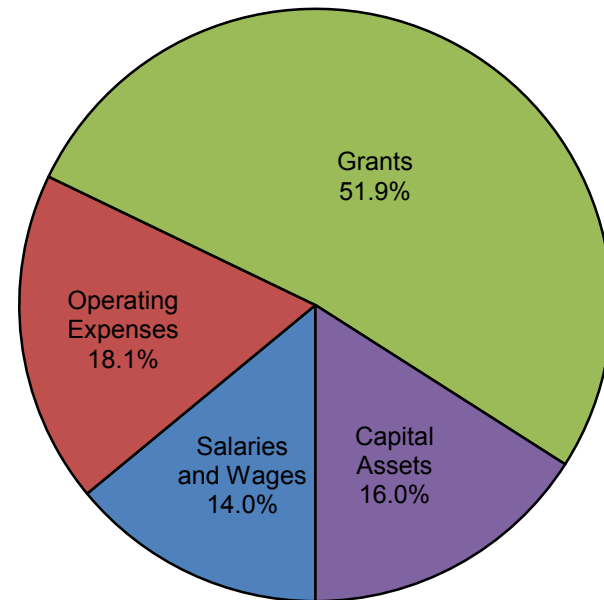
**Recommended Funding Source - Total Funds**

General fund	\$3,295,569,541
Federal funds	3,327,947,751
Special funds	<u>2,670,058,081</u>
<b>Total</b>	<b><u><u>\$9,293,575,373</u></u></b>



**Recommended Expenditures By Type -Total Funds**

Salaries and wages	\$1,302,240,191
Operating expenses	1,684,398,545
Grants	4,823,295,026
Capital assets	<u>1,483,641,611</u>
<b>Total</b>	<b><u><u>\$9,293,575,373</u></u></b>



## Comparison of 2007-2009 and 2009-2011 Legislatively Authorized FTE and 2011-2013 Executive Recommendation

Biennium: 2011-2013

Department	Notes	2007-2009 Legislatively Authorized FTE	2009-2011 Legislatively Authorized FTE	Increase (Decrease)	2011-2013 Executive Recommendation
<b>Executive Branch</b>					
101 Office of the Governor		18.00	18.00	0.00	18.00
108 Secretary of State		27.00	28.00	0.00	28.00
110 Office of Management and Budget		132.50	132.50	(1.00)	131.50
112 Information Technology		305.70	328.20	0.00	328.20
117 Office of the State Auditor		54.80	51.80	(1.00)	50.80
120 Office of the State Treasurer		7.00	7.00	0.00	7.00
125 Office of the Attorney General		188.50	202.50	0.00	202.50
127 Office of State Tax Commissioner		133.00	133.00	0.00	133.00
140 Office of Administrative Hearings		8.00	5.00	0.00	5.00
188 Commission on Legal Counsel for Indigents		29.00	30.00	0.00	30.00
190 Retirement and Investment Office		17.00	17.00	1.00	18.00
192 Public Employees Retirement System		33.00	33.00	0.00	33.00
<b>Legislative and Judicial Branches</b>					
160 Legislative Council		33.00	34.00	0.00	34.00
180 Judicial Branch		338.00	342.00	4.00	346.00
<b>Elementary, Secondary &amp; Other Education</b>					
201 Dept of Public Instruction		94.75	99.75	0.00	99.75
226 State Land Department		18.75	21.75	3.00	24.75
250 State Library		29.75	29.75	0.00	29.75
252 School for the Deaf		43.94	43.94	0.00	43.94
253 ND Vision Services		28.00	29.50	0.00	29.50
270 Career and Technical Education		27.50	28.50	0.00	28.50
<b>Higher Education</b>					
215 ND University System	1	20.00	23.30	0.00	23.30
227 Bismarck State College	1	105.38	111.51	0.00	111.51
228 Lake Region State College	1	30.49	37.50	0.00	37.50
229 Williston State College	1	39.80	43.42	0.00	43.42
230 University of North Dakota	1	637.24	651.91	0.00	651.91
232 UND Medical Center	1	157.74	137.43	0.00	137.43
235 North Dakota State University	1	498.12	584.88	0.00	584.88
238 ND State College of Science	1	156.77	164.87	0.00	164.87
239 Dickinson State University	1	121.60	92.96	0.00	92.96
240 Mayville State University	1	55.89	58.72	0.00	58.72
241 Minot State University	1	184.83	187.83	0.00	187.83
242 Valley City State University	1	78.15	90.37	0.00	90.37
243 Dakota College at Bottineau	1	31.11	34.81	0.00	34.81
244 North Dakota Forest Service	1	19.47	26.00	0.00	26.00

**Comparison of 2007-2009 and 2009-2011 Legislatively Authorized FTE and 2011-2013 Executive Recommendation**

**Biennium: 2011-2013**

Department	Notes	2007-2009 Legislatively Authorized FTE	2009-2011 Legislatively Authorized FTE	Increase (Decrease)	2011-2013 Executive Recommendation
<b>Health and Human Services</b>					
301 ND Department of Health		331.50	343.50	0.00	343.50
305 Tobacco Prevention and Control		0.00	4.00	0.00	4.00
313 Veterans Home		92.37	120.72	0.00	120.72
316 Indian Affairs Commission		4.00	4.00	0.00	4.00
321 Department of Veterans Affairs		7.00	7.00	0.00	7.00
325 Department of Human Services		2,223.38	2,216.88	(20.53)	2,196.35
360 Protection and Advocacy		27.50	28.50	0.00	28.50
380 Job Service North Dakota		308.00	284.05	(22.29)	261.76
<b>Regulatory</b>					
401 Office of the Insurance Commissioner		46.50	45.50	5.00	50.50
405 Industrial Commission		55.37	61.06	12.00	73.06
406 Office of the Labor Commissioner		11.00	12.00	0.00	12.00
408 Public Service Commission		41.00	43.00	0.00	43.00
412 Aeronautics Commission		6.00	6.00	0.00	6.00
413 Dept of Financial Institutions		27.00	29.00	0.00	29.00
414 Securities Department		9.00	9.00	0.00	9.00
471 Bank of North Dakota		176.50	176.50	0.00	176.50
473 ND Housing Finance Agency		43.00	46.00	0.00	46.00
475 ND Mill and Elevator Association		131.00	131.00	4.00	135.00
485 Workforce Safety and Insurance		237.14	247.14	0.00	247.14
<b>Public Safety</b>					
504 Highway Patrol		193.00	194.00	3.00	197.00
530 Dept of Corrections and Rehabilitation		711.29	735.29	67.00	802.29
540 Office of the Adjutant General		232.00	232.00	10.00	242.00
<b>Agriculture and Economic Development</b>					
601 Department of Commerce		66.00	68.00	2.25	70.25
602 Department of Agriculture		67.50	74.50	0.00	74.50
616 State Seed Department		30.00	30.00	0.00	30.00
627 Upper Great Plains Transportation Inst.	2	51.95	52.30	0.00	52.30
628 Branch Research Centers	2	95.56	95.49	0.00	95.49
630 NDSU Extension Service	2	266.33	255.75	0.00	255.75
638 Northern Crops Institute	2	10.20	11.00	0.00	11.00
640 NDSU Main Research Center	2	347.39	329.26	0.00	329.26
649 Agronomy Seed Farm	2	3.00	3.00	0.00	3.00
670 ND Horse Racing Commission		2.00	2.00	0.00	2.00

## Comparison of 2007-2009 and 2009-2011 Legislatively Authorized FTE and 2011-2013 Executive Recommendation

Biennium: 2011-2013

Department	Notes	2007-2009 Legislatively Authorized FTE	2009-2011 Legislatively Authorized FTE	Increase (Decrease)	2011-2013 Executive Recommendation
<b>Natural Resources</b>					
701 Historical Society		60.00	62.00	1.00	63.00
709 Council on the Arts		5.00	5.00	0.00	5.00
720 Game and Fish Department		155.00	157.00	0.00	157.00
750 Parks and Recreation Department		50.50	53.00	1.00	54.00
770 Water Commission		84.00	86.00	1.00	87.00
<b>Transportation</b>					
801 Dept of Transportation		1,052.50	1,054.50	12.00	1,066.50
<b>Total FTE</b>		<b>10,964.26</b>	<b>11,175.64</b>	<b>81.43</b>	<b>11,257.07</b>

**Notes:**

1. Per section 20 of 2009 Senate Bill 2003, the State Board of Higher Education (SBHE) is authorized to adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. As a result, FTE do not require approval in the executive budget. In this schedule, 2009-11 appropriated FTE reflect the adjusted counts as reported to OMB by the SBHE.
2. Per section 8 of 2009 Senate Bill 2020, the State Board of Higher Education (SBHE) is authorized to adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. As a result, FTE do not require approval in the executive budget. In this schedule, 2009-11 appropriated FTE reflect the adjusted counts as reported to OMB by the SBHE.

**COMPENSATION PACKAGE ADJUSTMENTS**

Biennium: 2011-2013

Version: 2011-ALL-R03

Department	Salary Package	EAP Incr	Health Incr	Ret Incr	Total	Funding Sources		
						General	Federal	Special
101 Office of the Governor	119,152	54	27,655	23,561	170,422	170,422	0	0
108 Secretary of State	118,647	80	40,757	23,217	182,701	175,889	6,812	0
110 Office of Management and Budget	588,938	383	190,684	115,411	895,416	748,015	0	147,401
112 Information Technology	2,132,033	1,007	492,720	417,113	3,042,873	562,275	0	2,480,598
117 Office of the State Auditor	320,482	144	74,236	62,789	457,651	351,809	41,767	64,075
120 Office of the State Treasurer	37,320	22	10,188	7,303	54,833	54,833	0	0
125 Office of the Attorney General	1,131,415	587	295,477	220,175	1,647,654	1,305,359	62,541	279,754
127 Office of State Tax Commissioner	667,659	383	193,593	130,752	992,387	992,387	0	0
140 Office of Administrative Hearings	37,250	13	7,277	7,292	51,832	0	0	51,832
160 Legislative Council	239,478	97	49,490	47,694	336,759	336,759	0	0
180 Judicial Branch	1,720,642	1,000	510,917	469,905	2,702,464	2,702,464	0	0
188 Commission on Legal Counsel for Indigents	176,994	86	43,667	34,642	255,389	247,473	0	7,916
190 Retirement and Investment Office	118,245	51	26,202	23,655	168,153	0	0	168,153
192 Public Employees Retirement System	163,458	98	49,489	32,174	245,219	0	0	245,219
201 Dept of Public Instruction	504,385	295	145,562	98,446	748,688	236,738	511,824	126
226 State Land Department	143,875	72	36,390	28,159	208,496	0	0	208,496
250 State Library	115,915	86	40,757	22,667	179,425	156,396	23,029	0
252 School for the Deaf	114,623	153	74,237	40,746	229,759	218,253	11,506	0
253 ND Vision Services	75,406	98	45,122	25,666	146,292	123,957	0	22,335
270 Career and Technical Education	167,289	85	39,302	32,496	239,172	239,172	0	0
301 ND Department of Health	1,747,533	998	505,085	342,418	2,596,034	1,252,717	1,343,316	1
305 Tobacco Prevention and Control	21,028	23	11,644	7,919	40,614	0	0	40,614
313 Veterans Home	421,917	466	206,693	81,902	710,978	710,947	0	31
316 Indian Affairs Commission	21,832	12	5,822	4,273	31,939	31,939	0	0
321 Department of Veterans Affairs	27,876	19	10,189	5,456	43,540	43,540	0	0
325 Department of Human Services	9,770,801	6,592	3,196,121	1,912,549	14,886,063	10,333,192	4,461,842	91,029
360 Protection and Advocacy	149,781	83	40,757	29,315	219,936	219,936	0	0
380 Job Service North Dakota	1,244,636	749	363,893	244,880	1,854,158	10,770	1,828,416	14,972
401 Office of the Insurance Commissioner	274,257	149	68,047	53,565	396,018	0	48,964	347,054
405 Industrial Commission	418,298	206	104,069	81,729	604,302	562,350	0	41,952
406 Office of the Labor Commissioner	58,996	35	17,466	11,546	88,043	88,043	0	0
408 Public Service Commission	272,169	121	62,591	53,267	388,148	250,659	137,489	0
412 Aeronautics Commission	36,702	18	8,733	7,183	52,636	0	0	52,636
413 Dept of Financial Institutions	202,414	84	42,212	39,746	284,456	0	0	284,456
414 Securities Department	57,061	26	13,100	11,168	81,355	81,355	0	0
471 Bank of North Dakota	911,954	524	266,376	179,149	1,358,003	0	32,831	1,325,172
473 ND Housing Finance Agency	235,360	131	66,957	46,194	348,642	0	0	348,642
475 ND Mill and Elevator Association	0	392	196,501	128,056	324,949	0	0	324,949
485 Workforce Safety and Insurance	1,357,268	725	352,259	267,381	1,977,633	0	0	1,977,633
504 Highway Patrol	1,124,179	560	276,560	212,855	1,614,154	1,269,348	156,558	188,248
530 Dept of Corrections and Rehabilitation	3,273,911	2,213	1,062,223	682,122	5,020,469	4,719,595	0	300,874

**COMPENSATION PACKAGE ADJUSTMENTS**

Biennium: 2011-2013

Version: 2011-ALL-R03

Department	Salary Package	EAP Incr	Health Incr	Ret Incr	Total	Funding Sources		
						General	Federal	Special
540 Office of the Adjutant General	1,187,934	706	342,065	232,004	1,762,709	583,534	1,119,050	60,125
601 Department of Commerce	413,696	202	101,890	81,127	596,915	455,607	97,988	43,320
602 Department of Agriculture	369,440	217	106,252	72,308	548,217	328,037	126,426	93,754
616 State Seed Department	138,411	90	42,212	27,200	207,913	0	0	207,913
627 Upper Great Plains Transportation Inst.	450,918	162	81,511	85,165	617,756	69,239	372,547	175,970
628 Branch Research Centers	533,070	315	157,208	100,722	791,315	618,811	0	172,504
630 NDSU Extension Service	1,544,667	908	435,221	289,943	2,270,739	1,530,672	0	740,067
638 Northern Crops Institute	70,731	30	16,012	13,271	100,044	85,992	0	14,052
640 NDSU Main Research Center	2,236,481	1,170	567,685	416,765	3,222,101	2,586,453	3,198	632,450
649 Agronomy Seed Farm	18,701	8	4,365	3,541	26,615	0	0	26,615
670 ND Horse Racing Commission	11,327	5	2,911	2,217	16,460	16,460	0	0
701 Historical Society	300,661	181	89,517	58,987	449,346	400,046	49,300	0
709 Council on the Arts	26,194	15	7,277	5,127	38,613	38,612	1	0
720 Game and Fish Department	888,549	453	228,526	174,010	1,291,538	0	449,803	841,735
750 Parks and Recreation Department	274,638	157	78,600	53,734	407,129	392,548	14,581	0
770 Water Commission	530,073	249	125,178	103,753	759,253	657,359	39,268	62,626
801 Dept of Transportation	5,495,589	3,064	1,518,205	1,077,141	8,093,999	0	0	8,093,999
	<b>44,812,259</b>	<b>26,852</b>	<b>13,175,655</b>	<b>9,063,551</b>	<b>67,078,317</b>	<b>35,959,962</b>	<b>10,939,057</b>	<b>20,179,298</b>



**Lease Purchase Agreements**

Biennium: 2011-2013

	<b>Agency</b>	<b>Lease Description</b>	<b>Original Value</b>	<b>Monthly Payment Amount</b>	<b>Months Remaining</b>
101	Office of the Governor	Canon 5065 Digital Copier	10,865	263	24
110	Office of Management and Budget	Xerox Digital Print System	684,000	9,813	24
		Color Copier for Central Duplicating	60,000	1,200	15
112	Information Technology	Bond Payment for ConnectND Implimentation	20,000,000	225,277	24
		Financing agreement for MMIS equipment	6,000,000	172,028	17
120	Office of the State Treasurer	Printer/copier lease	5,380	134	24
201	Dept of Public Instruction	Canon Image Runner 2022 Copier	1,984	62	0
		Canon Image Runner 2020 Copier - Lease Renewa	1,984	85	24
		Canon 8500 Copier - Lease Renewal	22,751	646	24
		Kyocera KM 5050 Copier	6,412	249	0
		Kyocera KM 6030 Copier	11,207	332	0
230	University of North Dakota	B-Line Medical Signature AV Equipment - Lease	329,699	6,681	17
		TEMPO LC MALDI Spotting System - Lease #277	99,900	27,686	10
240	Mayville State University	Telephone Equipment Lease Purchase	126,990	2,465	23
241	Minot State University	Mail metering machine	87,428	2,120	9
242	Valley City State University	Operating Lease for Dell Notebook Computers	910,590	7,023	1
		Operating lease for notebook computers	900,000	7,000	23
380	Job Service North Dakota	Unisys Mainframe computer	1,379,093	25,906	24
540	Office of the Adjutant General	Motorola Lease	8,101,386	63,556	18
720	Game and Fish Department	Xerox Color Laser Printer	75,110	1,479	24

**2011-2013 BIENNIUM TELECOMMUTE ANALYSIS FORM SUMMARY**

Agency		Telecommute Analysis Forms Requested Positions				New Positions Included in 2011-2013 Executive Recommendation
		Positions Requested	Position Location			
			Total	Central Office	Telecommute	
112	Information Technology	16.00	16.00	0.00	16.00	6.00
125	Office of the Attorney General	8.00	8.00	0.00	8.00	8.00
127	Office of State Tax Commissioner	2.00	2.00	0.00	2.00	0.00
180	Judicial Branch	4.00	4.00	0.00	4.00	4.00
188	Commission on Legal Counsel for Indigents	2.00	2.00	0.00	2.00	0.00
190	Retirement and Investment Office	1.00	1.00	0.00	1.00	1.00
201	Dept of Public Instruction	1.00	1.00	0.00	1.00	0.00
226	State Land Department	5.00	5.00	0.00	5.00	3.00
253	ND Vision Services	0.50	0.50	0.00	0.50	0.50
301	ND Department of Health	6.80	6.80	0.00	6.80	0.00
305	Tobacco Prevention and Control	3.50	3.50	0.00	3.50	0.00
321	Department of Veterans Affairs	1.00	1.00	0.00	1.00	0.00
325	Department of Human Services	19.00	19.00	0.00	19.00	7.00
401	Office of the Insurance Commissioner	9.00	9.00	0.00	9.00	5.00
405	Industrial Commission	15.69	15.00	0.69	15.69	12.00
473	ND Housing Finance Agency	3.00	3.00	0.00	3.00	0.00
475	ND Mill and Elevator Association	6.00	6.00	0.00	6.00	4.00
485	Workforce Safety and Insurance	13.74	13.74	0.00	13.74	0.00
504	Highway Patrol	6.00	6.00	0.00	6.00	3.00
530	Dept of Corrections and Rehabilitation	78.00	78.00	0.00	78.00	67.00
540	Office of the Adjutant General	20.00	16.00	4.00	20.00	10.00
602	Department of Agriculture	3.00	3.00	0.00	3.00	1.00
628	Branch Research Centers	18.00	15.00	3.00	18.00	0.00
630	NDSU Extension Service	13.00	13.00	0.00	13.00	0.00
640	NDSU Main Research Center	34.00	34.00	0.00	34.00	0.00
701	Historical Society	8.00	8.00	0.00	8.00	1.00
720	Game and Fish Department	1.00	1.00	0.00	1.00	0.00
750	Parks and Recreation Department	3.50	3.50	0.00	3.50	1.00

**2011-2013 BIENNIUM TELECOMMUTE ANALYSIS FORM SUMMARY**

Agency		Telecommute Analysis Forms Requested Positions			New Positions Included in 2011-2013 Executive Recommendation	
		Positions Requested	Position Location			
			Total	Central Office		Telecommute
770	Water Commission	2.00	2.00	0.00	2.00	1.00
801	Dept of Transportation	19.00	19.00	0.00	19.00	12.00
<b>Totals</b>		<b>322.73</b>	<b>315.04</b>	<b>7.69</b>	<b>322.73</b>	<b>146.50</b>

\*Telecommute form reflects actual request for new FTE but does not reflect offsetting agency FTE reductions.

## Capital Assets

The capital budget summarizes the 2011-13 biennium executive recommendation for state investments in capital assets. The term "capital assets" refers to: capital projects, extraordinary repairs, other capital payments, equipment over \$5,000 and information technology (IT) equipment and software over \$5,000. The executive recommendations for capital assets are summarized on the following pages.

The capital budget is a long-range planning document for the state's capital needs. It assists the executive and legislative branches of government by formalizing capital funding objectives, setting spending priorities, and efficiently allocating limited financial resources.

The capital budget is a financial management tool used to:

- Assist in determining infrastructure and repair needs.
- Provide for orderly replacement of facilities.
- Enhance the ability of decision makers to match resources with needs.
- Permit the organized development of capital infrastructure over an extended period of time.

The capital budget contributes to long-range policy development by:

- Formalizing capital funding objectives and debt policy.
- Providing for efficient allocation of limited financial resources.
- Setting spending priorities for capital assets.

The capital budget positively influences the state's credit rating by:

- Demonstrating that government has identified and prioritized needs and arranged for funding.
- Providing evidence of the development and maintenance of sound infrastructure, which is required for expansion of the state's economic base.
- Demonstrating government's ability to provide for the essential capital needs of its citizens.

The capital budget is a reporting document and communication tool used to:

- Communicate the significance of capital expenditures in the delivery of public services.
- Provide for intergovernmental coordination in timing and location of related projects.

# Capital Assets Appropriations by Category- 2011-2013

Biennium: 2011-2013

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
<b>108 Secretary of State</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000,000</b>	<b>3,000,000</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	3,000,000	3,000,000
Special Funds	0	0	0	0	0	0
<b>110 Office of Management and Budget</b>	<b>0</b>	<b>7,478,000</b>	<b>665,143</b>	<b>137,000</b>	<b>110,000</b>	<b>8,390,143</b>
General Fund	0	4,478,000	665,143	67,000	0	5,210,143
Federal Funds	0	0	0	0	0	0
Special Funds	0	3,000,000	0	70,000	110,000	3,180,000
<b>112 Information Technology</b>	<b>0</b>	<b>0</b>	<b>5,406,666</b>	<b>252,500</b>	<b>10,321,500</b>	<b>15,980,666</b>
General Fund	0	0	0	0	630,000	630,000
Federal Funds	0	0	0	0	600,000	600,000
Special Funds	0	0	5,406,666	252,500	9,091,500	14,750,666
<b>125 Office of the Attorney General</b>	<b>0</b>	<b>0</b>	<b>765,882</b>	<b>1,298,301</b>	<b>192,000</b>	<b>2,256,183</b>
General Fund	0	0	765,882	312,400	0	1,078,282
Federal Funds	0	0	0	807,901	192,000	999,901
Special Funds	0	0	0	178,000	0	178,000
<b>127 Office of State Tax Commissioner</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,000</b>	<b>16,000</b>
General Fund	0	0	0	0	16,000	16,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>150 Legislative Assembly</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>800,000</b>	<b>1,300,000</b>
General Fund	0	0	0	500,000	800,000	1,300,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>160 Legislative Council</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,500</b>	<b>0</b>	<b>41,500</b>
General Fund	0	0	0	41,500	0	41,500
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>180 Judicial Branch</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>187,500</b>	<b>534,480</b>	<b>721,980</b>
General Fund	0	0	0	187,500	534,480	721,980
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0

## Capital Assets Appropriations by Category- 2011-2013

Biennium: 2011-2013

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
<b>188 Commission on Legal Counsel for Indigents</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,420</b>	<b>14,420</b>
General Fund	0	0	0	0	14,420	14,420
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>215 ND University System</b>	<b>0</b>	<b>0</b>	<b>12,254,769</b>	<b>0</b>	<b>0</b>	<b>12,254,769</b>
General Fund	0	0	11,837,519	0	0	11,837,519
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	417,250	0	0	417,250
<b>226 State Land Department</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>10,000</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	10,000	0	10,000
<b>227 Bismarck State College</b>	<b>9,000,000</b>	<b>417,673</b>	<b>900,000</b>	<b>0</b>	<b>0</b>	<b>10,317,673</b>
General Fund	1,500,000	417,673	900,000	0	0	2,817,673
Federal Funds	0	0	0	0	0	0
Special Funds	7,500,000	0	0	0	0	7,500,000
<b>228 Lake Region State College</b>	<b>0</b>	<b>155,367</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>155,367</b>
General Fund	0	155,367	0	0	0	155,367
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>229 Williston State College</b>	<b>2,820,000</b>	<b>197,801</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,017,801</b>
General Fund	0	197,801	0	0	0	197,801
Federal Funds	0	0	0	0	0	0
Special Funds	2,820,000	0	0	0	0	2,820,000
<b>230 University of North Dakota</b>	<b>32,900,000</b>	<b>4,411,566</b>	<b>281,013</b>	<b>0</b>	<b>0</b>	<b>37,592,579</b>
General Fund	11,200,000	4,411,566	281,013	0	0	15,892,579
Federal Funds	0	0	0	0	0	0
Special Funds	21,700,000	0	0	0	0	21,700,000
<b>235 North Dakota State University</b>	<b>36,100,000</b>	<b>2,732,244</b>	<b>2,319,700</b>	<b>0</b>	<b>0</b>	<b>41,151,944</b>
General Fund	0	2,732,244	2,319,700	0	0	5,051,944
Federal Funds	0	0	0	0	0	0
Special Funds	36,100,000	0	0	0	0	36,100,000

## Capital Assets Appropriations by Category- 2011-2013

Biennium: 2011-2013

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
<b>238 ND State College of Science</b>	<b>18,680,000</b>	<b>1,012,379</b>	<b>125,851</b>	<b>0</b>	<b>0</b>	<b>19,818,230</b>
General Fund	8,180,000	1,012,379	125,851	0	0	9,318,230
Federal Funds	0	0	0	0	0	0
Special Funds	10,500,000	0	0	0	0	10,500,000
<b>239 Dickinson State University</b>	<b>8,800,000</b>	<b>409,078</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,209,078</b>
General Fund	8,800,000	409,078	0	0	0	9,209,078
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>240 Mayville State University</b>	<b>0</b>	<b>358,992</b>	<b>392,493</b>	<b>0</b>	<b>0</b>	<b>751,485</b>
General Fund	0	358,992	392,493	0	0	751,485
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>241 Minot State University</b>	<b>5,050,000</b>	<b>899,620</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,949,620</b>
General Fund	0	899,620	0	0	0	899,620
Federal Funds	0	0	0	0	0	0
Special Funds	5,050,000	0	0	0	0	5,050,000
<b>242 Valley City State University</b>	<b>8,786,000</b>	<b>408,319</b>	<b>283,567</b>	<b>0</b>	<b>0</b>	<b>9,477,886</b>
General Fund	7,971,000	408,319	283,567	0	0	8,662,886
Federal Funds	0	0	0	0	0	0
Special Funds	815,000	0	0	0	0	815,000
<b>243 Dakota College at Bottineau</b>	<b>0</b>	<b>115,507</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>115,507</b>
General Fund	0	115,507	0	0	0	115,507
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>244 North Dakota Forest Service</b>	<b>0</b>	<b>41,543</b>	<b>0</b>	<b>56,248</b>	<b>0</b>	<b>97,791</b>
General Fund	0	41,543	0	56,248	0	97,791
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>252 School for the Deaf</b>	<b>0</b>	<b>998,530</b>	<b>0</b>	<b>34,700</b>	<b>7,000</b>	<b>1,040,230</b>
General Fund	0	103,800	0	0	0	103,800
Federal Funds	0	0	0	0	0	0
Special Funds	0	894,730	0	34,700	7,000	936,430

# Capital Assets Appropriations by Category- 2011-2013

Biennium: 2011-2013

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
<b>253 ND Vision Services</b>	<b>0</b>	<b>39,500</b>	<b>0</b>	<b>8,500</b>	<b>0</b>	<b>48,000</b>
General Fund	0	7,453	0	8,500	0	15,953
Federal Funds	0	0	0	0	0	0
Special Funds	0	32,047	0	0	0	32,047
<b>301 ND Department of Health</b>	<b>0</b>	<b>316,329</b>	<b>706,983</b>	<b>858,761</b>	<b>116,000</b>	<b>1,998,073</b>
General Fund	0	0	357,220	0	0	357,220
Federal Funds	0	316,329	349,763	750,361	81,000	1,497,453
Special Funds	0	0	0	108,400	35,000	143,400
<b>313 Veterans Home</b>	<b>6,000</b>	<b>470,500</b>	<b>403,000</b>	<b>69,400</b>	<b>13,600</b>	<b>962,500</b>
General Fund	0	126,500	0	0	0	126,500
Federal Funds	0	0	0	0	0	0
Special Funds	6,000	344,000	403,000	69,400	13,600	836,000
<b>321 Department of Veterans Affairs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,593</b>	<b>15,593</b>
General Fund	0	0	0	0	15,593	15,593
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>325 Department of Human Services</b>	<b>1,800,000</b>	<b>1,348,790</b>	<b>0</b>	<b>39,000</b>	<b>138,400</b>	<b>3,326,190</b>
General Fund	1,800,000	1,348,790	0	34,372	0	3,183,162
Federal Funds	0	0	0	4,628	138,400	143,028
Special Funds	0	0	0	0	0	0
<b>360 Protection and Advocacy</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,342</b>	<b>7,342</b>
General Fund	0	0	0	0	7,342	7,342
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>380 Job Service North Dakota</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>12,400,000</b>	<b>12,420,000</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	20,000	0	12,400,000	12,420,000
Special Funds	0	0	0	0	0	0
<b>401 Office of the Insurance Commissioner</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70,000</b>	<b>70,000</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	50,000	50,000
Special Funds	0	0	0	0	20,000	20,000



# Capital Assets Appropriations by Category- 2011-2013

Biennium: 2011-2013

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
<b>408 Public Service Commission</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,000</b>	<b>53,000</b>
General Fund	0	0	0	0	53,000	53,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>412 Aeronautics Commission</b>	<b>230,000</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>330,000</b>
General Fund	0	0	0	0	0	0
Federal Funds	218,500	95,000	0	0	0	313,500
Special Funds	11,500	5,000	0	0	0	16,500
<b>471 Bank of North Dakota</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>132,000</b>	<b>1,134,000</b>	<b>1,266,000</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	132,000	1,134,000	1,266,000
<b>485 Workforce Safety and Insurance</b>	<b>466,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>466,250</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	466,250	0	0	0	0	466,250
<b>504 Highway Patrol</b>	<b>4,090,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,090,000</b>
General Fund	3,558,300	0	0	0	0	3,558,300
Federal Funds	0	0	0	0	0	0
Special Funds	531,700	0	0	0	0	531,700
<b>530 Dept of Corrections and Rehabilitation</b>	<b>617,968</b>	<b>984,740</b>	<b>1,337,752</b>	<b>823,300</b>	<b>0</b>	<b>3,763,760</b>
General Fund	617,968	984,740	1,337,752	462,800	0	3,403,260
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	360,500	0	360,500
<b>540 Office of the Adjutant General</b>	<b>22,100,000</b>	<b>5,385,381</b>	<b>177,371</b>	<b>2,319,347</b>	<b>2,295,000</b>	<b>32,277,099</b>
General Fund	2,100,000	385,381	177,371	1,577,347	1,735,000	5,975,099
Federal Funds	20,000,000	5,000,000	0	742,000	560,000	26,302,000
Special Funds	0	0	0	0	0	0
<b>601 Department of Commerce</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,018</b>	<b>6,000</b>	<b>70,018</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	64,018	6,000	70,018
Special Funds	0	0	0	0	0	0

## Capital Assets Appropriations by Category- 2011-2013

Biennium: 2011-2013

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
<b>602 Department of Agriculture</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,000</b>	<b>0</b>	<b>17,000</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	17,000	0	17,000
<b>616 State Seed Department</b>	<b>0</b>	<b>165,692</b>	<b>0</b>	<b>70,000</b>	<b>160,000</b>	<b>395,692</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	165,692	0	70,000	160,000	395,692
<b>628 Branch Research Centers</b>	<b>0</b>	<b>0</b>	<b>149,600</b>	<b>1,893,572</b>	<b>0</b>	<b>2,043,172</b>
General Fund	0	0	149,600	500,000	0	649,600
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	1,393,572	0	1,393,572
<b>638 Northern Crops Institute</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>285,000</b>	<b>0</b>	<b>285,000</b>
General Fund	0	0	0	4,111	0	4,111
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	280,889	0	280,889
<b>640 NDSU Main Research Center</b>	<b>9,494,581</b>	<b>1,340,465</b>	<b>421,690</b>	<b>3,575,500</b>	<b>0</b>	<b>14,832,236</b>
General Fund	6,991,650	1,340,465	421,690	505,000	0	9,258,805
Federal Funds	0	0	0	0	0	0
Special Funds	2,502,931	0	0	3,070,500	0	5,573,431
<b>649 Agronomy Seed Farm</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>301,000</b>	<b>0</b>	<b>301,000</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	301,000	0	301,000
<b>665 ND State Fair</b>	<b>0</b>	<b>0</b>	<b>210,000</b>	<b>0</b>	<b>0</b>	<b>210,000</b>
General Fund	0	0	210,000	0	0	210,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
<b>701 Historical Society</b>	<b>0</b>	<b>1,396,000</b>	<b>1,358,736</b>	<b>81,000</b>	<b>0</b>	<b>2,835,736</b>
General Fund	0	746,000	1,358,736	81,000	0	2,185,736
Federal Funds	0	650,000	0	0	0	650,000
Special Funds	0	0	0	0	0	0

## Capital Assets Appropriations by Category- 2011-2013

Biennium: 2011-2013

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
<b>720 Game and Fish Department</b>	<b>200,000</b>	<b>1,465,170</b>	<b>1,800,000</b>	<b>791,000</b>	<b>27,000</b>	<b>4,283,170</b>
General Fund	0	0	0	0	0	0
Federal Funds	0	815,170	600,000	419,500	0	1,834,670
Special Funds	200,000	650,000	1,200,000	371,500	27,000	2,448,500
<b>750 Parks and Recreation Department</b>	<b>5,269,210</b>	<b>753,400</b>	<b>73,613</b>	<b>990,365</b>	<b>0</b>	<b>7,086,588</b>
General Fund	4,299,210	753,400	73,613	522,125	0	5,648,348
Federal Funds	570,000	0	0	320,000	0	890,000
Special Funds	400,000	0	0	148,240	0	548,240
<b>770 Water Commission</b>	<b>0</b>	<b>0</b>	<b>105,593,578</b>	<b>50,000</b>	<b>45,000</b>	<b>105,688,578</b>
General Fund	0	0	0	40,000	45,000	85,000
Federal Funds	0	0	7,271,773	0	0	7,271,773
Special Funds	0	0	98,321,805	10,000	0	98,331,805
<b>801 Dept of Transportation</b>	<b>2,780,600</b>	<b>3,380,344</b>	<b>1,064,550,065</b>	<b>33,837,313</b>	<b>301,084</b>	<b>1,104,849,406</b>
General Fund	0	0	5,850,000	0	0	5,850,000
Federal Funds	0	0	552,023,323	0	0	552,023,323
Special Funds	2,780,600	3,380,344	506,676,742	33,837,313	301,084	546,976,083
<b>Total All Agencies</b>	<b>169,190,609</b>	<b>36,782,930</b>	<b>1,200,197,472</b>	<b>48,723,825</b>	<b>31,777,419</b>	<b>1,486,672,255</b>
General Fund	57,018,128	21,434,618	27,507,150	4,899,903	3,850,835	114,710,634
Federal Funds	20,788,500	6,876,499	560,264,859	3,108,408	17,027,400	608,065,666
Special Funds	91,383,981	8,471,813	612,425,463	40,715,514	10,899,184	763,895,955

## Capital Projects

Capital projects are expenditures for land, new construction, additions, renovations, restorations and demolitions of buildings and infrastructure. Capital projects recommendations are based on a review and analysis of each requested capital project. Agency budget requests include, for each capital project requested, a justification of the project, project description and specifications, requested funding sources, and anticipated operating and staffing costs for the upcoming and two subsequent biennia.

## Justification

During preparation of the capital project requests, agencies were asked to justify the need for each project by considering the following questions:

- Is there evidence of the need for this project?
- Has there been adequate planning? If not, should a planning appropriation be considered?
- Can a third party finance or share the cost of this project?
- Is renovating or remodeling more cost effective?
- Has leasing of capital assets been considered?
- Can this project be postponed until the following biennium?
- Would this project be necessary if the size of government was reduced? If population declined? If a technological breakthrough occurred? If demand for services declined? If not, what is the likelihood any of these will happen in the next ten years?
- What are the operating costs over the life of this project and are they reasonable? Will the state have to pay these costs? Can the state afford to do so? Is it cost effective to spend more at the outset of the project to reduce future operating costs (e.g., through redesign of a facility)?
- Have all the costs relating to this project been considered? Does the total cost include construction costs, architects' fees, contingency fees, construction supervision fees, equipment, insurance and bid costs, and site acquisition?
- What are the economies of scale? Would a bigger facility be cheaper per client served or personnel housed? If a bigger facility is built, can part of the space be rented?

NOTE: Adapted from "Capital Budgeting and Finance: The Legislative Role," published by the National Conference of State Legislatures.

## Evaluation

The Office of the Governor and the Office of Management and Budget considered external mandates, program needs, state policy direction, and available funding sources in evaluating and prioritizing capital project requests.

External mandates include:

- Court orders.
- Health and life safety codes.
- Handicap accessibility regulations.
- Regulations regarding the historical significance of existing facilities.

Program needs include or are influenced by:

- Demographic shifts.
- Department goals.
- Public convenience.
- Program requirements.
- Obsolescence of existing facilities.

State policy direction is influenced by:

- Gubernatorial priorities.
- Economic development needs and initiatives.
- Consolidation of state services.

Funding considerations include:

- Non general fund dollars available for construction and operation.
- Existing state debt obligations.
- Operating efficiency of the proposed facility.

## Capital Projects Recommendations - 2011-2013

Biennium: 2011-2013

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds	Bonding
227 Bismarck State College	Plant Services Building	1,500,000	1,500,000	0	0	0
	Student Union Renovation and Addition	7,500,000	0	0	7,500,000	0
	<b>Total</b>	<b>9,000,000</b>	<b>1,500,000</b>	<b>0</b>	<b>7,500,000</b>	<b>0</b>
229 Williston State College	Campus Branding	1,500,000	0	0	1,500,000	0
	Science Lab Remodel	1,320,000	0	0	1,320,000	0
	<b>Total</b>	<b>2,820,000</b>	<b>0</b>	<b>0</b>	<b>2,820,000</b>	<b>0</b>
230 University of North Dakota	EERC Slurry Building Expansion	2,700,000	0	0	2,700,000	0
	Joint NDUS/UND IT Facility	11,200,000	11,200,000	0	0	0
	University Town Home Apartments	5,000,000	0	0	5,000,000	0
	Wilkerson Hall Renovation & Addition	14,000,000	0	0	14,000,000	0
	<b>Total</b>	<b>32,900,000</b>	<b>11,200,000</b>	<b>0</b>	<b>21,700,000</b>	<b>0</b>
235 North Dakota State University	Major Cap Proj Bison Sports Arena - Reauthorized	29,100,000	0	0	29,100,000	0
	Major Cap Proj IT Infrastructure	2,000,000	0	0	2,000,000	0
	Major Capital Project Indoor Practice Facility	5,000,000	0	0	5,000,000	0
	<b>Total</b>	<b>36,100,000</b>	<b>0</b>	<b>0</b>	<b>36,100,000</b>	<b>0</b>
238 ND State College of Science	Forkner Hall Renovation	5,000,000	0	0	5,000,000	0
	Frank Vertin Football Complex	1,500,000	0	0	1,500,000	0
	Old Main Renovation	8,180,000	8,180,000	0	0	0
	Schulz Renovation	4,000,000	0	0	4,000,000	0
	<b>Total</b>	<b>18,680,000</b>	<b>8,180,000</b>	<b>0</b>	<b>10,500,000</b>	<b>0</b>
239 Dickinson State University	Stoxen Library	8,800,000	8,800,000	0	0	0
	<b>Total</b>	<b>8,800,000</b>	<b>8,800,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
241 Minot State University	Landscape Plan Phase II and III of 10 year plan	800,000	0	0	800,000	0
	Old Main Classroom Remodel	750,000	0	0	750,000	0
	Resident Apartments	3,500,000	0	0	3,500,000	0
	<b>Total</b>	<b>5,050,000</b>	<b>0</b>	<b>0</b>	<b>5,050,000</b>	<b>0</b>
242 Valley City State University	Lokken Field Turf	815,000	0	0	815,000	0
	Rhoades Science Center Addition and Renovation	7,971,000	7,971,000	0	0	0
	<b>Total</b>	<b>8,786,000</b>	<b>7,971,000</b>	<b>0</b>	<b>815,000</b>	<b>0</b>

# Capital Projects Recommendations - 2011-2013

Biennium: 2011-2013

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds	Bonding
313 Veterans Home	Heated storage area for new maintenance building	6,000	0	0	6,000	0
	<b>Total</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>0</b>
325 Department of Human Services	Joint Commission, code requirements, patient safety	1,800,000	1,800,000	0	0	0
	<b>Total</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
412 Aeronautics Commission	Terminal and wildlife fencing at IPG	230,000	0	218,500	11,500	0
	<b>Total</b>	<b>230,000</b>	<b>0</b>	<b>218,500</b>	<b>11,500</b>	<b>0</b>
485 Workforce Safety and Insurance	Building Back-up Generator	466,250	0	0	466,250	0
	<b>Total</b>	<b>466,250</b>	<b>0</b>	<b>0</b>	<b>466,250</b>	<b>0</b>
504 Highway Patrol	Emergency Vehicle Operations Course	4,090,000	3,558,300	0	531,700	0
	<b>Total</b>	<b>4,090,000</b>	<b>3,558,300</b>	<b>0</b>	<b>531,700</b>	<b>0</b>
530 Dept of Corrections and Rehabilitation	JRCC ET Bldg - Cabinet Unit Ventilator	574,640	574,640	0	0	0
	YCC - Utility Tunnel Roof and Roadway Improvements	43,328	43,328	0	0	0
	<b>Total</b>	<b>617,968</b>	<b>617,968</b>	<b>0</b>	<b>0</b>	<b>0</b>
540 Office of the Adjutant General	100% Federal Construction	20,000,000	0	20,000,000	0	0
	State Radio Tower Package	2,100,000	2,100,000	0	0	0
	<b>Total</b>	<b>22,100,000</b>	<b>2,100,000</b>	<b>20,000,000</b>	<b>0</b>	<b>0</b>
640 NDSU Main Research Center	Research Greenhouse Complex	9,494,581	6,991,650	0	2,502,931	0
	<b>Total</b>	<b>9,494,581</b>	<b>6,991,650</b>	<b>0</b>	<b>2,502,931</b>	<b>0</b>
720 Game and Fish Department	District Office Storage Buildings	200,000	0	0	200,000	0
	<b>Total</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>0</b>
750 Parks and Recreation Department	FSSP Garrison Bay Marina Dock Purchase	240,000	240,000	0	0	0
	FSSP Garrison Bay Marina elec/water system	175,000	175,000	0	0	0
	GISP (Devils Lake) access road 5' grade raise	2,884,800	2,484,800	0	400,000	0
	GISP campground expansion	700,000	350,000	350,000	0	0

## Capital Projects Recommendations - 2011-2013

Biennium: 2011-2013

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds	Bonding
	LCSP campground water and electrical renovation	240,000	240,000	0	0	0
	LCSP roads repair chip & seal	565,000	565,000	0	0	0
	Little Missouri Bay showerhouse	90,000	90,000	0	0	0
	Multi-Use Trail development	275,000	55,000	220,000	0	0
	TRSP/LMSP/FLSP IT ethernet installation	99,410	99,410	0	0	0
	<b>Total</b>	<b>5,269,210</b>	<b>4,299,210</b>	<b>570,000</b>	<b>400,000</b>	<b>0</b>
801 Dept of Transportation	Land and Buildings	2,780,600	0	0	2,780,600	0
	<b>Total</b>	<b>2,780,600</b>	<b>0</b>	<b>0</b>	<b>2,780,600</b>	<b>0</b>
	<b>Total All Agencies</b>	<b>169,190,609</b>	<b>57,018,128</b>	<b>20,788,500</b>	<b>91,383,981</b>	<b>0</b>

## **227 – Bismarck State College**

Plant Services Building: This project will provide a new 12,000 square foot facility for the Physical Plant Department, consolidating many operations that are scattered throughout the campus. The project includes \$1,500,000 from the general fund. Increased general fund operating and maintenance costs are estimated at \$50,000 per biennium.

Student Union Renovation and Addition: This project will renovate 31,250 square feet of the existing Student Union and includes a 25,400 square feet addition. This project will double the food service seating, serving kitchen, and storage space. It will also double the general storage and provide a loading and unpacking area. This project will also double the student activities space and provide dedicated space for student government, clubs, and other organizations. The project includes \$7,500,000 of special funds. Increased special fund operating and maintenance costs are estimated at \$40,000 per biennium.

## **229 – Williston State College**

Science Laboratory Renovation: This project was authorized by the 2009 Legislative Assembly as a \$1,610,000, 4,900 square foot renovation to the existing building. This reauthorization is for a 10,000 square foot addition. This change in scope (authorized in September 2009 by the Budget Section) coupled with high construction costs in the Williston region, have raised the project cost to \$3,520,000. The project includes \$1,610,000 from the general fund, \$1,320,000 from the permanent oil tax trust fund, and \$590,000 of special funds. Increased operating and maintenance costs are estimated at \$80,000 per biennium.

Campus Branding: This project consists of various activities including repair of water damage, repair and addition of exterior lighting, additional signage, reconfiguration of parking areas, and miscellaneous repairs. The project includes \$1,000,000 from the permanent oil tax trust fund and a \$500,000 local match for a total project cost of \$1,500,000. Any increase in operating and maintenance costs will be paid within the agency's budget.

## **230 – University of North Dakota**

EERC Slurry Building Expansion: This project includes 6,000 square feet of 40' tall construction for experimental energy projects. The project includes \$2,700,000 of special funds. The addition will result in additional special fund operating and maintenance costs of \$24,800 per biennium.

Joint NDUS/UND IT Facility: This project includes a 7,500 square foot Tier II data center plus 12,000 square feet of new administrative space. The project is funded with \$11,200,000 from the general fund. The project will result in increased operating and maintenance costs of \$156,000 per biennium to be paid within the agency's budget.

University Town Home Apartments: This project includes 25 townhomes. The overall arrangement, number of bedrooms and size of the individual units is unknown at this time. The project includes \$5,000,000 in special funds. The project will result in additional special fund operating and maintenance costs of \$121,740 per biennium. The project will result in a reduction of existing maintenance costs.

Wilkerson Hall Renovation and Addition: This project will replace the existing mechanical and electrical systems, replace the kitchen equipment and reconfigure the serving lines. The amount of addition is unknown at this time, pending further development of the food service needs. The project includes \$14,000,000 of special funds. The project will result in additional special fund operating and maintenance costs of \$199,850 per biennium. The project will result in a reduction of existing maintenance costs.

## **235 - North Dakota State University**

IT Infrastructure: This project provides for implementation of a secondary data center and redundant commercial and State network facilities and connections greatly reducing the likelihood that a given building will lose connectivity. The project includes \$2,000,000 of special funds. No net additional operating or maintenance costs are expected.

Indoor Practice Facility: This project will add 78,248 square feet of additional multi-purpose recreational space to the existing Bison Sports Arena. The project includes \$5,000,000 of special funds. The project will result in additional special fund operating and maintenance costs of \$32,500 per biennium.

Bison Sports Arena - Reauthorized: This is a re-authorization of the 2007-2009 appropriated project. The renovation includes improvements to the HVAC system, ADA accessibility, locker rooms, training areas, classrooms, the pool, and playing surfaces. The building houses 150,639 square feet. The project includes \$29,100,000 of special funds. No net additional operating or maintenance costs are anticipated.

## **238 - North Dakota State College of Science**

Forkner Hall Renovation: This project is a complete renovation of the existing 41,636 square foot women's dormitory, originally constructed in 1966. Issues that will be addressed include community bathrooms, infrastructure repairs, and HVAC systems. The project includes \$5,000,000 of special funds. No increase in operating or maintenance is expected. This project will result in a reduction of existing maintenance costs.

Frank Vertin Football Complex: This project includes renovation of the existing football complex including new locker rooms, public restrooms, stadium entrance, a new roof for the press box, and other miscellaneous repairs at a total cost of \$1,500,000 of special funds. Any increase in operating or maintenance will be paid with special funds.



Old Main Renovation: This project will renovate the iconic building at NDSCS. The 1891 building comprises 34,126 gross square feet. The project will address health, safety, ADA, and code issues. The project includes \$8,180,000 from the general fund. No net additional operating or maintenance costs are anticipated. The project will result in a reduction of existing maintenance costs. The project also includes the removal of two buildings that, because of environmental and structural/ infrastructure concerns are considered too expensive to renovate, further reducing the campus' on-going maintenance.

Schulz Hall Renovation: Similar to the Forkner Hall Renovation, this project is a complete renovation of the existing 26,282 square foot men's dormitory, originally constructed in 1971. Issues that will be addressed include community bathrooms, infrastructure repairs, and HVAC systems. The project includes \$4,000,000 of special funds. No increase in operating or maintenance is expected. This project will result in a reduction of the campus' on-going maintenance.

### **239 – Dickinson State University**

Stoxen Library Renovation and Addition: This project includes a 40,000 square foot addition to the existing library, co-location of several services, and miscellaneous remodeling. The project includes \$8,800,000 from the general fund. Additional operating and maintenance expenses are estimated at \$320,000 per biennium to be paid within the agency's budget.

### **241 – Minot State University**

Landscape Plan Phase II and III: This project continues implementation of the campus landscape master plan to include improvements along the 10<sup>th</sup> Avenue corridor from Cook Hall to Pioneer Hall, and the area south of Swain Hall to Pioneer Hall. The project includes \$800,000 of special funds. No net increase in operating and maintenance expenses is anticipated.

Old Main Classroom Remodel: This project will remodel two existing College of Business computer labs in Old Main to provide flexible instructional space to simulate the corporate business environment. The project includes \$750,000 of special funds. No increase in operating and maintenance expenses is anticipated.

Resident Apartments: This project includes 12 two-bedroom apartments and 18 efficiency apartments for a total of 30 units. The project includes \$3,500,000 of special funds. The project will result in additional special fund operating and maintenance costs of \$112,400 per biennium.

### **242 – Valley City State University**

Lokken Field Turf: This project will install artificial turf at Lokken Field. The project includes \$815,000 of special funds. No increase in operating or maintenance is expected.

Rhoades Science Center Addition and Renovation: This project includes a 17,125 square foot, three story addition to the existing Rhoades Science Center and remodels 32,907 square feet of existing space. The project includes \$7,971,000 from the general fund. The project will result in additional operating and maintenance expenses of \$180,000 per biennium to be paid within the agency's budget.

### **313 – Veterans Home**

Heated Storage Area for New Maintenance Building: This project will allow the staff at the Home to construct a heated storage and work area in the new maintenance shop. The project includes \$6,000 from special funds. No net increase in operating and maintenance funds is anticipated.

### **325 – Department of Human Services**

Joint Commission Code Requirement Renovations: This project includes three components required for reaccreditation of the State Hospital. One portion provides \$200,000 for testing the fire and smoke dampers campus wide. The second portion includes \$1,300,000 for replacement of the emergency generator. The third portion is \$300,000 to expand the electrical capacity of the New Horizons Building, built in 1968. The project includes \$1,800,000 from the general fund. No net increase in operating and maintenance funds is anticipated.

### **412 – Aeronautics Commission**

Terminal and Wildlife Fencing at International Peace Gardens: This project includes construction of a new terminal building and new wildlife fencing at the International Peace Garden Airport near Dunseith. The project includes \$218,500 of federal funds and \$11,500 of special funds for a total project cost of \$230,000. Additional special fund operating and maintenance expenses are estimated at \$8,000.

### **485 – Workforce Safety and Insurance**

Building Back-up Generator: This project will provide back-up power generation to all portions of the existing building. The project includes \$466,250 of special funds. No net increase in operating and maintenance funds is anticipated.

### **504 – Highway Patrol**

Emergency Vehicle Operations Course and Indoor Weapons Training Range: This project will replace the existing 180' x 720' course at BSC with a new 300' x 1,000' course located at a safer location east of Bismarck. The project also includes construction of a 12,800 square foot indoor weapons range. The project includes \$3,558,300 from the general fund and \$531,700 of special funds for a total project cost of \$4,090,000. The increase in operating and maintenance expenses is estimated at \$41,760 from the general fund and \$6,240 of special funds for a total increase of \$48,000.

## **530 - Department of Corrections and Rehabilitation**

JRCC ET Building – Cabinet Unit Ventilator: This project provides for the replacement of cabinet unit ventilators in the ET building and conversion of pneumatic controls to electronic. The project includes \$574,640 from the general fund. No increase in operating and maintenance expenses is anticipated.

YCC – Utility Tunnel Roof and Roadway Repair: This project will replace deteriorating concrete tunnel ceilings at various places within the campus. The project includes \$43,328 from the general fund. No net increase in operating and maintenance expenses is anticipated.

## **540 – Adjutant General**

Total 100% Federal Construction: This authority request represents the historical expenditures for the Army Guard Contracts line. The spending authority includes \$20,000,000 of federal funding. The National Guard Bureau has not yet approved funding or specific projects for the 2011-2013 biennium. Any increase in operating and maintenance costs will be paid within the agency's budget.

State Radio Tower Package: This project is a result of the State Radio Tower Gap Study. This authorization will provide equipment and leasing for space on 6 existing towers, with a request next biennium for the remaining 6. The project includes \$2,100,000 from the general fund. The project will result in additional operating and maintenance expenses of \$360,000 per biennium to be paid from the general fund.

## **640 – NDSU Main Research Center**

Research Greenhouse Complex: This phase will complete the construction of the Research Greenhouse Complex including the fourth BL1-P greenhouse range pair and full connection of the head-house. The project includes \$6,991,650 from the general fund and \$2,502,931 of special funds for a project total of \$9,494,581. An increase in operating and maintenance expenses is estimated at \$773,622 per biennium to be paid from the general fund.

## **720 – Game and Fish Department**

District Office Storage Buildings: This project includes construction of new cold storage buildings at Williston and Devils Lake. The project includes \$200,000 of special funds. No net increase in operating and maintenance funds is anticipated.

## **750 - Department of Parks and Recreation**

Fort Stevenson State Park – Garrison Bay Marina Dock Purchase: This project provides funding to complete the purchase of 60 boat slips which are anchored on to the main gangway provided by the Army Corps of Engineers. The project includes \$240,000 from the general fund. The project will result in additional special fund operating and maintenance expenses of \$15,000 per biennium.

Graham's Island State Park – (Devils Lake) Access Road 5' Grade Raise: This project will raise 4.81 miles of access road ensuring the State Park will continue to be accessible even during the highest possible water levels. The project includes \$2,484,800 from the general fund and \$400,000 of special funds for a project total of \$2,884,800. No net additional operating or maintenance costs are anticipated.

Graham's Island State Park – Campground Expansion: This project provides for expansion of the single night and short term camping capacity of the park. The park is one of the busiest in the system and is forced to place customers on waiting lists. The project includes \$350,000 from the general fund and \$350,000 of federal funds for a total project cost of \$700,000. The project will result in additional special fund operating and maintenance expenses of \$30,000 per biennium.

Lewis and Clark State Park – Campground Water and Electrical Renovation: This project will increase the number of potable water hydrants available, replace underground water delivery lines, and upgrade the electrical capacity to 25 sites. The project includes \$240,000 from the general fund. The project will result in additional special fund operating and maintenance expenses of \$300 per biennium.

Lewis and Clark State Park – Roads Repair Chip and Seal: This project includes patching of several failed areas, crack sealing, overlay and seal coat throughout the park. The project includes \$565,000 from the general fund. No net additional operating or maintenance costs are anticipated.

Little Missouri State Park - Showerhouse: The majority of visitors to Little Missouri State Park stay for multiple days. This project will provide five coin operated shower rooms. The project includes \$90,000 from the general fund. The project will result in additional special fund operating and maintenance expenses of \$1,500 per biennium.

Multi-use Trail Development: This project includes the layout and development of high interest trail corridors in the Pembina Gorge, Turtle Mountains, and the Badlands. The project includes \$55,000 from the general fund and \$220,000 of federal funds for a total project cost of \$275,000. No net additional operating or maintenance expenses are anticipated.

Turtle River State Park/Little Missouri State Park/Fort Lincoln State Park – IT Ethernet Installation: Connectivity problems at these state parks have risen to the point where staff productivity and customer service is being severely impacted. The project includes \$99,410 from the general fund to pay 30.0 percent of the estimated project costs. The remaining 70.0 percent will be paid with federal ARRA funds awarded to a private contractor. The project will result in additional general fund operating and maintenance expenses of \$64,000 per biennium for ITD network costs.

Fort Stevenson State Park Garrison Bay Marina Electric/Water System: This project will provide 30 amp or 50 amp electrical service to the Garrison Bay Marina Dock slips along with individual water service. The project includes \$175,000 from the

general fund. The project will result in additional general fund operating and maintenance expenses of \$1,700 per biennium.

**801 - Department of Transportation**

Land and Buildings: This project combines a number of smaller buildings including two section buildings and salt storage buildings. It also includes miscellaneous land purchases for district facilities. The project includes \$2,780,600 of special funds. Any increase in operating and maintenance will be paid within the agency's budget.

## Extraordinary Repairs

Extraordinary repairs include expenditures for substantial repairs and improvements to buildings and infrastructure. The Fiscal Management Division of OMB uses a building and infrastructure renewal formula, based on industry standards, to generate an estimate of total dollars that should be spent to adequately maintain buildings and infrastructure.

For large agencies with numerous facilities the formula generates a pool to be used to address extraordinary repair needs. Some buildings will not have extraordinary repair needs during the biennium; other buildings may have extraordinary repair needs that differ from the formula amount. Newer buildings will normally require fewer repairs than older buildings. The pooled resources from all buildings and infrastructure in the formula will be applied by the agency to the areas of greatest need. However, many agencies have few buildings and minimal infrastructure, limiting the flexibility provided by pooling resources.

The formula driven calculations may not always reflect actual repair needs. Therefore, although the formula was used to guide agencies in requesting repair dollars, actual requests may be higher or lower than formula amounts.

The executive budget recommends a minimum of 15 percent of the repair formula for all agencies with buildings and infrastructure.

### Extraordinary Repairs - Buildings

Formulas are generally used to calculate the cost to adequately maintain buildings.

The formula used by the Fiscal Management Division is based on the following premises:

- The formula reflects current building valuation.
- The formula recognizes that as a general policy, fewer resources should be directed to building renewal than the cost of building replacement.
- The formula recognizes that older buildings require proportionally more repair funds than do newer buildings.
- The formula reflects the effects of building repair projects already accomplished.
- The formula is applied to an entire facility system in an actuarial manner, generating a pool of funds to be used on extraordinary repairs.

### Building Formula

The annual extraordinary repairs formula for buildings is as follows:

Buildings 5 years old or older at mid-year of biennium

***Building Replacement Value x 2% = Formula Amount***

Buildings less than 5 years old

***\$0***

### Building Value Factor

The North Dakota Century Code requires that all state buildings built after 1939 be insured at replacement value. The building's insured value is used as the building replacement value for the formula calculation. All state owned buildings are insured through the fire and tornado fund.

### Building Age

The building age is determined by subtracting the year a building was built or extensively renovated from 2012, the mid-year in the 2011-13 biennium. For example, if a building was built or renovated in 1973, the building age is 39 (2012-1973).

### Extraordinary Repairs - Infrastructure

Infrastructure is defined as a structure outside of and apart from a building, but necessary to the function of the building. Examples of infrastructure include water and sewer lines, electrical lines, parking lots, sidewalks and roads.

Recognizing that formulas based on building value would not provide adequate funding for infrastructure needs, the Fiscal Management Division of OMB has adopted a formula for calculating costs of extraordinary repairs to infrastructure.

In some cases the value and age of infrastructure are difficult to determine; therefore, the infrastructure formula is based on the replacement value of various infrastructure components.

### Infrastructure Formula

The annual extraordinary repairs formula for infrastructure is as follows:

***P X R = Formula Amount***

***P = Infrastructure renewal percentage***

***R = Infrastructure replacement value (per unit value X number of units)***

### Infrastructure Renewal Percentage

The infrastructure renewal percentage is the straight line depreciation over the normal life of the item. For example, the infrastructure renewal percentage for an item with a 20-year normal life is 5 percent.

### Infrastructure Replacement Value

Infrastructure is valued at replacement cost. Expertise from the North Dakota Association of Physical Plant Administrators was used to determine replacement costs and parameters applicable to the valuation of the numerous types of infrastructure.

The schedule on the following pages show amounts included in the executive recommendation for each state agency with extraordinary repairs for the 2011-13 biennium.

## Extraordinary Repairs Recommendations 2011-13

No.	Agency Name	Building Formula	Infrastructure Formula	Total Formula	Extraordinary Repairs Requested	% of Formula Requested	Extraordinary Repairs Recommended	% of Formula Recommended
110	Office of Management and Budget	\$ 7,734,018	\$ 660,321	\$ 8,394,339	\$ 1,678,000	20%	\$ 7,478,000	89%
112	Information Technology Department	54,076		54,076		0%		0%
227	Bismarck State College	2,094,474	690,010	2,784,484	417,673	15%	417,673	15%
228	Lake Region State College	861,481	174,296	1,035,777	155,367	15%	155,367	15%
229	Williston State College	933,734	384,938	1,318,672	197,801	15%	197,801	15%
230	University of North Dakota	21,984,435	7,426,005	29,410,440	4,411,566	15%	4,411,566	15%
235	North Dakota State University	14,097,740	4,117,222	18,214,962	2,732,244	15%	2,732,244	15%
238	ND State College of Science	5,172,632	1,576,564	6,749,196	916,379	14%	1,012,379	15%
239	Dickinson State University	2,380,666	346,520	2,727,186	409,078	15%	409,078	15%
240	Mayville Sstate University	1,935,637	457,646	2,393,283	358,992	15%	358,992	15%
241	Minot State University	5,083,026	914,438	5,997,464	899,620	15%	899,620	15%
242	Valley City State University	2,107,930	614,195	2,722,125	408,319	15%	408,319	15%
243	Dakota College - Bottineau	626,488	143,561	770,049	115,507	15%	115,507	15%
244	North Dakota Forest Service	96,059	180,892	276,951	36,638	13%	41,543	15%
252	School for the Deaf	618,058	150,469	768,527	59,730	8%	998,530	130%
253	ND Vision Services	226,307		226,307	39,500	17%	39,500	17%
301	ND Department of Health	354,081		354,081	316,329	89%	316,329	89%
313	Veterans Home	390,968	222,968	613,936	335,000	55%	470,500	77%
325	Department of Human Services	6,193,730	2,798,202	8,991,932	1,348,790	15%	1,348,790	15%
380	Job Service North Dakota	841,230	73,271	914,501		0%		0%
412	Aeronautics Commission		82,309	82,309	100,000	121%	100,000	121%
471	Bank of North Dakota	429,443	37,169	466,612		0%		0%
485	Workforce Safety and Insurance	816,324	71,771	888,095		0%		0%
504	Highway Patrol	178,538		178,538		0%		0%
530	Dept of Corrections and Rehabilitation	5,595,504	953,368	6,548,872		0%	984,740	15%
540	Office of the Adjutant General	7,413,818	4,814,292	12,228,110	5,000,000	41%	5,385,381	44%
616	State Seed Department	165,692		165,692	165,692	100%	165,692	100%
640	NDSU Main Research Center	1,135,583	972,550	2,108,133	1,340,465	64%	1,340,465	64%
649	Agronomy Seed Farm	216,434	45,746	262,180		0%		0%
701	Historical Society	456,221	914,252	1,370,473	251,000	18%	1,396,000	102%
720	Game and Fish Department	739,614		739,614	1,465,170	198%	1,465,170	198%
750	Parks and Recreation Dept	840,911	4,277,760	5,118,671	753,400	15%	753,400	15%
770	State Water Commission	67,093	24,338	91,431		0%		0%
801	Dept of Transportation	3,540,701	857,358	4,398,059	916,800	21%	3,380,344	77%
<b>TOTALS</b>		<b>\$ 95,382,646</b>	<b>\$ 33,982,431</b>	<b>\$ 129,365,077</b>	<b>\$ 24,829,060</b>	<b>19%</b>	<b>\$ 36,782,930</b>	<b>28%</b>

## Other Capital Payments

Biennium: 2011-2013

Agency	Project Description	Recommendation	General Fund	Federal Funds	Special Funds	Bond Proceeds
110 Office of Management and Budget	Capital Bond Payments	665,143	665,143	0	0	0
112 Information Technology	Capital Bond Payments	5,406,666	0	0	5,406,666	0
125 Office of the Attorney General	Capital Bond Payments	765,882	765,882	0	0	0
215 ND University System	Capital Bond Payments	12,254,769	11,837,519	0	417,250	0
227 Bismarck State College	Special Assessments	900,000	900,000	0	0	0
230 University of North Dakota	Special Assessments	281,013	281,013	0	0	0
235 North Dakota State University	Special Assessments	2,319,700	2,319,700	0	0	0
238 ND State College of Science	Special Assessments	125,851	125,851	0	0	0
240 Mayville State University	Special Assessments	392,493	392,493	0	0	0
242 Valley City State University	Special Assessments	283,567	283,567	0	0	0
301 ND Department of Health	Capital Bond Payments	706,983	357,220	349,763	0	0
313 Veterans Home	Capital Bond Payments	403,000	0	0	403,000	0
380 Job Service North Dakota	Special Assessments	20,000	0	20,000	0	0
530 Dept of Corrections and Rehabilitation	Capital Bond Payments	1,337,752	1,337,752	0	0	0
540 Office of the Adjutant General	Bismarck Special Assessments	14,103	14,103	0	0	0
	Fargo Special Assessments	58,043	58,043	0	0	0
	Grand Forks Armory Bond Payment	70,225	70,225	0	0	0
	Payment in lieu of taxes	35,000	35,000	0	0	0
	<b>Total</b>		<b>177,371</b>	<b>177,371</b>	<b>0</b>	<b>0</b>
628 Branch Research Centers	Cap Bond Pmts-Central Grasslands REC	56,895	56,895	0	0	0
	Cap Bond Pmts-North Central REC	92,705	92,705	0	0	0
	<b>Total</b>		<b>149,600</b>	<b>149,600</b>	<b>0</b>	<b>0</b>
640 NDSU Main Research Center	Capital Bond Payments	421,690	421,690	0	0	0

## Other Capital Payments

Biennium: 2011-2013

Agency	Project Description	Recommendation	General Fund	Federal Funds	Special Funds	Bond Proceeds
665 ND State Fair	Capital Bond Payments	210,000	210,000	0	0	0
701 Historical Society	Capital Bond Payments	1,358,736	1,358,736	0	0	0
720 Game and Fish Department	Land Acquisition	800,000	0	200,000	600,000	0
	Payment in lieu of taxes	1,000,000	0	400,000	600,000	0
	<b>Total</b>	<b>1,800,000</b>	<b>0</b>	<b>600,000</b>	<b>1,200,000</b>	<b>0</b>
750 Parks and Recreation Department	Capital Bond Payments	73,613	73,613	0	0	0
770 Water Commission	Capital Bond Payments	16,881,750	0	0	16,881,750	0
	NAWS and SWPP	81,440,055	0	0	81,440,055	0
	SWPP/ARRA STIMULUS	7,271,773	0	7,271,773	0	0
	<b>Total</b>	<b>105,593,578</b>	<b>0</b>	<b>7,271,773</b>	<b>98,321,805</b>	<b>0</b>
801 Dept of Transportation	ARRA-Federal Stimulus Aid	19,319,575	0	19,319,575	0	0
	Capital Bond Payments	1,189,239	0	0	1,189,239	0
	General Funds for Devils Lake	5,850,000	5,850,000	0	0	0
	Other Capital Payments	655,385,259	0	532,703,748	122,681,511	0
	Road Reconstruction for Oil Counties	142,000,000	0	0	142,000,000	0
	State Funded Roadway Maintenance Safety Items	12,205,992	0	0	12,205,992	0
	State funded road program for oil impact areas	228,600,000	0	0	228,600,000	0
	<b>Total</b>	<b>1,064,550,065</b>	<b>5,850,000</b>	<b>552,023,323</b>	<b>506,676,742</b>	<b>0</b>
<b>Total All Agencies</b>		<b>1,200,197,472</b>	<b>27,507,150</b>	<b>560,264,859</b>	<b>612,425,463</b>	<b>0</b>

**Financing**

The executive recommendation for capital assets expenditures during the 2011-13 biennium is \$1.487 billion. The majority of expenditures relate to highway projects (\$1.065 billion) and water projects (\$105.6 million), funded mainly from federal and special funds.

The executive recommendation for capital projects is \$169.2 million. Capital projects are funded with \$57.0 million from the general fund, \$20.8 million from federal funds, and \$91.4 million from special funds.

**Debt Affordability**

North Dakota remains a low-debt state. The following chart compares North Dakota debt to industry guidelines:

<u>Criteria</u>	<u>Debt Affordability</u>	
	<u>United States Mean</u>	<u>North Dakota</u>
2008 per capita debt	\$1,297	\$327
2008 debt to personal income	3.2%	0.8%

**Debt Obligations and Limits**

NDCC 54-17.2-23 limits the amount of bond payments to be paid from the state's general fund. The amount "may not exceed the amount equal to a portion of the sales, use, and motor vehicle excise tax collections equal to 10 percent of an amount, determined by multiplying the quotient of 1 percent divided by the general sales tax rate that was in effect when the taxes were collected, times the net sales, use, and motor vehicle excise tax collections." The general sales tax rate is currently 5 percent. Consequently, the state building authority lease payment limitation can be calculated as follows:

$$10\% \times 1\%/5\% \times \text{Net Sales Tax Collections} = \text{General Fund Payment Limitation}$$

Current debt obligations of the general fund and maximum legal debt limits are reflected below. Current debt obligations are within the legal limit.

<u>Biennium</u>	<u>Current General Fund Debt Obligation</u>	<u>Statutory Debt Limit*</u>	<u>Balance Avail for Additional Debt Service</u>
2011-13	17,037,198	32,750,660	15,713,461
2013-15	16,314,033	34,060,686	17,746,653
2015-17	13,868,811	35,423,114	21,554,303
2017-19	11,788,290	36,840,038	25,051,748
2019-21	10,148,480	38,313,640	28,165,160
2021-23	7,972,438	39,846,186	31,873,748
2023-25	3,006,710	41,440,033	38,433,323

\* Based on the August 2010 forecast with 4 percent growth each biennium and assumes the sunset of the 25 percent motor vehicle excise tax going to the Highway Fund.

All state funded capital projects recommended in the 2011-13 executive budget are funded with cash. There are no projects funded through bonded indebtedness. Approximately \$17.7 million will be available for additional bond payments in 2013-15 without exceeding the statutory debt limit. The \$17.7 million is the difference between the 2013-15 biennium statutory debt limit of \$34.0 million and the estimated general fund debt obligation of \$16.3 million.

Bonds issued for construction projects are repaid over a 20-year period. Based on estimated funds available in future bienniums for additional bond payments, bonds in the amount of \$98.5 million could have been issued during the 2011-13 biennium (based on estimates prepared by financial advisors to the State of North Dakota).

**Outstanding Bonds**

On the following pages is a summary of outstanding bonded indebtedness issued by the North Dakota Building Authority.



<b>Projects Funded</b>	<b>Bond Issue</b>	<b>Bond Maturity Date</b>	<b>Outstanding Principal June 30, 2011</b>	<b>Debt Service General Fund Payment 2011-2013</b>	<b>Debt Service Special Fund Payment 2011-2013</b>	<b>Debt Service Energy Savings Payment 2011-2013</b>
<b>Authorized in 1993</b>	<b>2002 Series C</b>	<b>8/15/2014</b>	<b>\$4,180,000</b>	<b>\$2,100,333</b>	<b>\$280,187</b>	<b>\$0</b>
<ul style="list-style-type: none"> <li>•North Dakota University System - Various capital projects including handicapped accessibility projects and special assessments (\$8,423,061)</li> <li>•Minot State University Memorial Library renovation (\$2,550,000)</li> <li>•Job Service ND - Grand Forks Office Building (\$1,735,000)</li> <li>•Adjutant General - Grand Forks Armory (\$375,000)</li> <li>•Youth Correctional Center - Building demolition and asbestos removal (\$250,000)</li> </ul>						
<b>Authorized in 1995</b>	<b>2002 Series D</b>	<b>12/1/2016</b>	<b>\$7,915,000</b>	<b>\$2,996,490</b>	<b>\$0</b>	<b>\$0</b>
<ul style="list-style-type: none"> <li>•Bismarck State College Science and Mathematics Center (\$8,060,000)</li> <li>•University of North Dakota Abbott Hall renovations (\$2,371,769)</li> <li>•North Dakota State University emission control renovations on power plant (\$2,145,000)</li> <li>•Dickinson State University Klinefelter Hall renovations (\$2,750,000)</li> </ul>						
<b>Authorized in 1997</b>	<b>2006 Series A</b>	<b>12/1/2019</b>	<b>\$7,330,000</b>	<b>\$1,999,801</b>	<b>\$0</b>	<b>\$0</b>
<ul style="list-style-type: none"> <li>•State College of Science - Bute Gym remodeling (\$1,700,000)</li> <li>•Minot State University Moore Hall renovation (\$4,000,000)</li> <li>•Youth Correctional Center gymnasium renovation (\$1,400,000)</li> </ul>						
<b>Authorized in 1999</b>						
<ul style="list-style-type: none"> <li>•North Dakota State University - Animal facility (\$2,207,500)</li> <li>•Youth Correctional Center - Pine Cottage (\$1,475,000)</li> </ul>						
<b>Authorized in 1999</b>	<b>2006 Series B</b>	<b>12/1/2022</b>	<b>\$9,650,000</b>	<b>\$1,655,776</b>	<b>\$417,250</b>	<b>\$0</b>
<ul style="list-style-type: none"> <li>•Williston State College - Health and Wellness Center (\$3,000,000)</li> </ul>						
<b>Authorized in 2001</b>						
<ul style="list-style-type: none"> <li>•Minot State University - Old Main restoration (\$7,850,000)</li> </ul>						
<b>Authorized in 2001</b>	<b>2002 Series A</b>	<b>12/1/2022</b>	<b>\$5,220,000</b>	<b>\$188,334</b>	<b>\$812,095</b>	<b>\$438,487</b>
<ul style="list-style-type: none"> <li>•University of North Dakota Energy Conservation Projects (\$3,990,785)</li> <li>•North Dakota State University Energy Conservation Projects (\$296,348)</li> <li>•State Department of Health - Laboratory Addition (\$2,700,000)</li> <li>•Job Service ND - Bismarck service delivery office (\$2,302,000)</li> </ul>						
<b>Authorized in 2003</b>	<b>2003 Series B</b>	<b>12/1/2022</b>	<b>\$9,680,000</b>	<b>\$2,048,541</b>	<b>\$0</b>	<b>\$18,604</b>
<ul style="list-style-type: none"> <li>•State Department of Health - Morgue and storage annex (\$960,000)</li> <li>•James River Correctional Center - Food Service/laundry renovations - Phase II (\$2,662,890)</li> <li>•Missouri River Correctional Center Energy Conservation Project (\$105,326)</li> <li>•Dickinson State University - Murphy Hall Phase I (\$5,882,047)</li> <li>•Mayville State University - Steamline replacement - Phase II (\$1,355,000)</li> <li>•Valley City State University - Graichen Gymnasium elevator and emergency exits (\$785,300)</li> </ul>						

<b>Projects Funded</b>	<b>Bond Issue</b>	<b>Bond Maturity Date</b>	<b>Outstanding Principal June 30, 2011</b>	<b>Debt Service General Fund Payment 2011-2013</b>	<b>Debt Service Special Fund Payment 2011-2013</b>	<b>Debt Service Energy Savings Payment 2011-2013</b>
<b>Authorized in 2005</b>	<b>2005 Series A</b>	<b>12/1/2024</b>	<b>34,500,000</b>	<b>\$6,047,927</b>	<b>\$33,333</b>	<b>\$491,303</b>
<ul style="list-style-type: none"> <li>•University of North Dakota Energy Conservation Projects (\$2,331,554)</li> <li>•Office of Management and Budget - Fire suppression system (\$3,155,000)</li> <li>•Attorney General's Office - Crime Laboratory addition and renovation (\$3,632,691)</li> <li>•North Dakota State University - Hazardous material handling and storage facility (\$3,500,000)</li> <li>•North Dakota State College of Science - Electrical Distribution (\$736,000)</li> <li>•Dickinson State University - Murphy Hall (\$4,100,557)</li> <li>•Minot State University - Bottineau - Thatcher Hall addition (\$2,500,000)</li> <li>•James River Correctional Center ET building Improvements (\$980,000)</li> <li>•James River Correctional Center - Programs building code improvements (\$584,000)</li> <li>•North Central Research Center - Agronomy laboratory and greenhouse (\$440,000)</li> <li>•Central Grasslands Research Extension Center - Office addition (\$270,000)</li> <li>•Main Research Center - Greenhouse Complex (\$2,000,000)</li> <li>•State Historical Society - Chateau de Mores Interpretive Center (\$1,100,000)</li> <li>•State Historical Society and Heritage Center - Research collections expansion (\$5,500,000)</li> <li>•Parks and Recreation Department - Turtle River State Park administrative office (\$350,000)</li> </ul>						
<b>Authorized in 2003</b>	<b>2003 Series C</b>	<b>12/1/2013</b>	<b>\$7,505,000</b>	<b>\$0</b>	<b>\$5,406,666</b>	<b>\$0</b>
<ul style="list-style-type: none"> <li>•Information Technology Department - ConnectND (\$20,000,000)</li> </ul>						
<b>Total</b>			<b>\$85,980,000</b>	<b>\$17,037,202</b>	<b>\$6,949,531</b>	<b>\$948,394</b>

**Equipment and IT Equipment and Software over \$5,000**

State agencies invest significant resources in purchases of equipment in excess of \$5,000. Governmental Accounting Standards Board (GASB) Statement No. 34, and fixed asset accounting policies established for the State of North Dakota by the Office of Management and Budget, provides that equipment purchases should be capitalized if the cost is \$5,000 or more. "Equipment" includes the costs of office equipment, machinery, furniture and fixtures, furnishings and similar items.

Budget instructions issued by the Office of Management and Budget direct agencies to include in the capital assets request all equipment and IT equipment and software purchases in excess of \$5,000. All equipment requests for items of \$5,000 or less are included in the operating line item.

The 2011-13 biennium executive recommendation includes \$48.7 million for the purchase of equipment items costing \$5,000 or more. Recommended funding sources are \$4.9 million from the general fund, \$3.1 million from federal funds, and \$40.7 million from special funds. The executive recommendation includes \$31.8 million for the purchase of IT equipment and software items costing \$5,000 or more. Recommended funding sources for IT equipment purchases are \$3.9 million from the general fund, \$17.0 million from federal funds, and \$10.9 million from special funds.

The schedule on the following pages show amounts included in the executive recommendation for each state agency with equipment and IT equipment and software purchases in excess of \$5,000 for the 2011-13 biennium.

## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
110 Office of Management and Budget	Loading Ramp for Surplus Property	20,000	20,000	0	0	20,000
	New Grounds Equipment-Lawn Mower	67,000	67,000	67,000	0	0
	Print Finish Equipment	50,000	50,000	0	0	50,000
	<b>Total</b>	<b>137,000</b>	<b>137,000</b>	<b>67,000</b>	<b>0</b>	<b>70,000</b>
112 Information Technology	Copier Replacements	12,500	12,500	0	0	12,500
	General Office Equipment for ITD Operations	240,000	240,000	0	0	240,000
	<b>Total</b>	<b>252,500</b>	<b>252,500</b>	<b>0</b>	<b>0</b>	<b>252,500</b>
125 Office of the Attorney General	3130 Genetic Analyzer	100,000	100,000	0	100,000	0
	7500 RT-PCR	45,000	45,000	0	45,000	0
	9700 Thermocycler	10,900	10,900	0	10,900	0
	Alternate Light Source	0	18,000	18,000	0	0
	Analytical Balances	0	12,400	12,400	0	0
	BCI undercover vehicles	0	162,000	162,000	0	0
	FTIR	90,000	90,000	0	7,000	83,000
	Gas Chromatograph/Headspace Autosampler	190,000	190,000	0	95,000	95,000
	Gas Chromatograph/Spectrophotometer	290,001	290,001	0	290,001	0
	Intoxilyzers	180,000	180,000	0	180,000	0
	Replace BCI surveillance van	0	120,000	120,000	0	0
	Robotic system	80,000	80,000	0	80,000	0
	<b>Total</b>	<b>985,901</b>	<b>1,298,301</b>	<b>312,400</b>	<b>807,901</b>	<b>178,000</b>
	150 Legislative Assembly	Committee room renovations	500,000	500,000	500,000	0
160 Legislative Council	Other 2011-13 Capital Asset Adjustments	16,500	16,500	16,500	0	0
	Provide 2011-13 One-Time Funding	25,000	25,000	25,000	0	0
	<b>Total</b>	<b>41,500</b>	<b>41,500</b>	<b>41,500</b>	<b>0</b>	<b>0</b>
180 Judicial Branch	Air filter system	5,000	5,000	5,000	0	0
	Color copy machine for Administration	15,000	15,000	15,000	0	0
	Conference room furniture	10,000	10,000	10,000	0	0
	Copy machine for Cass County addition	12,000	12,000	12,000	0	0
	Copy machine for Supreme Court	12,500	12,500	12,500	0	0

## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Copy machine for Wahpeton courthouse	8,000	8,000	8,000	0	0
	Copy machine in Unit 4	8,000	8,000	8,000	0	0
	Copy machines for Unit 3	21,000	21,000	21,000	0	0
	Copy machines in Unit 1	25,000	25,000	25,000	0	0
	Desk for SEJD Judge	7,000	7,000	7,000	0	0
	Desks and office furniture for Unit 2 Judges	28,000	28,000	28,000	0	0
	Desks for Unit 2 referees	12,000	12,000	12,000	0	0
	Folding machine for Minot courthouse	7,500	7,500	7,500	0	0
	Folding machine for Williston courthouse	7,500	7,500	7,500	0	0
	Microfiche machine	9,000	9,000	9,000	0	0
	<b>Total</b>	<b>187,500</b>	<b>187,500</b>	<b>187,500</b>	<b>0</b>	<b>0</b>
226 State Land Department	Replacement or purchase of ATV	10,000	10,000	0	0	10,000
244 North Dakota Forest Service	Flex Wing Rotary Mower	20,000	20,000	20,000	0	0
	Snowmobile	8,000	8,000	8,000	0	0
	Tractors	84,495	28,248	28,248	0	0
	<b>Total</b>	<b>112,495</b>	<b>56,248</b>	<b>56,248</b>	<b>0</b>	<b>0</b>
252 School for the Deaf	Campus Wide Clock System Replacement	17,000	17,000	0	0	17,000
	Clinical Audiometer	8,800	8,800	0	0	8,800
	GSI Tymptstar Middle Ear Analyzer	8,900	8,900	0	0	8,900
	<b>Total</b>	<b>34,700</b>	<b>34,700</b>	<b>0</b>	<b>0</b>	<b>34,700</b>
253 ND Vision Services	Tiger Embosser	0	8,500	8,500	0	0
301 ND Department of Health	Ambient Nitrogen Oxides Analyzer	36,000	36,000	0	0	36,000
	Ambient Ozone Analyzer	16,400	16,400	0	16,400	0
	BioSafety Cabinet Lab	12,500	12,500	0	12,500	0
	Continuous Particulate Analyzer	96,000	96,000	0	96,000	0
	Copy Machine	7,661	7,661	0	7,661	0
	Defibrillators	50,000	50,000	0	50,000	0
	Flow Calibration System	22,000	22,000	0	22,000	0
	Forklift for SAFELY stowing pallets	8,000	8,000	0	8,000	0
	Generator	100,000	100,000	0	100,000	0
	Multi Gas Calibrator	11,000	11,000	0	11,000	0
	Portable Autoclave Sterilization Unit	6,200	6,200	0	6,200	0

## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Portable Dental Operatories	24,000	24,000	0	24,000	0
	Portable Medical Shelters	120,000	120,000	0	120,000	0
	Portable Radon Analyzer	8,000	8,000	0	8,000	0
	Replace Autitrator for Alkalinity Testing	38,000	38,000	0	38,000	0
	Replace Autoclave/Sterilizer	32,000	32,000	0	32,000	0
	Replace Biosafety Cabinet	13,000	13,000	0	13,000	0
	Replace DNA Analyzer	50,000	50,000	0	25,200	24,800
	Replace FIA Autosampler	9,000	9,000	0	4,400	4,600
	Replace Gas Chromatography Systems	70,000	70,000	0	70,000	0
	Replace Pickering for Testing	25,000	25,000	0	25,000	0
	Replace Ultra Low Freezer (-80 degrees C)	15,000	15,000	0	15,000	0
	Replace water softener for humidifier	25,000	25,000	0	25,000	0
	UNFORS Xi	30,000	30,000	0	0	30,000
	Video Switching System	10,000	10,000	0	10,000	0
	Zero Air Generator	24,000	24,000	0	11,000	13,000
	<b>Total</b>	<b>858,761</b>	<b>858,761</b>	<b>0</b>	<b>750,361</b>	<b>108,400</b>
313 Veterans Home	Biodex Balance system	8,900	8,900	0	0	8,900
	Manlift	12,000	12,000	0	0	12,000
	Precor treadmill	6,000	6,000	0	0	6,000
	Resistance weight machine	10,000	10,000	0	0	10,000
	Semi-Recumbent Elliptical Cross-Trainer	6,500	6,500	0	0	6,500
	Zero turn lawnmowers	26,000	26,000	0	0	26,000
	<b>Total</b>	<b>69,400</b>	<b>69,400</b>	<b>0</b>	<b>0</b>	<b>69,400</b>
325 Department of Human Services	LRHSC Copiers	20,000	20,000	17,479	2,521	0
	SEHSC Copier 1	13,000	13,000	11,558	1,442	0
	SEHSC Copier 2	6,000	6,000	5,335	665	0
	<b>Total</b>	<b>39,000</b>	<b>39,000</b>	<b>34,372</b>	<b>4,628</b>	<b>0</b>
471 Bank of North Dakota	2 Currency Counter Replacement	12,000	12,000	0	0	12,000
	Coin Sorter Replacement	15,000	15,000	0	0	15,000
	Coin Wrapper with Conveyor	30,000	30,000	0	0	30,000
	Security equipment enhancements/replacements	25,000	25,000	0	0	25,000
	Unanticipated Equipment Capital Expenditures	50,000	50,000	0	0	50,000

## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	<b>Total</b>	<b>132,000</b>	<b>132,000</b>	<b>0</b>	<b>0</b>	<b>132,000</b>
530 Dept of Corrections and Rehabilitation	Automatic Cut-off Saw	65,000	65,000	0	0	65,000
	Computerized Index Table					
	Bobcat Loader - MRCC	0	30,000	30,000	0	0
	CNC Laser Cutting Table - Metal and Sign Shop	117,500	117,500	0	0	117,500
	Cold Counter Food Storage System- JRCC	0	9,000	9,000	0	0
	Command Center Incident Trailer- JRCC	0	7,000	7,000	0	0
	Commercial Clothing Dryer - JRCC	0	9,600	9,600	0	0
	Commercial Coffee Urn - NDSP	0	6,000	6,000	0	0
	Commercial Deep Fryer- JRCC	0	20,000	20,000	0	0
	Commercial Deep Fryer- NDSP	0	20,000	20,000	0	0
	Drawer Doweling Machine - Furniture Shop	25,000	25,000	0	0	25,000
	Elastic Sewing Machine	8,000	8,000	0	0	8,000
	Four Compartment Steamer - NDSP	0	20,000	20,000	0	0
	Hi-scan Mobile X-ray machine- NDSP	0	21,400	21,400	0	0
	IVN System for Training- NDSP	0	15,000	15,000	0	0
	Ice Machine - NDSP	0	6,000	6,000	0	0
	Mitre Door Machine - Furniture Shop	25,000	25,000	0	0	25,000
	Molding Machine - Furniture Shop	40,000	40,000	0	0	40,000
	North Unit Sanitizer- NDSP	0	6,000	6,000	0	0
	Pots and Pans Dishwasher- JRCC	0	25,000	25,000	0	0
	Raised Panel Door Machine - Furniture Shop	20,000	20,000	0	0	20,000
	Road Grader - NDSP	0	130,000	130,000	0	0
	Sewer Jetter- NDSP	0	45,000	45,000	0	0
	Sheet Metal Shear with Jib Hoist - Metal Shop	60,000	60,000	0	0	60,000
	Six Foot Commercial Electric Gri	0	18,000	18,000	0	0
	Snow Blade - NDSP	0	16,000	16,000	0	0
	Thread Cutter - JRCC	0	5,400	5,400	0	0
	Training Computer Lab- NDSP	0	10,000	10,000	0	0
	Treatment Unit Dishwasher - NDSP	0	10,000	10,000	0	0
	Utility Vehicles - NDSP	0	18,400	18,400	0	0
	Vertical Cutter Mixer - NDSP	0	15,000	15,000	0	0
	<b>Total</b>	<b>360,500</b>	<b>823,300</b>	<b>462,800</b>	<b>0</b>	<b>360,500</b>

## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
540 Office of the Adjutant General	Color Copy Machine for EOC	16,000	16,000	0	16,000	0
	Command Response Trailer	70,000	70,000	0	70,000	0
	Command Vehicles	168,000	168,000	0	168,000	0
	Crisafulli Trailer Pumps	42,000	42,000	0	42,000	0
	Emergency Backup Generators	146,000	146,000	0	146,000	0
	Grounds Equipment	52,000	52,000	52,000	0	0
	Motorola Lease Payment	1,525,347	1,525,347	1,525,347	0	0
	Satellite Communication Dishes	300,000	300,000	0	300,000	0
	<b>Total</b>	<b>2,319,347</b>	<b>2,319,347</b>	<b>1,577,347</b>	<b>742,000</b>	<b>0</b>
601 Department of Commerce	Pick-up truck	35,000	35,000	0	35,000	0
	Trailer	20,000	20,000	0	20,000	0
	Weatherization equipment	9,018	9,018	0	9,018	0
	<b>Total</b>	<b>64,018</b>	<b>64,018</b>	<b>0</b>	<b>64,018</b>	<b>0</b>
602 Department of Agriculture	Noxious Weed Plotter	17,000	17,000	0	0	17,000
616 State Seed Department	Generator	35,000	35,000	0	0	35,000
	Laboratory PCR/DNA Testing Equipment	35,000	35,000	0	0	35,000
	<b>Total</b>	<b>70,000</b>	<b>70,000</b>	<b>0</b>	<b>0</b>	<b>70,000</b>
628 Branch Research Centers	100 HP tractor	50,000	50,000	0	0	50,000
	40' Air Seeder	40,000	40,000	40,000	0	0
	Bale feeders	65,000	65,000	0	0	65,000
	Bobcat backhoe attachment	8,501	8,501	0	0	8,501
	Feed Wagon	45,000	45,000	45,000	0	0
	Field combine	201,197	201,197	100,000	0	101,197
	Field demonstration weigh wagon	25,000	25,000	0	0	25,000
	Field tractor (130-150 HP)	120,696	120,696	0	0	120,696
	Floating header for combine	20,000	20,000	20,000	0	0
	Forklift	25,000	25,000	25,000	0	0
	GPS Tractor/Truck guidance system	19,788	19,788	0	0	19,788
	Generator	7,500	7,500	0	0	7,500
	Grounds tractor mower	30,000	30,000	0	0	30,000
	High wheel, self-propelled sprayer	100,000	100,000	100,000	0	0
	Hopper-bottom grain bins	30,000	30,000	25,000	0	5,000
	Horse and tack trailer	69,075	69,075	0	0	69,075
Landscape tractor mower	35,000	35,000	0	0	35,000	
Lawn tractor with mower	10,000	10,000	10,000	0	0	



## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Lawn tractor with rototiller	10,000	10,000	10,000	0	0
	Mobile cattle working system, chute & scale	60,000	60,000	0	0	60,000
	Neutron probe	9,000	9,000	0	0	9,000
	No-till drill	42,500	42,500	0	0	42,500
	Nuclear magnetic resonance machine	73,815	73,815	0	0	73,815
	Overhead cake bin	80,000	80,000	0	0	80,000
	Plot sample dryer	48,000	48,000	0	0	48,000
	Plot tractor	45,000	45,000	45,000	0	0
	Ranch feed wagon	70,000	70,000	0	0	70,000
	Research plot combine with automated scale	275,000	275,000	0	0	275,000
	Rotary hoe	6,500	6,500	0	0	6,500
	Soil sampling probe unit	15,000	15,000	0	0	15,000
	Tractor 120 HP	80,000	80,000	80,000	0	0
	Utility tractor (45-50 HP)	40,000	40,000	0	0	40,000
	Utility tractor (65-70 HP)	50,000	50,000	0	0	50,000
	Utility vehicle	45,000	45,000	0	0	45,000
	Wireless data mgt & surveillance system w/security	42,000	42,000	0	0	42,000
	<b>Total</b>	<b>1,893,572</b>	<b>1,893,572</b>	<b>500,000</b>	<b>0</b>	<b>1,393,572</b>
638 Northern Crops Institute	Desk/tables	25,000	25,000	0	0	25,000
	Extensograph	50,000	50,000	0	0	50,000
	Farinograph	65,000	65,000	0	0	65,000
	Flour mixer	25,000	25,000	0	0	25,000
	Flour packing equipment	25,000	25,000	4,111	0	20,889
	Rheofermenter	25,000	25,000	0	0	25,000
	Roller grinder	25,000	25,000	0	0	25,000
	Translation equipment	45,000	45,000	0	0	45,000
	<b>Total</b>	<b>285,000</b>	<b>285,000</b>	<b>4,111</b>	<b>0</b>	<b>280,889</b>
640 NDSU Main Research Center	-80 C freezer	12,000	12,000	0	0	12,000
	4-row John Deere MaxEmerge II planter	20,000	20,000	0	0	20,000
	50 HP tractor	20,000	20,000	0	0	20,000
	Additional equipment	1,547,033	1,547,033	0	0	1,547,033
	Air-driven dental scaler/polisher	6,000	6,000	0	0	6,000
	BIO-RAD Electroporator	5,666	5,666	0	0	5,666
	BIO-RAD Thermocycler S1000	6,700	6,700	0	0	6,700
	Benchtop centrifuge w/microplates adapter	10,000	10,000	0	0	10,000

## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Benchtop shaking incubator (VWR Model 1575R)	8,900	8,900	0	0	8,900
	BioSpectrum Imaging Systems, UVP	32,781	32,781	0	0	32,781
	Bobcat	21,000	21,000	0	0	21,000
	Bunk blower	5,500	5,500	0	0	5,500
	CHNS Determinator	95,000	95,000	0	0	95,000
	CO2 Incubators	15,000	15,000	0	0	15,000
	Cryostat	9,000	9,000	0	0	9,000
	Cyclotec sample mill	5,500	5,500	0	0	5,500
	Digital dental radiography equipment	11,000	11,000	0	0	11,000
	Digital radiography retrofit	40,000	40,000	0	0	40,000
	Fluormeter	10,765	10,765	0	0	10,765
	Forage dump wagon	15,000	15,000	0	0	15,000
	Greenhouse gas GC	45,000	45,000	0	0	45,000
	Greenseeker plant canopy analyzer	5,200	5,200	0	0	5,200
	High performance liquid chromatography instrument	25,000	25,000	0	0	25,000
	High quality stereoscope w/digital camera/video	10,000	10,000	0	0	10,000
	High resolution microCT imager	600,000	600,000	505,000	0	95,000
	Laparoscope	7,000	7,000	0	0	7,000
	Large autoclave	10,000	10,000	0	0	10,000
	Leaf area	29,100	29,100	0	0	29,100
	Leaf transpiration sensor	14,500	14,500	0	0	14,500
	Liquid scintillation counter	42,000	42,000	0	0	42,000
	MIDI system gas chromatograph	33,000	33,000	0	0	33,000
	Microscope	109,000	109,000	0	0	109,000
	Mixer	32,000	32,000	0	0	32,000
	Multifunction anesthesia monitors	15,000	15,000	0	0	15,000
	Myograph system	27,105	27,105	0	0	27,105
	Odyssey infra-red imaging system	49,500	49,500	0	0	49,500
	PCR thermocycler	17,000	17,000	0	0	17,000
	Photoacoustic gas analyzer (INNOVA 1412)	50,000	50,000	0	0	50,000
	Portable image analysis station	6,500	6,500	0	0	6,500
	Quantitative PCR System	35,000	35,000	0	0	35,000
	Smart track fat analysis system	74,250	74,250	0	0	74,250
	SoxTec fat analyzer	31,000	31,000	0	0	31,000
	Stackliner (square bales)	70,000	70,000	0	0	70,000
	Stereoscope/microscope	30,000	30,000	0	0	30,000
	Stereoscope/video	40,000	40,000	0	0	40,000

## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Stratagene MX3000P Real-time PCR system	28,000	28,000	0	0	28,000
	Surgical laser	30,000	30,000	0	0	30,000
	Tender foot flooring in ANPC	15,000	15,000	0	0	15,000
	Tractor 125 HP	50,000	50,000	0	0	50,000
	Tractor 200 HP	60,000	60,000	0	0	60,000
	Ultralow freezer	9,000	9,000	0	0	9,000
	Vermeer round baler	35,000	35,000	0	0	35,000
	Walk-in freezer in ANPC	29,500	29,500	0	0	29,500
	Woods mower	15,000	15,000	0	0	15,000
	<b>Total</b>	<b>3,575,500</b>	<b>3,575,500</b>	<b>505,000</b>	<b>0</b>	<b>3,070,500</b>
649 Agronomy Seed Farm	ATV	6,000	6,000	0	0	6,000
	Chisel Plow	50,000	50,000	0	0	50,000
	Combine	125,000	125,000	0	0	125,000
	Seed tender	20,000	20,000	0	0	20,000
	Self propelled sprayer	100,000	100,000	0	0	100,000
	<b>Total</b>	<b>301,000</b>	<b>301,000</b>	<b>0</b>	<b>0</b>	<b>301,000</b>
701 Historical Society	Add Base Budget Equipment - Lift	27,000	27,000	27,000	0	0
	Add Base Budget Equipment - Toro Mowers	54,000	54,000	54,000	0	0
	<b>Total</b>	<b>81,000</b>	<b>81,000</b>	<b>81,000</b>	<b>0</b>	<b>0</b>
720 Game and Fish Department	Aircraft Replacement	300,000	0	0	0	0
	Conservation & Communication Division Equipment	12,000	12,000	0	8,000	4,000
	Enforcement Equipment	329,000	329,000	0	49,000	280,000
	Fisheries Replacement Equipment	150,000	150,000	0	112,500	37,500
	Lonetree Replacement Equipment	100,000	100,000	0	100,000	0
	Wildlife Division Replacement Equipment	200,000	200,000	0	150,000	50,000
	<b>Total</b>	<b>1,091,000</b>	<b>791,000</b>	<b>0</b>	<b>419,500</b>	<b>371,500</b>
750 Parks and Recreation Department	16' Boat with 30 HP motor	20,000	20,000	20,000	0	0
	3-pt snowblower	5,000	5,000	5,000	0	0
	Bobcat T-190	40,000	40,000	40,000	0	0
	Bobcat for CRSP & FSSP	0	116,000	58,000	0	58,000
	Boston Whaler	120,000	120,000	120,000	0	0
	Copier	6,000	6,000	6,000	0	0
	Fish Grinder Motor	10,000	10,000	10,000	0	0
	Industrial Tractor	60,000	60,000	60,000	0	0

## Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Off Highway Vehicle	10,000	10,000	10,000	0	0
	Off Highway Vehicle (OHV)	10,000	10,000	0	0	10,000
	Portable grill	5,000	5,000	5,000	0	0
	Snow Dozer attachments	6,000	6,000	6,000	0	0
	Snow grooming equipment	414,365	414,365	14,125	320,000	80,240
	Snowmobile	30,000	30,000	30,000	0	0
	Utility Vehicle	108,000	108,000	108,000	0	0
	Utility tractor	30,000	30,000	30,000	0	0
	<b>Total</b>	<b>874,365</b>	<b>990,365</b>	<b>522,125</b>	<b>320,000</b>	<b>148,240</b>
770 Water Commission	Development Construction Equipment	40,000	40,000	40,000	0	0
	NAWS Construction Equipment	10,000	10,000	0	0	10,000
	<b>Total</b>	<b>50,000</b>	<b>50,000</b>	<b>40,000</b>	<b>0</b>	<b>10,000</b>
801 Dept of Transportation	Communication Test Set	19,953	19,953	0	0	19,953
	Computer board	9,000	9,000	0	0	9,000
	Copier	33,800	33,800	0	0	33,800
	Digital Film Scanner/Printer	8,500	8,500	0	0	8,500
	Digital Radio Conversion	0	80,047	0	0	80,047
	Digital video camera	8,000	8,000	0	0	8,000
	GPS Data Collectors	16,200	16,200	0	0	16,200
	GPS Receiver	27,000	27,000	0	0	27,000
	GPS Rovers	38,010	38,010	0	0	38,010
	Hobart Mixer	8,000	8,000	0	0	8,000
	Ignition Oven	12,700	12,700	0	0	12,700
	Interactive Plasma Display	5,000	5,000	0	0	5,000
	Laser Level	10,000	10,000	0	0	10,000
	Mail Sorter	14,000	14,000	0	0	14,000
	Major Maintenance/Minor Highway & Shop Equipment	5,295,400	5,295,400	0	0	5,295,400
	Motor Vehicles	28,007,633	28,007,633	0	0	28,007,633
	Plotter/Printer	11,000	11,000	0	0	11,000
	Postage Machine	22,000	22,000	0	0	22,000
	Printer	6,000	6,000	0	0	6,000
	Rheometer	25,000	25,000	0	0	25,000
	Shear Apparatus	15,000	15,000	0	0	15,000
	Spectrometer	11,000	11,000	0	0	11,000
	Survey Rugged Tablets	40,000	40,000	0	0	40,000
	Trimble GPS Survey	54,000	54,000	0	0	54,000
	Trimble Robotic Survey	30,000	30,000	0	0	30,000
	UTV Tracks	6,070	6,070	0	0	6,070
	Utility Terrain Vehicles	24,000	24,000	0	0	24,000

**Equipment Over \$5,000**

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	<b>Total</b>	<b>33,757,266</b>	<b>33,837,313</b>	<b>0</b>	<b>0</b>	<b>33,837,313</b>
	<b>Total All Agencies</b>	<b>48,100,325</b>	<b>48,723,825</b>	<b>4,899,903</b>	<b>3,108,408</b>	<b>40,715,514</b>

## IT Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
108 Secretary of State	Epollbook Machines	3,000,000	3,000,000	0	3,000,000	0
110 Office of Management and Budget	Software for Surplus Property Business Processing	100,000	100,000	0	0	100,000
	Software to Manage Central Duplicating Business	10,000	10,000	0	0	10,000
	<b>Total</b>	<b>110,000</b>	<b>110,000</b>	<b>0</b>	<b>0</b>	<b>110,000</b>
112 Information Technology	CDE Equipment Refresh	15,000	15,000	0	0	15,000
	CND Equipment Refresh	235,500	235,500	0	0	235,500
	Data Center Security Upgrades	450,000	450,000	0	0	450,000
	Disk Purchases for ITD Operations	3,000,000	3,000,000	0	0	3,000,000
	E911 Equipment	0	500,000	0	500,000	0
	HIE Hosting Hardware	0	100,000	0	100,000	0
	K-12 Network Equipment	600,000	600,000	600,000	0	0
	MMIS Server Refresh	2,400,000	2,400,000	0	0	2,400,000
	Mainframe Refresh	500,000	500,000	0	0	500,000
	Network Equipment Refresh	960,000	960,000	0	0	960,000
	New Intel Servers for New Agency Applications	204,000	204,000	0	0	204,000
	PowerSchool Equipment	200,000	200,000	0	0	200,000
	Refresh AS400 Server	100,000	100,000	0	0	100,000
	Refresh Intel Server Farm	527,000	527,000	0	0	527,000
	SLDS Servers	0	30,000	30,000	0	0
	VOIP Switch Refresh/Conversion	500,000	500,000	0	0	500,000
<b>Total</b>	<b>9,691,500</b>	<b>10,321,500</b>	<b>630,000</b>	<b>600,000</b>	<b>9,091,500</b>	
125 Office of the Attorney General	Kiosks and fingerprint readers	192,000	192,000	0	192,000	0
127 Office of State Tax Commissioner	High Volume Scanner	16,000	16,000	16,000	0	0
150 Legislative Assembly	2011-13 One-Time Funding for IT	800,000	800,000	800,000	0	0
180 Judicial Branch	Digital recording equipment	57,240	57,240	57,240	0	0
	Disk and server expansion	292,000	292,000	292,000	0	0
	Elmo systems	13,000	13,000	13,000	0	0
	Evidence presentation equipment	18,000	18,000	18,000	0	0
	Servers	40,000	40,000	40,000	0	0
	Sound systems	114,240	114,240	114,240	0	0
<b>Total</b>	<b>534,480</b>	<b>534,480</b>	<b>534,480</b>	<b>0</b>	<b>0</b>	

# IT Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
188 Commission on Legal Counsel for Indigents	Add IT equipment over 5,000.	14,420	14,420	14,420	0	0
252 School for the Deaf	Replacement of Main Server on NDSO Campus	7,000	7,000	0	0	7,000
301 ND Department of Health	Replace Atlas Chromatography Server	10,000	10,000	0	10,000	0
	Replacement Accounts Receivable Software	20,000	20,000	0	0	20,000
	Replacement DC server	10,000	10,000	0	10,000	0
	Replacement color Laser Jet 5500 printer	6,000	6,000	0	6,000	0
	Scanner - High capacity color duplex flatbed	7,000	7,000	0	7,000	0
	Sequel Server Lab	10,000	10,000	0	10,000	0
	Sequel Server for WASP	8,000	8,000	0	8,000	0
	Server - Electronic Document System	20,000	20,000	0	20,000	0
	Server to replace outdated SDWIS serverr	10,000	10,000	0	10,000	0
	Wide format digital scanner	15,000	15,000	0	0	15,000
	<b>Total</b>	<b>116,000</b>	<b>116,000</b>	<b>0</b>	<b>81,000</b>	<b>35,000</b>
313 Veterans Home	Computer Server	13,600	13,600	0	0	13,600
321 Department of Veterans Affairs	Agency Website Redesign	0	15,593	15,593	0	0
325 Department of Human Services	Telepharmacy	138,400	138,400	0	138,400	0
360 Protection and Advocacy	Polycom (video conference) equipment	7,342	7,342	7,342	0	0
380 Job Service North Dakota	IT - UI Modernization	12,400,000	12,400,000	0	12,400,000	0
401 Office of the Insurance Commissioner	Anhydrous Ammonia Inspection Module	20,000	20,000	0	0	20,000
	HealthMaps	0	50,000	0	50,000	0
	<b>Total</b>	<b>20,000</b>	<b>70,000</b>	<b>0</b>	<b>50,000</b>	<b>20,000</b>
408 Public Service Commission	Copier/Printer Large Format	11,000	11,000	11,000	0	0

# IT Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Standard High Speed Scanner Replacement	7,000	7,000	7,000	0	0
	Standard Large Format Plotter Replacement	15,000	15,000	15,000	0	0
	Standard Server Replacement	11,500	11,500	11,500	0	0
	Tape Backup Expansion	8,500	8,500	8,500	0	0
	<b>Total</b>	<b>53,000</b>	<b>53,000</b>	<b>53,000</b>	<b>0</b>	<b>0</b>
471 Bank of North Dakota	2 AFS Duplicate Detection Servers	12,000	12,000	0	0	12,000
	2 BNDDirectMerchant Servers	12,000	12,000	0	0	12,000
	2 Tumbleweed DR Servers	12,000	12,000	0	0	12,000
	2 Tumbleweed Production Servers	12,000	12,000	0	0	12,000
	3 Color LJ Printer replacements	18,000	18,000	0	0	18,000
	3 large copy/print/scan machines	36,000	36,000	0	0	36,000
	6 PayPlus DR Servers	39,000	39,000	0	0	39,000
	6 PayPlus Servers and Tape Drive	42,000	42,000	0	0	42,000
	AFS Hardware	115,000	115,000	0	0	115,000
	Audio Visual Hardware Replacement/Upgrade	20,000	20,000	0	0	20,000
	BND04 and BND05 Servers	12,000	12,000	0	0	12,000
	FIS Check Imaging Software	100,000	100,000	0	0	100,000
	FiServ Hardware	331,000	331,000	0	0	331,000
	Fiserv Core Banking Software	100,000	100,000	0	0	100,000
	JReport Server	6,000	6,000	0	0	6,000
	LaserJet Printer replacement	6,000	6,000	0	0	6,000
	Linux Code Server	6,000	6,000	0	0	6,000
	New Unanticipated Software	100,000	100,000	0	0	100,000
	New technology/unplanned replacements	100,000	100,000	0	0	100,000
	PGS Hardware	30,000	30,000	0	0	30,000
	Tape Library replacement	25,000	25,000	0	0	25,000
	<b>Total</b>	<b>1,134,000</b>	<b>1,134,000</b>	<b>0</b>	<b>0</b>	<b>1,134,000</b>
540 Office of the Adjutant General	Central electronics bank (CEB)	0	1,100,000	1,100,000	0	0
	Message switch hardware upgrade	0	235,000	235,000	0	0
	Statewide seamless base map phase II	0	900,000	400,000	500,000	0
	WEBEOC Backup License	60,000	60,000	0	60,000	0
	<b>Total</b>	<b>60,000</b>	<b>2,295,000</b>	<b>1,735,000</b>	<b>560,000</b>	<b>0</b>
601 Department of Commerce	Wxeor Software Update	6,000	6,000	0	6,000	0



## IT Equipment Over \$5,000

Biennium: 2011-2013

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
616 State Seed Department	SSAS 2009	160,000	160,000	0	0	160,000
720 Game and Fish Department	IT Equipment Replacement	27,000	27,000	0	0	27,000
770 Water Commission	IT EQUIPMENT OVER \$5,000	45,000	0	0	0	0
	IT equipment over \$5,000	0	45,000	45,000	0	0
	<b>Total</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>0</b>	<b>0</b>
801 Dept of Transportation	Access Storage Workstations	88,000	88,000	0	0	88,000
	Animation Station	60,000	60,000	0	0	60,000
	HP Color Laserjet	42,600	42,600	0	0	42,600
	KyoceraMita Print/Copy/Scan Multi-function use	75,900	75,900	0	0	75,900
	Laptops	20,000	20,000	0	0	20,000
	Production Scan	14,584	14,584	0	0	14,584
	<b>Total</b>	<b>301,084</b>	<b>301,084</b>	<b>0</b>	<b>0</b>	<b>301,084</b>
<b>Total All Agencies</b>		<b>28,846,826</b>	<b>31,777,419</b>	<b>3,850,835</b>	<b>17,027,400</b>	<b>10,899,184</b>

# Large IT Project Recommendations - 2011-2013

Biennium: 2011-2013

Agency/Project	Total Request	Recommendation				
		Project Cost	General Fund	Federal Funds	Special Funds	Related FTE
<b>112 Information Technology</b>						
Billing System Re-Write	745,913	0	0	0	0	0.00
State Longitudinal Data System	3,227,623	3,227,623	3,227,623	0	0	3.00
<b>Total Information Technology</b>	<b>3,973,536</b>	<b>3,227,623</b>	<b>3,227,623</b>	<b>0</b>	<b>0</b>	<b>3.00</b>
<b>125 Office of the Attorney General</b>						
Criminal History Rewrite planning	486,300	486,300	36,300	0	450,000	0.00
<b>Total Office of the Attorney General</b>	<b>486,300</b>	<b>486,300</b>	<b>36,300</b>	<b>0</b>	<b>450,000</b>	<b>0.00</b>
<b>127 Office of State Tax Commissioner</b>						
GenTax Version 8 Upgrade	1,000,000	1,000,000	1,000,000	0	0	0.00
<b>Total Office of State Tax Commissioner</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>325 Department of Human Services</b>						
Eligibility System Re-Write	42,416,499	0	0	0	0	0.00
Transfer Child Support System off the Mainframe	1,377,635	0	0	0	0	0.00
VRIS Replacement	2,500,000	0	0	0	0	0.00
<b>Total Department of Human Services</b>	<b>46,294,134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>380 Job Service North Dakota</b>						
Unemployment Insurance(UI) Modernization Project	12,400,000	12,400,000	0	12,400,000	0	0.00
Workforce Data Quality Initiative (WDQI)	1,036,000	1,036,000	0	1,036,000	0	0.00
<b>Total Job Service North Dakota</b>	<b>13,436,000</b>	<b>13,436,000</b>	<b>0</b>	<b>13,436,000</b>	<b>0</b>	<b>0.00</b>
<b>471 Bank of North Dakota</b>						
Direct Student Loan Servicing	2,220,000	2,220,000	0	0	2,220,000	0.00
<b>Total Bank of North Dakota</b>	<b>2,220,000</b>	<b>2,220,000</b>	<b>0</b>	<b>0</b>	<b>2,220,000</b>	<b>0.00</b>
<b>485 Workforce Safety and Insurance</b>						
Data Warehousing Project	2,000,000	2,000,000	0	0	2,000,000	0.00
WC Integrated System	3,000,000	3,000,000	0	0	3,000,000	0.00
Web Portal	1,500,000	1,500,000	0	0	1,500,000	0.00
<b>Total Workforce Safety and Insurance</b>	<b>6,500,000</b>	<b>6,500,000</b>	<b>0</b>	<b>0</b>	<b>6,500,000</b>	<b>0.00</b>
<b>504 Highway Patrol</b>						
CVIEW Project	516,000	0	0	0	0	0.00
Enhanced CVISN Automated Routing	1,194,000	0	0	0	0	0.00
<b>Total Highway Patrol</b>	<b>1,710,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>540 Office of the Adjutant General</b>						
State Radio Dispatch Console System (CEB)	1,100,000	1,100,000	1,100,000	0	0	0.00

# Large IT Project Recommendations - 2011-2013

Biennium: 2011-2013

Agency/Project	Recommendation					
	Total Request	Project Cost	General Fund	Federal Funds	Special Funds	Related FTE
State Wide Base Map	900,000	900,000	400,000	500,000	0	1.00
<b>Total Office of the Adjutant General</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>1,500,000</b>	<b>500,000</b>	<b>0</b>	<b>1.00</b>
<b>701 Historical Society</b>						
Business Analysis	395,000	178,710	178,710	0	0	0.00
<b>Total Historical Society</b>	<b>395,000</b>	<b>178,710</b>	<b>178,710</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>801 Dept of Transportation</b>						
Drivers License Redesign	9,656,000	500,000	0	0	500,000	0.00
Estimating Program	537,680	537,680	0	0	537,680	0.00
<b>Total Dept of Transportation</b>	<b>10,193,680</b>	<b>1,037,680</b>	<b>0</b>	<b>0</b>	<b>1,037,680</b>	<b>0.00</b>
<b>Total - All Agencies</b>	<b>88,208,650</b>	<b>30,086,313</b>	<b>5,942,633</b>	<b>13,936,000</b>	<b>10,207,680</b>	<b>4.00</b>

## **Statutory Authority**

ND Constitution Article V; North Dakota Century Code Titles 20.1, 37, 44, 50, 54, 55, 56, and 61.

## **Agency Description**

The Governor is the chief executive officer of the state of North Dakota and serves as the spokesperson for North Dakota state government. The Governor coordinates the policies of executive branch agencies, submits the executive budget, gives the State of the State report, makes recommendations on programs requiring legislative approval and is mandated by law to serve on and make appointments to boards, commissions and committees. The Lt. Governor assumes the duties of the Governor when the Governor is out of the state or unable to serve. The Lt. Governor also serves as President of the North Dakota State Senate.

## **Major Accomplishments**

1. Proposed an historic \$400.0 million comprehensive property and income tax relief package.
2. Supported a landmark \$1.350 billion transportation funding package that builds infrastructure and helps cities, counties and townships recover from severe winter weather and flooding.
3. Proposed ambitious legislation for K-12 education that dramatically increases state support for schools.

4. Proposed a comprehensive Higher Education package that increases financial aid for students, builds campus infrastructure and improves campus equity funding.
5. Continued aggressive economic development efforts that will continue to improve the state's business climate and create more and better jobs and careers.
6. Adopted a far-sighted energy package, including provisions for wind, coal, biofuels and more.
7. Supported a public safety package that strengthens law enforcement and protects communities.
8. Supported a \$2.300 billion package to take care of people – with increased funding for home and community based care, nursing homes, hospitals, childcare and other essential services.
9. Continued prudent fiscal management, resulting in healthy reserves.

## **Executive Budget Recommendation**

- Provides \$65,000 for Governor's transition in and transition out expenses.
- Includes \$21.5 million from the federal Education Jobs Fund Program, to be granted to the Department of Public Instruction and distributed to school districts using the school aid formula.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

101 Office of the Governor  
Biennium: 2011-2013

Bill#: SB2001

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Governor's Programs and Admin	2,854,310	108,174,037	(104,570,517)	(96.7%)	3,603,520	(82,882,379)	(76.6%)	25,291,658
<b>Total Major Programs</b>	<b>2,854,310</b>	<b>108,174,037</b>	<b>(104,570,517)</b>	<b>(96.7%)</b>	<b>3,603,520</b>	<b>(82,882,379)</b>	<b>(76.6%)</b>	<b>25,291,658</b>
<b>By Line Item</b>								
Salaries and Wages	2,370,853	3,026,771	81,293	2.7%	3,108,064	251,715	8.3%	3,278,486
Operating Expenses	386,331	426,787	(17,131)	(4.0%)	409,656	(17,131)	(4.0%)	409,656
Contingency	0	10,000	0	0.0%	10,000	0	0.0%	10,000
Presidential Electors	167	0	0	0.0%	0	0	0.0%	0
Governor's Transition In	0	0	15,000	100.0%	15,000	15,000	100.0%	15,000
Governor's Transition Out	0	0	50,000	100.0%	50,000	50,000	100.0%	50,000
Prevention and Advisory Council	93,724	0	0	0.0%	0	0	0.0%	0
Roughrider Awards	3,235	10,800	0	0.0%	10,800	0	0.0%	10,800
Federal Stimulus Funds - 2009	0	104,699,679	(104,699,679)	(100.0%)	0	(104,699,679)	(100.0%)	0
Education Jobs Fund Program	0	0	0	0.0%	0	21,517,716	100.0%	21,517,716
<b>Total Line Items</b>	<b>2,854,310</b>	<b>108,174,037</b>	<b>(104,570,517)</b>	<b>(96.7%)</b>	<b>3,603,520</b>	<b>(82,882,379)</b>	<b>(76.6%)</b>	<b>25,291,658</b>
<b>By Funding Source</b>								
General Fund	2,760,586	3,474,358	129,162	3.7%	3,603,520	299,584	8.6%	3,773,942
Federal Funds	0	104,699,679	(104,699,679)	(100.0%)	0	(83,181,963)	(79.4%)	21,517,716
Special Funds	93,724	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>2,854,310</b>	<b>108,174,037</b>	<b>(104,570,517)</b>	<b>(96.7%)</b>	<b>3,603,520</b>	<b>(82,882,379)</b>	<b>(76.6%)</b>	<b>25,291,658</b>
<b>Total FTE</b>	<b>18.00</b>	<b>18.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>18.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>18.00</b>

**Statutory Authority**

ND Constitution Article V, Section 12; North Dakota Century Code Title 10 and Title 16.1; North Dakota Century Code Chapters 15.02, 35-01, 35-05, 35-17, 35-21, 35-29, 35-30, 35-31, 41-09, 43-07, 44-06, 45-10, 45-10.1, 45-11, 45.22, 45-23, 47.22, 47-25, 50-22, 53-01, 54-05.1, 54-09, 54-16, and 55-01.

**Agency Description**

The agency is the office of record for certain legal documents generated by the executive and legislative branches of state government; the office of record for public records and notices including various business entities; and it performs a wide range of licensing, regulatory, registration, and administrative functions within four operating units. The agency performs these functions in accordance with the requirements of the state's constitution and laws.

**Major Accomplishments**

1. Enhanced agency website, which received approximately 327,000 hits over a 12 month period ending June 30, 2010 on its various pages and sections.
2. Enhanced 24/7 live business records search on agency website which displays data about business entities filed with the agency.
3. Enhanced website for access to annual reports filed by businesses allowing them to complete reports on-line and then print, sign, and mail the reports to the agency.
4. Continued the software development to enable migration of the agency's database from AS/400 platform created in 1988/1992 to a new operating platform. This will allow for on-line filing of many documents and reports which will be very beneficial for the future.

5. Continued the mandated migration of the Central Indexing System (CIS) from the state's mainframe. This will greatly enhance the agency's CIS, which is connected to the state's 53 counties and provides a centralized depository for various lien documents.
6. Continued to enhance the agency's Election Management System (EMS) and Election Administration System (EAS), which provide new and expanded election information on the agency's website about elections, candidates, campaign contributions, voter precinct finder, polling location details and the reporting of election night returns. In addition, it assists in the administration of petition review, poll worker tracking, voting statistics reporting, and early and absentee voting. A specific feature already mentioned was launched in October 2008 that allows the voter to find his or her voting precinct through the use of a house number and zip code.
7. Launched the Central Voter File for use by the counties to track absentee ballots, allow for the efficient management of early voting precincts, and to expedite the voting process on election day.

**Executive Budget Recommendation**

- Provides \$3.5 million in one-time authority from the general fund for the database and processing platform migration.
- Includes \$195,000 from the general fund for information technology and other operating expense inflation.
- Provides \$54,000 from the general fund for desktop computer support from ITD.
- Authorizes \$43,039 from the general fund to develop an online public meeting notification system.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

108 Secretary of State  
Biennium: 2011-2013

Bill#: SB2002

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Secretary of State Operations	5,666,270	9,796,157	(4,167,753)	(42.5%)	5,628,404	(199,825)	(2.0%)	9,596,332
Public Printing Leg Law Books	266,465	337,000	(27,000)	(8.0%)	310,000	(27,000)	(8.0%)	310,000
Federal Election Reform	2,008,952	8,712,528	(2,512,528)	(28.8%)	6,200,000	(2,505,716)	(28.8%)	6,206,812
<b>Total Major Programs</b>	<b>7,941,687</b>	<b>18,845,685</b>	<b>(6,707,281)</b>	<b>(35.6%)</b>	<b>12,138,404</b>	<b>(2,732,541)</b>	<b>(14.5%)</b>	<b>16,113,144</b>
<b>By Line Item</b>								
Salaries and Wages	2,691,506	3,179,509	67,945	2.1%	3,247,454	243,834	7.7%	3,423,343
Operating Expenses	2,966,557	3,207,950	(835,000)	(26.0%)	2,372,950	2,957,039	92.2%	6,164,989
Petition Review	7,795	8,000	0	0.0%	8,000	0	0.0%	8,000
ND Business Computer Proj	0	3,400,698	(3,400,698)	(100.0%)	0	(3,400,698)	(100.0%)	0
Election Reform	2,009,364	8,712,528	(2,512,528)	(28.8%)	6,200,000	(2,505,716)	(28.8%)	6,206,812
Public Printing	266,465	337,000	(27,000)	(8.0%)	310,000	(27,000)	(8.0%)	310,000
<b>Total Line Items</b>	<b>7,941,687</b>	<b>18,845,685</b>	<b>(6,707,281)</b>	<b>(35.6%)</b>	<b>12,138,404</b>	<b>(2,732,541)</b>	<b>(14.5%)</b>	<b>16,113,144</b>
<b>By Funding Source</b>								
General Fund	5,371,641	6,180,009	(821,777)	(13.3%)	5,358,232	3,146,151	50.9%	9,326,160
Federal Funds	1,874,193	8,544,107	(2,494,107)	(29.2%)	6,050,000	(2,487,295)	(29.1%)	6,056,812
Special Funds	695,853	4,121,569	(3,391,397)	(82.3%)	730,172	(3,391,397)	(82.3%)	730,172
<b>Total Funding Source</b>	<b>7,941,687</b>	<b>18,845,685</b>	<b>(6,707,281)</b>	<b>(35.6%)</b>	<b>12,138,404</b>	<b>(2,732,541)</b>	<b>(14.5%)</b>	<b>16,113,144</b>
<b>Total FTE</b>	<b>27.00</b>	<b>28.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>28.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>28.00</b>

**Statutory Authority**

North Dakota Century Code Chapter 54-44.

**Agency Description**

OMB has five divisions:

- Fiscal Management oversees the budgeting, accounting, payroll, and financial reporting functions for North Dakota state government entities.
- Human Resource Management Services provides human resource guidance and assistance; promotes consistent HR practices; maintains the state classification and compensation plan; and provides training and mediation services.
- Central Services provides procurement and printing services, commonly-used office supplies to state agencies, and disposes of state-owned fixed assets and distributes Federal surplus property to eligible entities.
- Facility Management maintains the state capitol complex, plans for future growth needs and provides tour and central mailroom services.
- Risk Management promotes safety and reduces loss resulting from claims by identifying and measuring risks of loss to the state and implementing appropriate measures to address those risks.

**Major Accomplishments**

1. Facility Management: Completed improvement projects at the Heritage Center, Liberty Memorial Building and the Governor's residence. Projects included the installation of a covered walkway and replacement of the existing plaza at the Heritage Center, a new roof, fence and generator at the Governor's residence and the installation of all new heat pumps by in-house staff resulting in a savings of over \$50,000 for the general fund. Assisted agencies with lease negotiations resulting in biennium rental payment savings of over \$110,000. Worked with the State Historical Society through the design development and construction document phases to ensure the Heritage Center expansion project does not exceed the appropriation of \$51.7 million.
2. Fiscal Management: Increased Procurement card rebates by 26 percent. Implemented the transactional database. Implement business intelligence software.
3. Human Resource Management Services: Transitioned WSI positions into the classification system. Completed a study on the retention of older workers nearing retirement. Implemented PeopleSoft Enterprise Learning Management (ELM) system project for state agencies on time and under budget.

4. Risk Management: Reduced the state's actuarially projected tort liability costs from a high of \$5.3 million for the 1997-99 biennium to \$3.7 million for the 2011-13 biennium. The number of third party claims was also reduced from a high of 351 in FY 2001 to an average of 241 for the past two years. State entities have reduced their required contributions to the fund by \$1.1 million in the past nine years by participating in the Risk Management Fund Discount Program. Similarly, since the inception of the Risk Management Workers Compensation Program from July 1, 2001 through June 30, 2009, state entities have reduced their WSI premium contributions by approximately \$1.4 million. Provided resources and training to assist approximately 88.0 percent of state entities to develop Continuity of Operations Plans (COOP).
5. Central Services: State Surplus developed an outreach program to inform state agencies, eligible donees and the public regarding the federal and state surplus property programs resulting in increased property distribution. Vendor Registry improved customer service by providing a new method for state agencies to roll purchase orders at the end of the biennium and developing state agency training through User Productivity Kit (UPK). State Procurement improved customer service, mentorship, and review of agency procurements by assigning state procurement officers to specific agencies.

**Executive Budget Recommendation**

- Approves Capitol Grounds Planning Commission recommendation to install exterior signs at each of the four entrances to the capitol grounds with \$400,000 from the capitol renovation fund.
- Provides special fund authority of \$1.0 million to restore all brass on the ground floor, first floor and stairwells within the Legislative Wing and for wood and desk restoration within the House and Senate Chambers as recommended by the Capitol Grounds Planning Commission.
- Recommends \$700,000 from the capitol renovation fund to remodel the capitol cafe and hallway, including replacement of kitchen equipment.
- Provides \$900,000 special funding for enclosing the tunnel on the south side of the capitol building.
- Provides \$2.8 million from the general fund to implement the recommendation included in the Capitol Building Envelope Study to remove, reset and clean the limestone panels on the exterior of the capitol building.
- Includes temporary funding for a coordinator to assist with the planning of North Dakota's 125th Anniversary events.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

110 Office of Management and Budget

Bill#: SB2015

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	62,965,375	44,517,303	(39,503,465)	(88.7%)	5,013,838	(39,428,244)	(88.6%)	5,089,059
Facility Management	11,614,300	16,752,108	(4,442,145)	(26.5%)	12,309,963	1,975,273	11.8%	18,727,381
Fiscal Management	6,861,819	10,989,262	(3,186,806)	(29.0%)	7,802,456	(2,114,609)	(19.2%)	8,874,653
Human Resource Mgmt Service	1,550,242	1,960,186	68,319	3.5%	2,028,505	229,070	11.7%	2,189,256
Risk Management	1,133,376	1,332,470	38,338	2.9%	1,370,808	104,819	7.9%	1,437,289
Central Services	5,142,393	6,560,993	(103,930)	(1.6%)	6,457,063	86,667	1.3%	6,647,660
<b>Total Major Programs</b>	<b>89,267,505</b>	<b>82,112,322</b>	<b>(47,129,689)</b>	<b>(57.4%)</b>	<b>34,982,633</b>	<b>(39,147,024)</b>	<b>(47.7%)</b>	<b>42,965,298</b>
<b>By Line Item</b>								
Salaries and Wages	14,053,240	17,334,420	202,828	1.2%	17,537,248	1,183,343	6.8%	18,517,763
Operating Expenses	9,383,492	13,789,094	(1,225,990)	(8.9%)	12,563,104	(23,840)	(0.2%)	13,765,254
Fiscal Management Carryover	1,641,270	1,577,375	(1,577,375)	(100.0%)	0	(1,577,375)	(100.0%)	0
Emergency Commission Contingency Fd	262,168	681,579	18,421	2.7%	700,000	18,421	2.7%	700,000
Capital Assets	2,829,187	5,270,298	(2,680,155)	(50.9%)	2,590,143	3,119,845	59.2%	8,390,143
Capital Construction Carryover	365,059	1,809,671	(1,809,671)	(100.0%)	0	(1,809,671)	(100.0%)	0
Grants	54,000	430,000	(375,000)	(87.2%)	55,000	(375,000)	(87.2%)	55,000
Prairie Public Broadcasting	2,023,138	3,353,338	(2,016,200)	(60.1%)	1,337,138	(2,016,200)	(60.1%)	1,337,138
Centers of Excellence	8,379,459	0	0	0.0%	0	0	0.0%	0
Student Internship Program	0	182,866	17,134	9.4%	200,000	17,134	9.4%	200,000
Heritage Center Expansion Project	870,679	0	0	0.0%	0	0	0.0%	0
State Transfers	49,400,000	37,000,000	(37,000,000)	(100.0%)	0	(37,000,000)	(100.0%)	0
Federal Stimulus Funds	5,813	683,681	(683,681)	(100.0%)	0	(683,681)	(100.0%)	0
<b>Total Line Items</b>	<b>89,267,505</b>	<b>82,112,322</b>	<b>(47,129,689)</b>	<b>(57.4%)</b>	<b>34,982,633</b>	<b>(39,147,024)</b>	<b>(47.7%)</b>	<b>42,965,298</b>
<b>By Funding Source</b>								
General Fund	72,961,021	71,919,367	(44,819,791)	(62.3%)	27,099,576	(39,868,530)	(55.4%)	32,050,837
Federal Funds	5,885	683,681	(683,681)	(100.0%)	0	(683,681)	(100.0%)	0
Special Funds	16,300,599	9,509,274	(1,626,217)	(17.1%)	7,883,057	1,405,187	14.8%	10,914,461
<b>Total Funding Source</b>	<b>89,267,505</b>	<b>82,112,322</b>	<b>(47,129,689)</b>	<b>(57.4%)</b>	<b>34,982,633</b>	<b>(39,147,024)</b>	<b>(47.7%)</b>	<b>42,965,298</b>
<b>Total FTE</b>	<b>132.50</b>	<b>132.50</b>	<b>(1.00)</b>	<b>(0.8%)</b>	<b>131.50</b>	<b>(1.00)</b>	<b>(0.8%)</b>	<b>131.50</b>

## Statutory Authority

North Dakota Century Code Chapters 54-44.6, 54-46 and 54-46.1, 54-59.

## Agency Description

The Information Technology Department (ITD) is managed by the Chief Information Officer who reports directly to the Governor. ITD is responsible for all wide area network services for all state agencies, including institutions under the control of the State Board of Higher Education, as well as counties, cities, and school districts. ITD is also responsible for providing computer hosting and support services, software development services and state wide communications services. ITD coordinates the deployment of information technology in state government by developing information technology standards, setting guidelines for technology planning and providing oversight on large information technology projects.

In addition, the appropriations for the following entities and programs are within ITD's budget: the Center for Distance Education, the Education Technology Council, EduTech, the Longitudinal Data System initiative, the Geographic Information System program, the Health Information Exchange and the Criminal Justice Information Sharing (CJIS) initiative.

## Major Accomplishments

ITD's main accomplishments over the past two years are listed below. ITD also publishes an annual report that discusses agency progress in more detail. The report can be found at <http://www.nd.gov/itd/pubs>.

1. Implemented PowerSchool, a student information system used by North Dakota K-12 schools. PowerSchool data imports into ViewPoint and the North Dakota State Longitudinal Data System. ITD hosts data warehouse applications, which provide educators with a data-driven decision-making environment used to improve instruction and student achievement statewide.
2. Upgraded STAGEnet 2009 Education to deliver a much needed equipment refresh to K-12 schools and also refreshed equipment used in Higher Education entities and the state's core network. This project involved collaboration with over 18 local telecommunication companies, 175 K-12 facilities, 25 Higher Education facilities, nine libraries, and six tribal facilities. Previously, most K-12 facilities had a single T1 circuit with bandwidth of 1.5 Mbps. Today, most have a 10 Mbps Ethernet connection. During the 2009-10 school year, average bandwidth usage increased by more than 200.0 percent.
3. Improved the network architecture at the network endpoints through the STAGEnet upgrade. Each endpoint employs a VPN firewall that builds a split tunnel to the state's service center.

4. Virtualized roughly 50.0 percent of ITD's consolidated server farm. This virtualization initiative is reducing server hardware at a ratio of 12 physical servers to one blade server. ITD intends to have more than 80.0 percent of the Intel servers virtualized by July 2011.

## Executive Budget Recommendation

- Approves the Education Commission's recommendations of \$4.8 million to continue funding the State Longitudinal Data System (SLDS) and Center for Distance Education tuition subsidy for North Dakota students. Funding includes 3.00 FTE and \$3.2 million from the general fund for staffing, hosting and ongoing maintenance of the SLDS. Provides \$1.4 million from the general fund for tuition subsidy to North Dakota students enrolling in online courses.
- Provides \$8.9 million and 3.00 FTE for salaries and operating for the Health Information Exchange (HIE). The HIE will enable healthcare providers to maintain electronic health records so medical information is accessible when treating patients. The recommendation includes \$3.7 million special fund authority to use carryover funding from the Bank of North Dakota transfer available in the 2009-11 biennium. The remaining special funds are collected from health providers for use of the exchange.
- Restores base operations for the geographical information system (GIS) and provides storage cost funding for a total increase of \$306,956.
- Approves \$75,000 special fund authority for the Education Technology Center to distribute QWEST grants to North Dakota teachers using technology in the classroom.
- Provides \$2.9 million carryover funding from federal stimulus grants for broadband mapping. This project develops and maintains a statewide comprehensive, searchable map of existing broadband service availability throughout the state.
- Provides \$1.5 million federal funds to continue the Enhanced 911 project to ensure help arrives near the location of 911 callers.
- Includes \$200,000 from the general fund for CJIS projects. Project funding was also included in the base budget in order to fund the ongoing operations of the Statewide Automated Victim Information and Notification (SAVIN) system.
- Provides additional \$5.0 million from the Bank of North Dakota to the Health Information Planning Loan fund to provide low-interest loans to healthcare entities.
- Additional FTE were reallocated from other divisions within ITD resulting in no new FTE.

# REQUEST/RECOMMENDATION COMPARISON SUMMARY

112 Information Technology

Bill#: HB1021

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
ITD General Fund Expenditures	10,225,998	26,418,999	(6,075,731)	(23.0%)	20,343,268	3,218,789	12.2%	29,637,788
ITD Federal Fund Expenditures	490,377	96,699,524	(95,874,524)	(99.1%)	825,000	(86,044,524)	(89.0%)	10,655,000
Center for Distance Education	5,636,127	6,685,785	(328,877)	(4.9%)	6,356,908	190,421	2.8%	6,876,206
ITD Special Fund Expenditures	95,621,325	113,260,249	1,454,823	1.3%	114,715,072	3,995,612	3.5%	117,255,861
<b>Total Major Programs</b>	<b>111,973,827</b>	<b>243,064,557</b>	<b>(100,824,309)</b>	<b>(41.5%)</b>	<b>142,240,248</b>	<b>(78,639,702)</b>	<b>(32.4%)</b>	<b>164,424,855</b>
<b>By Line Item</b>								
Salaries and Wages	34,573,534	43,492,075	(253,790)	(0.6%)	43,238,285	2,111,311	4.9%	45,603,386
Operating Expenses	48,806,393	55,708,550	(3,556,359)	(6.4%)	52,152,191	(2,556,359)	(4.6%)	53,152,191
Capital Assets	12,150,733	12,470,746	2,064,920	16.6%	14,535,666	2,564,920	20.6%	15,035,666
Technology Project Carryover	0	497,718	(497,718)	(100.0%)	0	(497,718)	(100.0%)	0
Deferred Maintenance	0	60,000	(60,000)	(100.0%)	0	(60,000)	(100.0%)	0
Center for Distance Education	5,636,127	6,625,785	(268,877)	(4.1%)	6,356,908	250,421	3.8%	6,876,206
Longitudinal Data System	227,750	12,466,325	(12,085,743)	(96.9%)	380,582	(8,839,458)	(70.9%)	3,626,867
Educational Technology Council	1,134,748	999,986	(17,975)	(1.8%)	982,011	75,417	7.5%	1,075,403
Edutech	2,722,347	7,753,602	(79,521)	(1.0%)	7,674,081	172,845	2.2%	7,926,447
Wide Area Network	3,854,130	5,976,970	(939,192)	(15.7%)	5,037,778	(900,978)	(15.1%)	5,075,992
Geographic Information System	822,169	789,678	4,214	0.5%	793,892	322,387	40.8%	1,112,065
Health Info Technology Office	0	8,350,000	(1)	-0.0%	8,349,999	5,609,238	67.2%	13,959,238
Criminal Justice Information Sharing	2,045,896	3,609,239	(870,384)	(24.1%)	2,738,855	(627,845)	(17.4%)	2,981,394
Federal Stimulus Funds	0	84,263,883	(84,263,883)	(100.0%)	0	(76,263,883)	(90.5%)	8,000,000
<b>Total Line Items</b>	<b>111,973,827</b>	<b>243,064,557</b>	<b>(100,824,309)</b>	<b>(41.5%)</b>	<b>142,240,248</b>	<b>(78,639,702)</b>	<b>(32.4%)</b>	<b>164,424,855</b>
<b>By Funding Source</b>								
General Fund	11,157,270	19,668,503	(6,377,155)	(32.4%)	13,291,348	(547,299)	(2.8%)	19,121,204
Federal Funds	490,377	96,699,524	(95,874,524)	(99.1%)	825,000	(86,374,524)	(89.3%)	10,325,000
Special Funds	100,326,180	126,696,530	1,427,370	1.1%	128,123,900	8,282,121	6.5%	134,978,651
<b>Total Funding Source</b>	<b>111,973,827</b>	<b>243,064,557</b>	<b>(100,824,309)</b>	<b>(41.5%)</b>	<b>142,240,248</b>	<b>(78,639,702)</b>	<b>(32.4%)</b>	<b>164,424,855</b>
<b>Total FTE</b>	<b>305.70</b>	<b>328.20</b>	<b>(4.00)</b>	<b>(1.2%)</b>	<b>324.20</b>	<b>0.00</b>	<b>0.0%</b>	<b>328.20</b>

## **Statutory Authority**

North Dakota Century Code Chapter 54-10.

## **Agency Description**

The State Auditor is a constitutionally elected state official. The Office of the State Auditor is divided into four operational divisions. The Division of State Audits, the largest division, is responsible for auditing state government and conducting financial, compliance, performance, and information system audits. The Division of Local Government Audits performs audits of counties, cities, school districts, and other political subdivisions. The Division of Royalty Audits conducts audits of federal royalty payments from oil, gas, and coal leases located within the State of

North Dakota. Administration, the fourth division, accounts for activities of the State Auditor and the Office Manager.

## **Major Accomplishments**

1. Obtained a favorable Quality Control Review from peer states.

## **Executive Budget Recommendation**

- Provides \$55,800 from the general fund for on-going maintenance and ITD costs for the electronic working papers system that was implemented during the 2009-11 biennium.
- Removes 1.00 FTE from the Mineral Royalty Audit Division funded entirely with federal funds.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

117 Office of the State Auditor  
Biennium: 2011-2013

Bill#: SB2004

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administrative Services	336,377	378,552	(19,083)	(5.0%)	359,469	408	0.1%	378,960
Division of Local Government Audits	1,089,794	1,338,124	106,740	8.0%	1,444,864	170,815	12.8%	1,508,939
Division of State Audits	5,343,008	6,383,677	(6,947)	(0.1%)	6,376,730	381,171	6.0%	6,764,848
Mineral Royalty Auditing	713,786	974,678	(97,862)	(10.0%)	876,816	(56,095)	(5.8%)	918,583
<b>Total Major Programs</b>	<b>7,482,965</b>	<b>9,075,031</b>	<b>(17,152)</b>	<b>(0.2%)</b>	<b>9,057,879</b>	<b>496,299</b>	<b>5.5%</b>	<b>9,571,330</b>
<b>By Line Item</b>								
Salaries and Wages	6,815,515	8,015,046	154,061	1.9%	8,169,107	611,712	7.6%	8,626,758
Operating Expenses	567,558	785,985	(47,213)	(6.0%)	738,772	8,587	1.1%	794,572
Capital Assets	0	124,000	(124,000)	(100.0%)	0	(124,000)	(100.0%)	0
Information Tech Consultants	99,892	150,000	0	0.0%	150,000	0	0.0%	150,000
<b>Total Line Items</b>	<b>7,482,965</b>	<b>9,075,031</b>	<b>(17,152)</b>	<b>(0.2%)</b>	<b>9,057,879</b>	<b>496,299</b>	<b>5.5%</b>	<b>9,571,330</b>
<b>By Funding Source</b>								
General Fund	5,679,385	6,762,229	(26,030)	(0.4%)	6,736,199	381,579	5.6%	7,143,808
Federal Funds	713,786	974,678	(97,862)	(10.0%)	876,816	(56,095)	(5.8%)	918,583
Special Funds	1,089,794	1,338,124	106,740	8.0%	1,444,864	170,815	12.8%	1,508,939
<b>Total Funding Source</b>	<b>7,482,965</b>	<b>9,075,031</b>	<b>(17,152)</b>	<b>(0.2%)</b>	<b>9,057,879</b>	<b>496,299</b>	<b>5.5%</b>	<b>9,571,330</b>
<b>Total FTE</b>	<b>54.80</b>	<b>51.80</b>	<b>(1.00)</b>	<b>(1.9%)</b>	<b>50.80</b>	<b>(1.00)</b>	<b>(1.9%)</b>	<b>50.80</b>

**Statutory Authority**

ND Constitution Article V, Section 02; Article X, Sections 12 and 25; North Dakota Century Code Sections 4-24-09, 4-28-08, 5-01, 5-03, 5-04, 15-03-01, 15-10-12, 15-13-07, 16.1-15-33, 21-01, 21-04, 21-10-01, 25-01-11, 32-15-31, 37-14-14, 37-15, 50-27-01, 54-06, 54-11, 54-16-08, 54-27, 54-30, 55-01, 57-13-01, 57-32-05, 57-51-14, and 65-04-30.

**Agency Description**

The State Treasurer's office serves as the custodian of all state funds. The agency is responsible for the cash management of the general fund as well as the investment services of special funds and numerous trust funds. The State Treasurer's Office is responsible for distributing accurate and timely tax distributions to over 500 political subdivisions across the state.

**Major Accomplishments**

1. Rewrote the tax distribution system during the 2007 session, funding was secured to re-write the software with which the Office of the State Treasurer distributes its various taxes to the political subdivisions of North Dakota. The first of these tax distributions to be implemented on the new system was the oil and gas distribution. The weather-related distribution was also written into this software. The remaining distributions were written, tested and implemented during the 2009-11 biennium.
2. Enhanced the website. Tax distributions and BidND investments were made available on our website in the previous biennium. The office has continued to expand the content of the website throughout the current biennium. This tool has helped auditors, state agencies, legislators and the general public, by giving access to information without delay. It has brought transparency to the distribution process, as well as efficiencies in time and resources.
3. Conducted education and outreach and enhanced cooperation with political subdivisions. The Office of the State Treasurer directed more attention to its relationship with political subdivisions throughout the 2009-11 biennium. Since

the office works closely with political subdivisions through tax distributions, it is crucial to have a good working relationship with each subdivision served. Further, as distributions become more complex and as the new tax distribution software changes the process and reports available to political subdivisions, outreach and communication is crucial to ensure quality customer service.

4. Continued efforts to expand financial literacy. Facilitated the statewide roll-out of an effort to improve the money management skills of high school students through the distribution of free copies of "Financial Football" – an interactive money management video game with an NFL theme – to every high school and public library in North Dakota. Continued to represent North Dakota and promote financial literacy nationally. Presented at the National Financial Education Network meeting hosted by the U.S. Department of the Treasury.
5. Maintained and strengthened the line of communication with financial officers throughout state government to address the daily cash needs and expenditures of their agency.
6. Developed new database and report systems.
7. Continued policy and procedure development.
8. Continued cross training of staff.
9. Eliminated any unnecessary printing for data available electronically.

**Executive Budget Recommendation**

- Provides \$252,800 to reimburse a coal producing county 50.0 percent of its lost coal severance tax revenue as required in North Dakota Century Code Chapter 57-62-02.
- Provides \$235,000 additional funding for IT development costs to the Tax Distribution Outstanding Check (TDOC) system resulting from tax distribution changes.
- Removes the In lieu of Tax Payments of \$1.1 million. The final payment will be made in the 2009-11 biennium.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

120 Office of the State Treasurer

Bill#: SB2005

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	62,436,770	2,292,985	(34,816)	(1.5%)	2,258,169	(643,183)	(28.1%)	1,649,802
<b>Total Major Programs</b>	<b>62,436,770</b>	<b>2,292,985</b>	<b>(34,816)</b>	<b>(1.5%)</b>	<b>2,258,169</b>	<b>(643,183)</b>	<b>(28.1%)</b>	<b>1,649,802</b>
<b>By Line Item</b>								
Salaries and Wages	797,119	956,507	19,184	2.0%	975,691	74,017	7.7%	1,030,524
Operating Expenses	557,086	131,478	0	0.0%	131,478	235,000	178.7%	366,478
Technology Project Carryover	0	54,000	(54,000)	(100.0%)	0	(54,000)	(100.0%)	0
In Lieu of Tax Payments	1,182,565	1,151,000	0	0.0%	1,151,000	(1,151,000)	(100.0%)	0
Weather Cost Sharing Program	59,900,000	0	0	0.0%	0	0	0.0%	0
Coal Severance Payments	0	0	0	0.0%	0	252,800	100.0%	252,800
<b>Total Line Items</b>	<b>62,436,770</b>	<b>2,292,985</b>	<b>(34,816)</b>	<b>(1.5%)</b>	<b>2,258,169</b>	<b>(643,183)</b>	<b>(28.1%)</b>	<b>1,649,802</b>
<b>By Funding Source</b>								
General Fund	62,436,770	2,292,985	(34,816)	(1.5%)	2,258,169	(643,183)	(28.1%)	1,649,802
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>62,436,770</b>	<b>2,292,985</b>	<b>(34,816)</b>	<b>(1.5%)</b>	<b>2,258,169</b>	<b>(643,183)</b>	<b>(28.1%)</b>	<b>1,649,802</b>
<b>Total FTE</b>	<b>7.00</b>	<b>7.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>7.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>7.00</b>

**Statutory Authority**

ND Constitution Article V, Section 12. North Dakota Century Code Chapters 5-02, 12-60, 12-62, 18-01, 32-12.2-03, 32-12.2-04, 51-15, 51-28, 53-06.1, 53-12.1, 54-12.

**Agency Description**

The Office of the Attorney General represents and defends the interests of the citizens of North Dakota by executing the responsibilities charged to the North Dakota Attorney General by the ND Constitution, state statutes and administrative rules, North Dakota and federal case law, and common law. The Attorney General is the chief legal counsel and advisor to state government providing legal representation to all facets of state government, including the Governor, all departments of state government, and all state agencies, boards, and commissions. The office consists of 13 divisions: Administration, Bureau of Criminal Investigation, Civil Litigation, Consumer Protection and Antitrust, Crime Laboratory, Criminal and Regulatory, Finance and Administration, Fire Marshal, Gaming, Information Technology, Lottery, Natural Resources and Indian Affairs, and State and Local Government.

**Major Accomplishments**

1. Defended successfully the constitutionality of 2009 House Bill No. 1371, or the Defense of Abortion Control Act, which requires an abortion facility to offer a woman an opportunity to receive an ultrasound of both an image of the fetus and the auscultation of the fetal heart tone, if available.
2. Began defending a lawsuit against the State and the North Dakota Department of Commerce that alleges the state's disbursement of funds to private persons, associations, and corporations for economic development purposes violates Article X, Section 18 of the ND Constitution.
3. Defended the Adjutant General in a case involving the separation of an officer from the North Dakota Air National Guard. The Supreme Court held the state district court lacked jurisdiction to consider the officer's appeal because federal law, not state law, governed the separation decision and any review of that decision.
4. Defended successfully the constitutionality of the state corporate farming laws.
5. Defended the state successfully in a Devils Lake landowners lawsuit, who asserted the State was responsible for the Devils Lake rise and for property damage caused by the high water.

6. Obtained a court order allowing continued construction on the Northwest Area Pipeline Project while the U.S. Bureau of Reclamation conducted further environmental studies on the project.
7. Worked with the Health Department and the U.S. Environmental Protection Agency to clarify the Clean Air Act's application to North Dakota power plants, and also to address appropriate pollution control technologies on existing power plants and determine whether new plants can be built.
8. Implemented a biological drug screening method using a new technique and technology which has reduced analysis time and will eventually reduce turn-around time.
9. Increased the workload capacity for DNA casework - In 2007 and 2008, the DNA Unit reported out 235 cases and, in 2009 and 2010, the laboratory has reported out 323 cases (a 38.0 percent increase).
10. Formed a Statewide Law Enforcement Intelligence Center (SLIC) to merge the intelligence gathering efforts of the former Post Seizure Analysis Team (PSAT) and the North Dakota Fusion Cell's homeland security efforts.
11. Launched a "Prescription Drug Take Back" pilot which provides secure disposal units for people to dispose of unused medications.

**Executive Budget Recommendation**

- Authorizes \$2.2 million in carryover federal ARRA funding and 7.00 FTE for the Bureau of Criminal Investigation (BCI) and Crime Lab.
- Includes \$190,051 in general fund authority for salary increases due to grade changes for 14 positions in the BCI.
- Provides \$106,019 in federal funds for 1.00 FTE intelligence analyst position previously funded with ARRA funds.
- Provides \$204,018, of which \$180,767 is from the general fund, for increased operating expenses including maintenance agreements and ITD data processing.
- Includes \$192,293 from the general fund for forensic scientist's salary increases for equity adjustments and increases for achieving certification.
- Provides one-time funding of \$312,400 from the general fund for Crime Lab equipment, BCI undercover vehicles, one of which is a surveillance van.
- Includes one-time funding of \$486,300, of which \$450,000 is from special funds and \$36,300 from the general fund, for criminal history rewrite information technology project planning.
- Includes \$900,000 of special fund authority in the base budget to update various law enforcement computer applications.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

125 Office of the Attorney General

Bill#: SB2003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Finance and Administration	1,488,803	2,229,200	(320,506)	(14.4%)	1,908,694	(225,357)	(10.1%)	2,003,843
Information Technology	2,829,341	4,395,811	1,220,421	27.8%	5,616,232	1,487,838	33.8%	5,883,649
Attorney General Administration	860,010	1,025,368	93,983	9.2%	1,119,351	143,597	14.0%	1,168,965
Legal Services	5,669,909	6,878,209	29,821	0.4%	6,908,030	367,374	5.3%	7,245,583
Bureau of Criminal Investigation	12,182,714	21,845,749	(1,969,746)	(9.0%)	19,876,003	1,184,954	5.4%	23,030,703
Crime Lab	9,268,369	8,459,285	(163,357)	(1.9%)	8,295,928	566,578	6.7%	9,025,863
Consumer Protection	1,230,828	1,633,183	26,031	1.6%	1,659,214	98,488	6.0%	1,731,671
Gaming	2,263,169	2,671,228	35,620	1.3%	2,706,848	148,138	5.5%	2,819,366
Fire Marshal	1,151,133	1,764,685	12,346	0.7%	1,777,031	76,286	4.3%	1,840,971
Lottery	2,589,360	3,584,388	38,219	1.1%	3,622,607	115,854	3.2%	3,700,242
<b>Total Major Programs</b>	<b>39,533,636</b>	<b>54,487,106</b>	<b>(997,168)</b>	<b>(1.8%)</b>	<b>53,489,938</b>	<b>3,963,750</b>	<b>7.3%</b>	<b>58,450,856</b>
<b>By Line Item</b>								
Salaries and Wages	21,184,403	27,199,391	362,791	1.3%	27,562,182	2,373,948	8.7%	29,573,339
Operating Expenses	7,753,862	14,549,321	1,665,905	11.5%	16,215,226	1,868,695	12.8%	16,418,016
Capital Assets	5,739,648	2,391,187	(447,404)	(18.7%)	1,943,783	(135,004)	(5.6%)	2,256,183
Technology Project Carryover	0	325,265	(325,265)	(100.0%)	0	(325,265)	(100.0%)	0
Grants	2,032,446	3,452,225	(32,225)	(0.9%)	3,420,000	(32,225)	(0.9%)	3,420,000
Litigation Fees	49,781	50,000	0	0.0%	50,000	0	0.0%	50,000
Medical Examinations	160,600	660,000	0	0.0%	660,000	0	0.0%	660,000
North Dakota Lottery	2,589,360	3,584,388	38,219	1.1%	3,622,607	115,854	3.2%	3,700,242
Arrest and Return of Fugitives	20,007	10,000	0	0.0%	10,000	0	0.0%	10,000
Gaming Commission	3,529	6,141	(1)	-0.0%	6,140	1,227	20.0%	7,368
Federal Stimulus Funds - 2009	0	2,259,188	(2,259,188)	(100.0%)	0	96,520	4.3%	2,355,708
<b>Total Line Items</b>	<b>39,533,636</b>	<b>54,487,106</b>	<b>(997,168)</b>	<b>(1.8%)</b>	<b>53,489,938</b>	<b>3,963,750</b>	<b>7.3%</b>	<b>58,450,856</b>
<b>By Funding Source</b>								
General Fund	24,770,666	28,960,432	522,015	1.8%	29,482,447	2,649,106	9.1%	31,609,538
Federal Funds	4,928,665	12,800,511	(2,399,571)	(18.7%)	10,400,940	(22,889)	(0.2%)	12,777,622
Special Funds	9,834,305	12,726,163	880,388	6.9%	13,606,551	1,337,533	10.5%	14,063,696
<b>Total Funding Source</b>	<b>39,533,636</b>	<b>54,487,106</b>	<b>(997,168)</b>	<b>(1.8%)</b>	<b>53,489,938</b>	<b>3,963,750</b>	<b>7.3%</b>	<b>58,450,856</b>
<b>Total FTE</b>	<b>188.50</b>	<b>202.50</b>	<b>(8.00)</b>	<b>(4.0%)</b>	<b>194.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>202.50</b>

**Statutory Authority**

North Dakota Century Code Chapters 57-01 through 57-02.

**Agency Description**

The Office of State Tax Commissioner is charged with the responsibility to fairly and effectively administer the tax laws of North Dakota. The Office of State Tax Commissioner consists of six separate divisions including: the Commissioner's Division, the Legal Division, the Fiscal Management Division, the Tax Administration Division, the Property Tax Division and the Operations Division.

**Major Accomplishments**

1. Began converting the oil and gas tax database and processing system into GenTax. The project is currently on schedule, within budget, and projected to meet the target implementation date.
2. Began offering individual taxpayers the option to file a state-only individual income tax return online through the new North Dakota Individual Income Tax WebFile system in January 2010. The Taxpayer Access Point (TAP) was the tool used to develop this WebFile option. In addition, in January 2010 the Tax Department partnered with the IRS to offer the Modernized E-File (MeF) option. MeF is a new web-based electronic filing system developed by the IRS.
3. Achieved discovery collections in the first year of the 2009-11 biennium of \$3.7 million for income and sales tax as a result of additional staff time dedicated to discovery and additional database automation. The 2009 legislature allowed the Office of State Tax Commissioner to retain two vacant auditor positions, with the understanding that these positions be dedicated to "discovery" work. The purpose of discovery is to identify individuals or business entities that have not

fulfilled a North Dakota filing requirement, and to identify those who may have filed returns, but underreported North Dakota taxable activity.

4. Developed an online and paper reporting process for collecting transportation funding revenue and expenditure information.
5. Monitored and supervised oil and gas production and extraction activity within the Fort Berthold Indian Reservation to ensure taxes due under state laws were properly collected and distributed.
6. Developed a new web-based filing application that allows Canadian residents to enter their receipt information directly into the Office of State Tax Commissioner's system. This new WebFile system provides an electronic sales tax refund filing method for Canadian visitors that is faster and more efficient than the paper process.
7. Continued focusing on providing taxpayers with excellent customer service. During the 2009-11 biennium, each division within the Tax Department continued to pursue various customer service-related projects.

**Executive Budget Recommendation**

- Provides a 47.0 percent increase in funding for the Homestead Tax Credit program, from \$5.9 million in 2009-11 to \$8.8 million in 2011-13.
- Provides a 40.0 percent increase in funding for the Disabled Veterans Tax Credit program, from \$3.0 million in 2009-11 to \$4.2 million in 2011-13.
- Provides \$1.0 million to implement an upgrade to the GenTax software from version 6.0 to version 8.0.
- Provides \$940,000 to continue on-site support services for the GenTax application.

# REQUEST/RECOMMENDATION COMPARISON SUMMARY

127 Office of State Tax Commissioner

Bill#: SB2006

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Commissioners Division	1,305,064	1,590,773	37,287	2.3%	1,628,060	118,914	7.5%	1,709,687
Legal Division	736,981	948,701	17,393	1.8%	966,094	63,840	6.7%	1,012,541
Fiscal Management	864,106	805,268	15,361	1.9%	820,629	60,877	7.6%	866,145
Tax Administration	8,680,121	10,224,768	214,870	2.1%	10,439,638	725,425	7.1%	10,950,193
Property Tax	604,833	729,194	107,020	14.7%	836,214	151,640	20.8%	880,834
Operations	6,173,891	11,033,635	(2,687,186)	(24.4%)	8,346,449	(386,228)	(3.5%)	10,647,407
Property Tax Relief	939,434	0	0	0.0%	0	0	0.0%	0
Integrated Tax System	7,058,839	10,440,821	(10,440,821)	(100.0%)	0	(10,440,821)	(100.0%)	0
Homestead Tax Credit	5,333,282	5,964,000	2,828,788	47.4%	8,792,788	2,828,788	47.4%	8,792,788
Disabled Veteran Credit	0	3,000,000	1,243,920	41.5%	4,243,920	1,243,920	41.5%	4,243,920
<b>Total Major Programs</b>	<b>31,696,551</b>	<b>44,737,160</b>	<b>(8,663,368)</b>	<b>(19.4%)</b>	<b>36,073,792</b>	<b>(5,633,645)</b>	<b>(12.6%)</b>	<b>39,103,515</b>
<b>By Line Item</b>								
Salaries and Wages	14,117,377	17,380,525	338,745	1.9%	17,719,270	1,331,131	7.7%	18,711,656
Operating Expenses	5,934,120	8,104,388	(2,802,574)	(34.6%)	5,301,814	(765,237)	(9.4%)	7,339,151
Capital Assets	15,637	58,000	(42,000)	(72.4%)	16,000	(42,000)	(72.4%)	16,000
Grants	0	0	0	0.0%	0	0	0.0%	0
Property Tax Relief	939,434	0	0	0.0%	0	0	0.0%	0
Homestead Tax Credit	5,333,282	5,964,000	2,828,788	47.4%	8,792,788	2,828,788	47.4%	8,792,788
Integrated Tax System	5,356,701	10,230,247	(10,230,247)	(100.0%)	0	(10,230,247)	(100.0%)	0
Disabled Veteran Credit	0	3,000,000	1,243,920	41.5%	4,243,920	1,243,920	41.5%	4,243,920
<b>Total Line Items</b>	<b>31,696,551</b>	<b>44,737,160</b>	<b>(8,663,368)</b>	<b>(19.4%)</b>	<b>36,073,792</b>	<b>(5,633,645)</b>	<b>(12.6%)</b>	<b>39,103,515</b>
<b>By Funding Source</b>								
General Fund	29,054,979	44,516,586	(8,452,794)	(19.0%)	36,063,792	(5,423,071)	(12.2%)	39,093,515
Federal Funds	0	10,000	0	0.0%	10,000	0	0.0%	10,000
Special Funds	2,641,572	210,574	(210,574)	(100.0%)	0	(210,574)	(100.0%)	0
<b>Total Funding Source</b>	<b>31,696,551</b>	<b>44,737,160</b>	<b>(8,663,368)</b>	<b>(19.4%)</b>	<b>36,073,792</b>	<b>(5,633,645)</b>	<b>(12.6%)</b>	<b>39,103,515</b>
<b>Total FTE</b>	<b>133.00</b>	<b>133.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>133.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>133.00</b>

## **Statutory Authority**

North Dakota Century Code Sections 12-59, 37-19.1, 28-32-31, 40-51.2, 40-47-01.1, 54-57-03, and 61-03-22.

## **Agency Description**

The Office of Administrative Hearings is an executive branch agency that provides independent administrative law judges to preside over state and local administrative hearings and related proceedings. Hearings are conducted under authority from the Administrative Agencies Practices Act (North Dakota Century Code Chapter 28-32), specific agency statutes, agency procedural rules, and the Uniform Rules of Administrative Procedure for Adjudicative Proceedings (North Dakota Administrative Code Article 98-02).

## **Major Accomplishments**

1. Resumed conducting hearings for Workforce Safety and Insurance through contracted administrative law judges.
2. Established performance measures for conducting hearings for all user agencies.
3. Continued active participation in national administrative law judge and hearing officer organizations, including the National Association of Hearing Officials, the National Association of Administrative Law Judges, and the Central Panel Director's Conference.

## **Executive Budget Recommendation**

- Provides special fund authority to support the current FTE level and operations of the agency.
- Approves the base budget as requested.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

140 Office of Administrative Hearings

Bill#: HB1017

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Office of Administrative Hearings Services	1,561,428	1,498,712	276,655	18.5%	1,775,367	328,487	21.9%	1,827,199
<b>Total Major Programs</b>	<b>1,561,428</b>	<b>1,498,712</b>	<b>276,655</b>	<b>18.5%</b>	<b>1,775,367</b>	<b>328,487</b>	<b>21.9%</b>	<b>1,827,199</b>
<b>By Line Item</b>								
Salaries and Wages	1,044,510	906,595	19,755	2.2%	926,350	71,587	7.9%	978,182
Operating Expenses	516,918	592,117	256,900	43.4%	849,017	256,900	43.4%	849,017
<b>Total Line Items</b>	<b>1,561,428</b>	<b>1,498,712</b>	<b>276,655</b>	<b>18.5%</b>	<b>1,775,367</b>	<b>328,487</b>	<b>21.9%</b>	<b>1,827,199</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,561,428	1,498,712	276,655	18.5%	1,775,367	328,487	21.9%	1,827,199
<b>Total Funding Source</b>	<b>1,561,428</b>	<b>1,498,712</b>	<b>276,655</b>	<b>18.5%</b>	<b>1,775,367</b>	<b>328,487</b>	<b>21.9%</b>	<b>1,827,199</b>
<b>Total FTE</b>	<b>8.00</b>	<b>5.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>5.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>5.00</b>

## **Statutory Authority**

ND Constitution, Article IV and North Dakota Century Code Chapters 54-03, 54-03.1, 54-03.2, and 54-05.1.

## **Agency Description**

The Legislative Assembly is the policymaking branch of state government. The Legislative Assembly meets for organization and orientation purposes during the month of December in the even-numbered years and convenes each odd-numbered year for the regular session which may not exceed 80 days during the biennium.

## **Major Accomplishments**

1. Performed its constitutional responsibilities within its limited amount of time in an effective manner to meet the needs and expectations of the people of North Dakota.

## **Executive Budget Recommendation**

- Includes budget as submitted.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

150 Legislative Assembly

Bill#: HB1001

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
ND Legislative Assembly	12,153,920	18,196,971	(4,068,237)	(22.4%)	14,128,734	(4,068,237)	(22.4%)	14,128,734
<b>Total Major Programs</b>	<b>12,153,920</b>	<b>18,196,971</b>	<b>(4,068,237)</b>	<b>(22.4%)</b>	<b>14,128,734</b>	<b>(4,068,237)</b>	<b>(22.4%)</b>	<b>14,128,734</b>
<b>By Line Item</b>								
Salaries and Wages	7,050,217	7,949,896	747,684	9.4%	8,697,580	747,684	9.4%	8,697,580
Operating Expenses	2,562,556	3,393,105	505,939	14.9%	3,899,044	505,939	14.9%	3,899,044
Capital Assets	49,995	1,089,493	210,507	19.3%	1,300,000	210,507	19.3%	1,300,000
Ntl Conference of State Legislature	206,314	227,660	4,450	2.0%	232,110	4,450	2.0%	232,110
Leg Application Replacements	2,284,838	5,536,817	(5,536,817)	(100.0%)	0	(5,536,817)	(100.0%)	0
<b>Total Line Items</b>	<b>12,153,920</b>	<b>18,196,971</b>	<b>(4,068,237)</b>	<b>(22.4%)</b>	<b>14,128,734</b>	<b>(4,068,237)</b>	<b>(22.4%)</b>	<b>14,128,734</b>
<b>By Funding Source</b>								
General Fund	12,153,920	18,196,971	(4,068,237)	(22.4%)	14,128,734	(4,068,237)	(22.4%)	14,128,734
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>12,153,920</b>	<b>18,196,971</b>	<b>(4,068,237)</b>	<b>(22.4%)</b>	<b>14,128,734</b>	<b>(4,068,237)</b>	<b>(22.4%)</b>	<b>14,128,734</b>
<b>Total FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>

## **Statutory Authority**

The principal statutory language authorizing the responsibilities and functions of the Legislative Council is contained in North Dakota Century Code Chapter 54-35. Statutory authority relating to the organizational session of the Legislative Assembly is located in Chapter 54-03.1. Additional statutory references to the Legislative Council are located in numerous places in the North Dakota Century Code.

## **Agency Description**

The Legislative Management consists of 17 legislators. The committee oversees the interim activities of the legislative branch, conducts studies, monitors activities of the other branches of government, provides oversight of matters of interest to the legislative branch, makes arrangements for legislative sessions, and recommends legislation to the Legislative Assembly. The Legislative Council, consisting of a group of professional and clerical people, provides administrative, research, analysis, drafting, and technical support services for the legislative branch.

## **Major Accomplishments**

The Legislative Management and its interim committees:

1. Conduct studies in accordance with the directives of the Legislative Assembly.
2. Perform other duties and responsibilities in accordance with the directives of the Legislative Assembly.

The Legislative Council staff performs its research, analysis, and drafting tasks in a satisfactory manner to meet the expectations of the Legislative Assembly and its members and the Legislative Management within appropriate time frames.

## **Executive Budget Recommendation**

- Includes budget as submitted.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

160 Legislative Council

Bill#: HB1001

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Fiscal Services	1,528,261	2,055,764	40,968	2.0%	2,096,732	109,068	5.3%	2,164,832
Legal Services	2,096,045	2,679,346	132,521	4.9%	2,811,867	238,748	8.9%	2,918,094
General and Administrative Services	4,137,145	7,342,569	(1,056,768)	(14.4%)	6,285,801	(894,337)	(12.2%)	6,448,232
<b>Total Major Programs</b>	<b>7,761,451</b>	<b>12,077,679</b>	<b>(883,279)</b>	<b>(7.3%)</b>	<b>11,194,400</b>	<b>(546,521)</b>	<b>(4.5%)</b>	<b>11,531,158</b>
<b>By Line Item</b>								
Salaries and Wages	5,435,415	7,522,759	(285,186)	(3.8%)	7,237,573	51,572	0.7%	7,574,331
Operating Expenses	2,295,183	4,487,773	(572,446)	(12.8%)	3,915,327	(572,446)	(12.8%)	3,915,327
Capital Assets	30,853	67,147	(25,647)	(38.2%)	41,500	(25,647)	(38.2%)	41,500
<b>Total Line Items</b>	<b>7,761,451</b>	<b>12,077,679</b>	<b>(883,279)</b>	<b>(7.3%)</b>	<b>11,194,400</b>	<b>(546,521)</b>	<b>(4.5%)</b>	<b>11,531,158</b>
<b>By Funding Source</b>								
General Fund	7,704,123	12,007,679	(883,279)	(7.4%)	11,124,400	(546,521)	(4.6%)	11,461,158
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	57,328	70,000	0	0.0%	70,000	0	0.0%	70,000
<b>Total Funding Source</b>	<b>7,761,451</b>	<b>12,077,679</b>	<b>(883,279)</b>	<b>(7.3%)</b>	<b>11,194,400</b>	<b>(546,521)</b>	<b>(4.5%)</b>	<b>11,531,158</b>
<b>Total FTE</b>	<b>33.00</b>	<b>34.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>34.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>34.00</b>

## Statutory Authority

ND Constitution, Article 6, Judicial Branch, Sections 1-13, Chapters 27-02, 27-03, 27-04, 27-05, 27-05.2, 27-06, 27-17, 27-20, 27-23, North Dakota Century Code; North Dakota Rules of Disciplinary Procedure.

## Agency Description

The North Dakota judicial system is comprised of the Supreme Court, district courts, municipal courts and the intermediate court of appeals, when convened. The juvenile court is a division of the district court. These courts provide the forum for the resolution of litigation in an orderly, timely manner.

## Major Accomplishments

Some major accomplishments of the judiciary include:

1. Implemented electronic filing.
2. Provided web-based access to court records.

3. Implemented rules to expedite appeals of juvenile probation cases.
4. Revised the rules of criminal procedure.
5. Mandated greater use of alternative dispute resolution processes.
6. Collected fines/fees through state tax intercept.
7. Changed Rules of Professional Conduct.

Major technology accomplishments include:

1. Expanded interactive television.
2. Expanded digital audio recording.
3. Implemented interactive phone payment system.
4. Implemented new Odyssey case management system.

## Executive Budget Recommendation

- Includes the budget as submitted.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

180 Judicial Branch  
Biennium: 2011-2013

Bill#: HB1002

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Supreme Court	8,984,710	10,526,942	760,497	7.2%	11,287,439	1,162,565	11.0%	11,689,507
District Court	56,950,505	73,334,251	(1,494,064)	(2.0%)	71,840,187	767,834	1.0%	74,102,085
Judicial Cond Comm and Disc. Board	670,394	813,629	37,827	4.6%	851,456	76,326	9.4%	889,955
<b>Total Major Programs</b>	<b>66,605,609</b>	<b>84,674,822</b>	<b>(695,740)</b>	<b>(0.8%)</b>	<b>83,979,082</b>	<b>2,006,725</b>	<b>2.4%</b>	<b>86,681,547</b>
<b>By Line Item</b>								
Salaries and Wages	48,294,453	57,170,251	4,247,257	7.4%	61,417,508	6,901,903	12.1%	64,072,154
Operating Expenses	15,123,097	22,823,698	(3,410,058)	(14.9%)	19,413,640	(3,410,058)	(14.9%)	19,413,640
Capital Assets	1,495,971	2,314,482	(1,592,502)	(68.8%)	721,980	(1,592,502)	(68.8%)	721,980
Supreme Court- Judges Retirement	128,825	127,021	13,941	11.0%	140,962	13,941	11.0%	140,962
District Court- Judges Retirement	512,418	533,705	(40,513)	(7.6%)	493,192	(40,513)	(7.6%)	493,192
Judicial Conduct Comm & Disciplinary Brd	670,394	813,629	37,827	4.6%	851,456	76,326	9.4%	889,955
Mediation	300,451	792,036	68,308	8.6%	860,344	77,628	9.8%	869,664
Alternative Dispute Resolution	0	20,000	(20,000)	(100.0%)	0	(20,000)	(100.0%)	0
Und-Central Legal Research	80,000	80,000	0	0.0%	80,000	0	0.0%	80,000
<b>Total Line Items</b>	<b>66,605,609</b>	<b>84,674,822</b>	<b>(695,740)</b>	<b>(0.8%)</b>	<b>83,979,082</b>	<b>2,006,725</b>	<b>2.4%</b>	<b>86,681,547</b>
<b>By Funding Source</b>								
General Fund	64,680,149	82,590,015	(793,208)	(1.0%)	81,796,807	1,909,258	2.3%	84,499,273
Federal Funds	1,638,851	1,730,461	126,314	7.3%	1,856,775	126,314	7.3%	1,856,775
Special Funds	286,609	354,346	(28,846)	(8.1%)	325,500	(28,847)	(8.1%)	325,499
<b>Total Funding Source</b>	<b>66,605,609</b>	<b>84,674,822</b>	<b>(695,740)</b>	<b>(0.8%)</b>	<b>83,979,082</b>	<b>2,006,725</b>	<b>2.4%</b>	<b>86,681,547</b>
<b>Total FTE</b>	<b>338.00</b>	<b>342.00</b>	<b>4.00</b>	<b>1.2%</b>	<b>346.00</b>	<b>4.00</b>	<b>1.2%</b>	<b>346.00</b>

## Statutory Authority

North Dakota Century Code 54-61-01 to 54-61-04.

## Agency Description

The North Dakota Commission on Legal Counsel for Indigents is an executive branch agency that consists of a statutorily-created board of seven persons appointed from various entities, to serve staggering terms. The agency is responsible for delivery of constitutionally-adequate services to criminal defendants and respondents in the state who financially qualify for indigent services in accordance with eligibility requirements. The Commission utilizes the seven judicial districts to regulate its program.

## Major Accomplishments

1. Opened the administrative office in November, 2005, and since then opened six public defender offices in Grand Forks, Fargo, Bismarck, Minot, Williston and Dickinson. Hired full time employees, 16 of which are full time public defenders.

Those 16 attorneys, plus approximately 42 private attorneys who contract with the agency, provide legal services to indigent clients in criminal and juvenile court in about 10,000 cases annually.

2. Established and adopted minimum performance standards for the attorneys that must be adhered to along with rules of professional responsibility. Provided free training to the attorneys and staff, and encouraged other avenues of training throughout the year paid for by the Commission.
3. Kept abreast of technology needs, and utilized a web-based case reporting system that attorneys can access without charge.

## Executive Budget Recommendation

- Recommends an \$11.8 million budget, of which \$9.8 million is from the general fund.
- Provides general and special fund authority to support the current FTE level and operations of the agency.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

188 Commission on Legal Counsel for Indigents

Bill#: HB1023

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Counsel for Indigents Operations	9,437,294	11,420,365	103,528	0.9%	11,523,893	358,917	3.1%	11,779,282
<b>Total Major Programs</b>	<b>9,437,294</b>	<b>11,420,365</b>	<b>103,528</b>	<b>0.9%</b>	<b>11,523,893</b>	<b>358,917</b>	<b>3.1%</b>	<b>11,779,282</b>
<b>By Line Item</b>								
Legal Counsel for Indigents	9,437,294	11,420,365	103,528	0.9%	11,523,893	358,917	3.1%	11,779,282
<b>Total Line Items</b>	<b>9,437,294</b>	<b>11,420,365</b>	<b>103,528</b>	<b>0.9%</b>	<b>11,523,893</b>	<b>358,917</b>	<b>3.1%</b>	<b>11,779,282</b>
<b>By Funding Source</b>								
General Fund	7,811,200	9,470,148	90,810	1.0%	9,560,958	338,282	3.6%	9,808,430
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,626,094	1,950,217	12,718	0.7%	1,962,935	20,635	1.1%	1,970,852
<b>Total Funding Source</b>	<b>9,437,294</b>	<b>11,420,365</b>	<b>103,528</b>	<b>0.9%</b>	<b>11,523,893</b>	<b>358,917</b>	<b>3.1%</b>	<b>11,779,282</b>
<b>Total FTE</b>	<b>29.00</b>	<b>30.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>30.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>30.00</b>

## **Statutory Authority**

ND Constitution Article IV, Section 13; North Dakota Century Code Chapters, 15-39.1, 21-10 and 54-52.

## **Agency Description**

The Retirement and Investment Office (RIO) is an agency of the State of North Dakota. The agency was created by the 1989 Legislative Assembly to capture administrative and investment cost savings in the management of two important long-standing state programs - the retirement program of the Teachers' Fund for Retirement (TFFR) and the investment program of the State Investment Board (SIB). TFFR is a qualified defined benefit public pension plan. The plan covers North Dakota public school teachers and administrators. Benefit funding comes from member and employer contributions and investment earnings. TFFR serves nearly 10,000 teachers from 231 employer groups and pays benefits to over 6,500 retirees and beneficiaries. High quality member services and outreach programs are offered to members and employers as part of the continuing effort to keep them

informed about the retirement program. The SIB is responsible for setting policies and procedures guiding the investment of approximately \$5.000 billion in assets for eight pension funds and 17 other insurance-type funds.

## **Major Accomplishments**

1. Received the GFOA Certificate of Achievement for Financial Reporting for its annual financial report for the fiscal year ended June 30, 2009. This was the twelfth time RIO received this award.
2. Successfully implemented the administration of a one-time benefit payment for TFFR retirees in December 2009 per legislation.

## **Executive Budget Recommendation**

- Adds 1.00 FTE as Deputy Chief Investment Officer to provide for continuity of operations and assist with investment portfolio management.
- Approves budget as requested.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

190 Retirement and Investment Office

Bill#: SB2022

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Teachers Fund for Retirement	2,139,437	2,466,332	14,133	0.6%	2,480,465	108,058	4.4%	2,574,390
Investment Program	947,001	1,239,318	35,420	2.9%	1,274,738	419,246	33.8%	1,658,564
<b>Total Major Programs</b>	<b>3,086,438</b>	<b>3,705,650</b>	<b>49,553</b>	<b>1.3%</b>	<b>3,755,203</b>	<b>527,304</b>	<b>14.2%</b>	<b>4,232,954</b>
<b>By Line Item</b>								
Salaries and Wages	2,215,081	2,674,080	59,983	2.2%	2,734,063	529,034	19.8%	3,203,114
Operating Expenses	859,916	949,570	(10,430)	(1.1%)	939,140	(1,730)	(0.2%)	947,840
Contingency	11,441	82,000	0	0.0%	82,000	0	0.0%	82,000
<b>Total Line Items</b>	<b>3,086,438</b>	<b>3,705,650</b>	<b>49,553</b>	<b>1.3%</b>	<b>3,755,203</b>	<b>527,304</b>	<b>14.2%</b>	<b>4,232,954</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	3,086,438	3,705,650	49,553	1.3%	3,755,203	527,304	14.2%	4,232,954
<b>Total Funding Source</b>	<b>3,086,438</b>	<b>3,705,650</b>	<b>49,553</b>	<b>1.3%</b>	<b>3,755,203</b>	<b>527,304</b>	<b>14.2%</b>	<b>4,232,954</b>
<b>Total FTE</b>	<b>17.00</b>	<b>17.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>17.00</b>	<b>1.00</b>	<b>5.9%</b>	<b>18.00</b>

## Statutory Authority

North Dakota Century Code Chapters 39-03.1, 52-09, 52-11-01, 54-52, 54-52.1, 54-52.2, 54-52.3 and 54-52.6.

## Agency Description

The Public Employees Retirement System is the administrator of several employee benefit plans for state employees and employees of participating political subdivisions. The plans include the following:

- Seven Defined Benefit Retirement Plans
- Defined Contribution Retirement Plan
- Deferred Compensation Plan
- Retiree Health Insurance Credit Plan
- Group Health Insurance Plan
- Group Life Insurance Plan
- Voluntary Insurance Products (dental, vision, long-term care plans)
- Employee Assistance Program
- Pretax Benefits Program (FlexComp)

## Major Accomplishments

1. Bid the vision plan and health plans.

2. Sent out an RFP for the defined contribution plan and 457 plans for record keeping and investment services.
3. Conducted an experience study and asset/liability study on the PERS Retirement plans.
4. Conducted annual Wellness Forums for the Employer Based Wellness Program.
5. Completed annual renewals of the Employer Based Wellness Program.
6. Received additional funding to continue a Smoking Cessation program for state employees.
7. Implemented the PERSLINK project.
8. Implemented legislation passed by the 2009 legislative session and updated administrative rules.
9. Established a collaborative drug therapy program for the treatment of diabetes with the North Dakota Pharmacist Association.

## Executive Budget Recommendation

- Approves budget as requested.
- Includes ongoing operations for new PERSLink system, which provides employers and employees online access to PERS programs.
- Includes transfer of approximately \$2,400 remaining Oasis Retirement Funds to the general fund.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

192 Public Employees Retirement System

Bill#: SB2022

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
PERS	10,029,595	10,881,214	(4,349,543)	(40.0%)	6,531,671	(4,104,324)	(37.7%)	6,776,890
<b>Total Major Programs</b>	<b>10,029,595</b>	<b>10,881,214</b>	<b>(4,349,543)</b>	<b>(40.0%)</b>	<b>6,531,671</b>	<b>(4,104,324)</b>	<b>(37.7%)</b>	<b>6,776,890</b>
<b>By Line Item</b>								
Salaries and Wages	3,685,561	4,236,489	81,799	1.9%	4,318,288	327,018	7.7%	4,563,507
Operating Expenses	6,344,034	1,659,999	303,384	18.3%	1,963,383	303,384	18.3%	1,963,383
Technology Project Carryover	0	4,734,726	(4,734,726)	(100.0%)	0	(4,734,726)	(100.0%)	0
Contingency	0	250,000	0	0.0%	250,000	0	0.0%	250,000
<b>Total Line Items</b>	<b>10,029,595</b>	<b>10,881,214</b>	<b>(4,349,543)</b>	<b>(40.0%)</b>	<b>6,531,671</b>	<b>(4,104,324)</b>	<b>(37.7%)</b>	<b>6,776,890</b>
<b>By Funding Source</b>								
General Fund	0	13,000	(13,000)	(100.0%)	0	(13,000)	(100.0%)	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	10,029,595	10,868,214	(4,336,543)	(39.9%)	6,531,671	(4,091,324)	(37.6%)	6,776,890
<b>Total Funding Source</b>	<b>10,029,595</b>	<b>10,881,214</b>	<b>(4,349,543)</b>	<b>(40.0%)</b>	<b>6,531,671</b>	<b>(4,104,324)</b>	<b>(37.7%)</b>	<b>6,776,890</b>
<b>Total FTE</b>	<b>33.00</b>	<b>33.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>33.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>33.00</b>

**Statutory Authority**

North Dakota Century Code Title 15.1.; Sections 25-06-02.1, 25-07-01.1 and 54-24-01. North Dakota Century Code 23-09-4-01 through 08. North Dakota Century Code 57-64.

**Agency Description**

The superintendent of Public Instruction enforces all state statutes and federal regulations pertaining to the establishment and maintenance of public schools and related programs, including:

- Supervising the provision of elementary and secondary education.
- Implementing a uniform system of school district accounting, budgeting, and reporting; and administering school district aid and transportation.
- Developing course content standards and assessments.
- Directing school district annexation, reorganization, and dissolution efforts.
- Collaborating with ITD and other governmental agencies to assist in the development of a Longitudinal Data System.
- Administering state and federal programs identified in state law.
- Serving as a member of the State Board of Public School Education, State Board for Career and Technical Education, Board of University and School Lands, Teachers’ Fund for Retirement, Education Technology Council, and the High School Activities Association.
- Supervising the ND School for the Deaf, ND Vision Services/School for the Blind, and the State Library.
- Implementing and administering the ND Academic and ND Career and Technical Education Scholarship Programs.

**Major Accomplishments**

1. Facilitated the development and drafting of a long-term, statewide education improvement plan to meet the numerous provisions of the American Recovery and Reinvestment Act (ARRA).
2. Conducted a statewide survey of effective teacher and principal evaluation practices in anticipation of establishing annual statewide reporting of teacher and principal evaluation information to the public.
3. Acquired two new federal grants: a \$6.7 million data quality grant to build a comprehensive K-12 data system, and a \$9.0 million state improvement grant (SIG) to assist schools identified as needing improvement.
4. Developed a statewide process to measure entry and exit functional skills of preschool children with individualized education plans (IEPs).
5. Participated in the development of common core standards (CCS) and Assessments in English language arts and mathematics.
6. Annually administered either the ACT or the WorkKeys assessments to all high school juniors to support the readiness and transition of students into college or work.

7. Administered five grade-span state English language proficiency assessments to provide standardized measurement of English acquisition for the state’s English language learner students.
8. Awarded school improvement funding to assist 62 low-achieving schools implement educational strategies and reforms aimed at raising student achievement levels and meeting adequate yearly progress.
9. Developed a statewide growth model accountability system as an alternative manner of determining school and school district progress for the purposes of reporting annual adequate yearly progress (AYP).
10. Established a statewide system of support to provide technical assistance to districts and schools identified as needing improvement.
11. Developed and wrote new standards for the state education improvement process (SEIP) to align state standards with accreditation standards.
12. Created regulations and resources for the ARRA which were published on DPI’s website and disseminated to all schools.
13. Trained school district personnel to use the new state school aid payment system and created a web based state school aid payment program which allows school districts to view their payments and supporting calculations online.

**Executive Budget Recommendation**

- Provides \$919.5 million for state school aid, an increase of \$94.3 million.
- Recommends per student payment increases of \$100 per year, using new funding of \$94.3 million and \$9.0 million of carryover appropriation authority.
- Provides \$7.5 million for an alternative teacher compensation system pilot project, included in the state school aid appropriation.
- Provides \$48.5 million for transportation grants, an increase of \$5.0 million.
- Provides \$16.0 million for special education contracts, an increase of \$500,000.
- Provides \$678,400 for the estimated costs of administering the ACT test, including the writing section, to all eleventh grade students in North Dakota.
- Provides \$122,000 for costs associated with the professional development advisory committee established by the 2009 legislature.
- Provides \$100,000 for curriculum alignment grants to improve the alignment of language arts between high schools and institutions of higher education.
- Provides \$461,500 for the establishment of a mentoring program for new principals.
- Provides \$125,000 for grants of up to \$5,000 per classroom to assist schools making safety compliant space available for licensed pre-kindergarten programs.
- Provides \$150,000 for continuing education grants for pre-school teachers.
- Provides \$300,000 for costs associated with the alternative teacher compensation system review panel and a contracted program adviser.
- Provides \$200,000 for contracted grant writing consultants to assist the department in applying for competitive grants.
- Provides \$66,000 to continue the North Dakota Indian Education Advisory Council.

- Provides \$763,586 to increase state funding for assessment programs from \$1.4 million to \$2.2 million.
- Provides an additional \$82,500 for teacher stipends and assessment fees paid by the Educational Standards and Practices Board (ESPB) through the National Board Certification Program. Funding for the program is increased from \$102,500 to \$185,000.
- Provides \$2.3 million to be provided to ESPB to continue the teacher mentoring and support program established during the 2009-11 biennium.
- Increases the property tax relief - mill levy reduction grant program from \$295.0 million to \$341.8 million for the 2011-13 biennium. For the 2009-11 biennium, permanent oil tax trust fund moneys were transferred to the general fund to fund the program. For the 2011-13 biennium, moneys are appropriated directly from the property tax sustainability fund.
- Provides \$384,000 from the general fund for required updates and maintenance of the department's STARS application. The STARS application is the primary system used to collect educational data from school districts.
- Provides \$200,000 from the general fund to allow the ESPB teacher database project to be completed in compliance with federal requirements.
- Provides federal spending authority for the \$21.5 million awarded to the state through the Education Jobs Fund program. Up to \$274,878 is authorized for administrative expenses and the remaining \$21.2 million for grants to school districts. An emergency clause is included to allow the funds to be distributed during the 2010-11 school year, as required by the federal legislation.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

201 Dept of Public Instruction  
Biennium: 2011-2013

Bill#: SB2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Admin and School District Support Services	775,900,403	1,253,560,380	(103,238,689)	(8.2%)	1,150,321,691	83,299,911	6.6%	1,336,860,291
Education Improvement	174,322,446	274,684,955	(14,879,153)	(5.4%)	259,805,802	(13,004,690)	(4.7%)	261,680,265
Administrative Services	3,046,811	14,671,975	(4,375,832)	(29.8%)	10,296,143	(3,569,201)	(24.3%)	11,102,774
Education and Community Support	80,758,427	80,259,434	4,194,949	5.2%	84,454,383	4,670,399	5.8%	84,929,833
<b>Total Major Programs</b>	<b>1,034,028,087</b>	<b>1,623,176,744</b>	<b>(118,298,725)</b>	<b>(7.3%)</b>	<b>1,504,878,019</b>	<b>71,396,419</b>	<b>4.4%</b>	<b>1,694,573,163</b>
<b>By Line Item</b>								
Salaries and Wages	10,631,984	13,654,455	(70,534)	(0.5%)	13,583,921	754,845	5.5%	14,409,300
Operating Expenses	15,922,169	31,270,801	(4,344,480)	(13.9%)	26,926,321	(1,619,614)	(5.2%)	29,651,187
Grants-State School Aid	736,438,152	808,370,295	0	0.0%	808,370,295	111,089,183	13.7%	919,459,478
Grants-Special Education	13,138,279	15,500,000	0	0.0%	15,500,000	500,000	3.2%	16,000,000
Grants-Transportation	33,500,000	43,500,000	0	0.0%	43,500,000	5,000,000	11.5%	48,500,000
Grants-Supplemental One-Time	0	85,644,337	(85,644,337)	(100.0%)	0	(85,644,337)	(100.0%)	0
Grants-Supplemental Operations	0	16,795,584	(16,795,584)	(100.0%)	0	(16,795,584)	(100.0%)	0
Grants-Other Grants	224,352,503	312,808,772	(10,943,790)	(3.5%)	301,864,982	(10,078,290)	(3.2%)	302,730,482
Grants-Mill Levy Reductions	0	295,000,000	0	0.0%	295,000,000	46,790,000	15.9%	341,790,000
National Board Certification Fund	0	500,000	(500,000)	(100.0%)	0	(500,000)	(100.0%)	0
ATCS Review Panel	0	0	0	0.0%	0	300,000	100.0%	300,000
Education Jobs Fund	0	0	0	0.0%	0	21,517,716	100.0%	21,517,716
Transportation Efficiency	5,000	30,000	0	0.0%	30,000	0	0.0%	30,000
National Board Certification	40,000	102,500	0	0.0%	102,500	82,500	80.5%	185,000
<b>Total Line Items</b>	<b>1,034,028,087</b>	<b>1,623,176,744</b>	<b>(118,298,725)</b>	<b>(7.3%)</b>	<b>1,504,878,019</b>	<b>71,396,419</b>	<b>4.4%</b>	<b>1,694,573,163</b>
<b>By Funding Source</b>								
General Fund	721,612,441	1,109,455,590	(17,928,327)	(1.6%)	1,091,527,263	(207,390,850)	(18.7%)	902,064,740
Federal Funds	235,329,383	426,109,646	(100,370,373)	(23.6%)	325,739,273	(78,340,832)	(18.4%)	347,768,814
Special Funds	77,086,263	87,611,508	(25)	-0.0%	87,611,483	357,128,101	407.6%	444,739,609
<b>Total Funding Source</b>	<b>1,034,028,087</b>	<b>1,623,176,744</b>	<b>(118,298,725)</b>	<b>(7.3%)</b>	<b>1,504,878,019</b>	<b>71,396,419</b>	<b>4.4%</b>	<b>1,694,573,163</b>
<b>Total FTE</b>	<b>94.75</b>	<b>99.75</b>	<b>0.00</b>	<b>0.0%</b>	<b>99.75</b>	<b>0.00</b>	<b>0.0%</b>	<b>99.75</b>

**Statutory Authority**

ND Constitution Article VIII, Section 6; North Dakota Century Code Chapter 15-10.

**Agency Description**

The North Dakota State Board of Higher Education (SBHE), established in 1939 by the voters of North Dakota, is the governing body for the state's 11 publicly funded institutions which comprise the North Dakota University System (NDUS). The SBHE carries out its constitutional responsibilities through a comprehensive set of policies. The Chancellor serves as the system's chief executive officer. The Chancellor and the system office staff support the SBHE in developing public policy for the NDUS, in advocating on its behalf, and fostering shared leadership throughout the system.

**Major Accomplishments**

1. Adopted a new strategic plan for public higher education in North Dakota. The four goals of the plan focus on access, funding/affordability, economic development, and a flexible and responsive system.
2. Implemented a new process that directly links the presidents' and chancellor's annual objectives to the NDUS strategic plan.
3. Enrolled a total of 45,817 undergraduate and graduate students in degree programs in fall 2009.
4. Achieved program completions in 2009 totaling 2,334 for programs of two years or less, 5,182 for four-year programs, and 1,430 for graduate and professional programs.
5. Served approximately 23,000 individuals through non-credit activities during 2009.
6. Continued to expand the number of businesses and employees served through the workforce training regions, with 1,527 businesses and 11,028 employees participating in workforce training programs during 2009.
7. Adopted new and enhanced programs, including the following selected examples, to meet state workforce needs: wind energy technician, renewable generation technology, bioinformatics and computational biology, international business, energy economics and finance.
8. Increased active partnerships and collaboration among the universities and colleges, making programs more easily accessible to students. Selected examples include: the Pathways partnership between NDSCS and NDSU; the delivery of LPN training at VCSU by DCB; and UND's partnership with BSC to extend the Osher Lifelong Learning Institute to Bismarck.
9. Increased research investment for the North Dakota University System by 35.0 percent between 2003 and 2008.
10. Increased the number of competitively awarded Centers of Excellence to 18. The resulting economic impact is \$329.4 million, including the creation of 2,060 total jobs. The centers have formed partnerships with 135 companies and resulted in 17 new or expanded businesses, including seven new spinoff companies.

11. Increased the number of state grants funded from 4,200 in 2009 to 7,865 in 2010 and an estimated 9,500 in 2011.
12. Coordinated North Dakota's federally-funded College Access Challenge program designed to increase the number of underrepresented students in postsecondary education throughout North Dakota.
13. Convened an Adult Learner Council to increase access and participation for non-traditional age students.
14. Increased technology capabilities, including installation of a new admissions customer relationship management system; enhancement of ODIN library project resources in support of teaching, learning and research; support of institutional collaboration and distance learning; and implementation of active directory services.
15. Accomplished major System Information Technology Services (SITS) accomplishments. Selected examples include:
  - acquired significant increased network bandwidth for NDUS institutions and helped expand the STAGEnet backbone along with overall external Internet service connectivity;
  - launched a system-wide collaborative technologies package called Wimba, offering synchronous voice, video, and texting capabilities, along with data sharing and collaboration;
  - completed Data Warehouse implementation with specific data marts for student records, student financials, and workforce profile; and
  - implemented the federally required Direct Loans functionality for all institutions.

**Executive Budget Recommendation**

- Provides \$5.0 million for distribution to campuses under a program completion based funding formula.
- Approves \$871,000 system-wide, of which \$168,000 is in the system office, to ensure that students at all campuses have access to professional mental health services.
- Funds the academic and technical education scholarship program on a continuing basis from the land and minerals trust fund. 2011-13 scholarships are estimated at \$10.0 million.
- Recommends \$4.1 million for system-wide technology maintenance.
- Creates a \$1.0 million program start-up fund available to campuses for initiating or expanding academic and technical programs.
- Allocates an additional \$1.6 million for EPSCOR research.
- Changes the funding source for the Kansas State University veterinary medicine and ConnectND positions from the student loan trust fund to the state's general fund.
- Provides \$1.5 million for parity for the system office and the statewide information technology systems which includes three percent annual salary increases and health insurance cost increases.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

215 ND University System  
Biennium: 2011-2013

Bill#: HB1003

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
System Governance	5,492,058	7,386,676	655,430	8.9%	8,042,106	5,267,458	71.3%	12,654,134
Student Grant Programs	12,725,808	33,353,710	7,437,956	22.3%	40,791,666	(2,562,044)	(7.7%)	30,791,666
System Grant Programs	38,813,846	39,415,485	11,631,123	29.5%	51,046,608	6,842,114	17.4%	46,257,599
System Projects	15,319,092	12,814,048	3,252,721	25.4%	16,066,769	1,408,721	11.0%	14,222,769
<b>Total Major Programs</b>	<b>72,350,804</b>	<b>92,969,919</b>	<b>22,977,230</b>	<b>24.7%</b>	<b>115,947,149</b>	<b>10,956,249</b>	<b>11.8%</b>	<b>103,926,168</b>

**By Line Item**

System Governance - Operating	0	0	0	0.0%	0	0	0.0%	0
Operations Pool	8,085	0	0	0.0%	0	0	0.0%	0
Capital Assets	15,319,092	12,014,048	240,721	2.0%	12,254,769	240,721	2.0%	12,254,769
Student Financial Assistance Grants	5,871,342	19,927,568	0	0.0%	19,927,568	0	0.0%	19,927,568
ND Scholars Program	1,354,723	2,456,826	0	0.0%	2,456,826	0	0.0%	2,456,826
Title II Federal Program	639,207	695,600	0	0.0%	695,600	0	0.0%	695,600
Native American Scholarship	380,117	382,467	192,975	50.5%	575,442	192,975	50.5%	575,442
Adult Learning	0	0	300,000	100.0%	300,000	0	0.0%	0
System Information Technology Services	31,416,554	30,569,885	10,281,123	33.6%	40,851,008	5,492,114	18.0%	36,061,999
Teacher Education Enhancement	0	0	0	0.0%	0	0	0.0%	0
Education Incentive Programs	1,923,694	3,265,994	0	0.0%	3,265,994	0	0.0%	3,265,994
Tribal Community College Grt.	700,000	700,000	0	0.0%	700,000	300,000	42.9%	1,000,000
Academic and Tech Ed. Scholarship	0	3,000,000	7,000,000	233.3%	10,000,000	(3,000,000)	(100.0%)	0
Student Exchange Program	2,495,932	3,620,855	(55,019)	(1.5%)	3,565,836	(55,019)	(1.5%)	3,565,836
Professional Liability Insurance	1,100,000	1,100,000	(300,000)	(27.3%)	800,000	(300,000)	(27.3%)	800,000
Two Year Campus Marketing	0	800,000	0	0.0%	800,000	0	0.0%	800,000
Security and Emerg. Preparedness	0	0	0	0.0%	0	0	0.0%	0
Competitive Research Program	5,650,000	7,050,000	1,650,000	23.4%	8,700,000	1,650,000	23.4%	8,700,000
Biennium Carryover	175,275	384,206	(384,206)	(100.0%)	0	(384,206)	(100.0%)	0
Higher Ed. System Grants & Init.	0	0	0	0.0%	0	0	0.0%	0
System Governance	5,316,783	7,002,470	1,039,636	14.8%	8,042,106	651,664	9.3%	7,654,134
Contingency and Capital Emergency	0	0	0	0.0%	0	0	0.0%	0
Grants	0	0	0	0.0%	0	0	0.0%	0
Academic and Tech Prog Revolving Fund	0	0	3,000,000	100.0%	3,000,000	1,000,000	100.0%	1,000,000
Student Mental Health	0	0	12,000	100.0%	12,000	168,000	100.0%	168,000
Comprehensive Career Planning	0	0	0	0.0%	0	0	0.0%	0
Completion Based Funding	0	0	0	0.0%	0	5,000,000	100.0%	5,000,000
<b>Total Line Items</b>	<b>72,350,804</b>	<b>92,969,919</b>	<b>22,977,230</b>	<b>24.7%</b>	<b>115,947,149</b>	<b>10,956,249</b>	<b>11.8%</b>	<b>103,926,168</b>

**By Funding Source**

General Fund	67,314,917	88,065,030	24,427,401	27.7%	112,492,431	12,106,420	13.7%	100,171,450
Federal Funds	925,737	1,320,138	12,586	1.0%	1,332,724	12,586	1.0%	1,332,724

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

215 ND University System

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
Special Funds	4,110,150	3,584,751	(1,462,757)	(40.8%)	2,121,994	(1,162,757)	(32.4%)	2,421,994
<b>Total Funding Source</b>	<b>72,350,804</b>	<b>92,969,919</b>	<b>22,977,230</b>	<b>24.7%</b>	<b>115,947,149</b>	<b>10,956,249</b>	<b>11.8%</b>	<b>103,926,168</b>
<b>Total FTE</b>	<b>20.00</b>	<b>23.30</b>	<b>3.00</b>	<b>12.9%</b>	<b>26.30</b>	<b>0.00</b>	<b>0.0%</b>	<b>23.30</b>

**Statutory Authority**

ND Constitution Article IX, North Dakota Century Code Chapters 15-01 through 15-09, 38-09, 38-11, 47-30.1, Sections 57-62-03 through 57-62-06 and 63-01.1-01.

**Agency Description**

The primary function of the Board of University and School Lands and the Land Department is to manage the 13 permanent trust funds under its control, to preserve the purchasing power of the trusts and to maintain stable distributions to trust beneficiaries. Those beneficiaries include local school districts, various colleges and universities, and other institutions in North Dakota. Revenues are generated for the trusts through the prudent management of trust assets, consisting of over 707,000 surface acres, over 2.5 million mineral acres and over \$1.5 billion of investment assets (loans, marketable securities, and cash equivalents). The surface acres are leased to ranchers and farmers across the state. The 2.5 million mineral acres are offered for oil, gas, coal, gravel, scoria, and more recently, potash leasing.

The Land Department also manages four additional trust funds. The lands and minerals trust fund consists of 704,750 mineral acres formerly managed by the Bank of North Dakota, as well as the minerals located under the state's navigable streams, rivers, and lakes, which are owned by North Dakota as sovereign lands. The coal development trust fund is managed to provide loans to coal development-impacted counties, cities and school districts as provided for in Chapter 57-62 and to provide school construction loans as provided for in Chapter 15.1-36. The capitol building trust is managed for the construction and maintenance of public buildings at the capitol and the Indian cultural education trust is managed to benefit Native American cultural purposes.

The Land Department also administers the Unclaimed Property Act. In this capacity the department collects "unclaimed property" and processes claims from owners.

This property is held in trust for the owner forever, and the revenue it produces benefits for the common schools trust fund.

The Energy Development Impact Office (EDIO) of the Land Department provides financial assistance to political subdivisions that are affected by energy development in the state. Assistance is provided through both the oil and gas impact grant program and the coal impact loan program.

**Major Accomplishments**

1. Collected \$295.0 million of lease bonus money during the 2010 fiscal year, approximately the amount collected during the previous 39 years combined.
2. Processed 3,000 royalty records each month, double the amount from 2006.
3. Maintained a 99.0 percent leasing rate for the Surface Management Division.
4. Enhanced technology, automated programs and GIS data systems for better and more accurate management of trust acreage.
5. Processed owner claims for unclaimed property maintaining a payout ratio over 50.0 percent.
6. Continued successful EDIO grant program as more political subdivisions were impacted by oil development in the state.

**Executive Budget Recommendation**

- Increases the statutory cap on gross production tax allocations to the oil and gas impact grant fund from the current level of \$8.0 million per biennium to \$100.0 million per biennium.
- Provides 1.00 FTE mineral royalty auditor to ensure the state is being paid correct royalty amounts on a growing number of wells.
- Provides 1.00 FTE accounting/budget specialist to work in the investment and administration programs to accommodate a growing agency workload, resulting from growth in mineral activity.
- Provides 1.00 FTE administrative assistant to assist in the administration of an expanded energy development impact grant program.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

226 State Land Department  
 Biennium: 2011-2013

Bill#: HB1013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Land Department	4,752,301	13,792,561	(1,036,557)	(7.5%)	12,756,004	91,782,459	665.4%	105,575,020
<b>Total Major Programs</b>	<b>4,752,301</b>	<b>13,792,561</b>	<b>(1,036,557)</b>	<b>(7.5%)</b>	<b>12,756,004</b>	<b>91,782,459</b>	<b>665.4%</b>	<b>105,575,020</b>
<b>By Line Item</b>								
Salaries and Wages	2,413,591	3,214,850	292,662	9.1%	3,507,512	930,974	29.0%	4,145,824
Operating Expenses	595,669	739,952	510,440	69.0%	1,250,392	691,144	93.4%	1,431,096
Capital Assets	8,808	10,000	0	0.0%	10,000	0	0.0%	10,000
Other Grants	1,734,233	9,777,759	(1,889,659)	(19.3%)	7,888,100	90,110,341	921.6%	99,888,100
Contingencies	0	50,000	50,000	100.0%	100,000	50,000	100.0%	100,000
<b>Total Line Items</b>	<b>4,752,301</b>	<b>13,792,561</b>	<b>(1,036,557)</b>	<b>(7.5%)</b>	<b>12,756,004</b>	<b>91,782,459</b>	<b>665.4%</b>	<b>105,575,020</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	4,752,301	13,792,561	(1,036,557)	(7.5%)	12,756,004	91,782,459	665.4%	105,575,020
<b>Total Funding Source</b>	<b>4,752,301</b>	<b>13,792,561</b>	<b>(1,036,557)</b>	<b>(7.5%)</b>	<b>12,756,004</b>	<b>91,782,459</b>	<b>665.4%</b>	<b>105,575,020</b>
<b>Total FTE</b>	<b>18.75</b>	<b>21.75</b>	<b>0.00</b>	<b>0.0%</b>	<b>21.75</b>	<b>3.00</b>	<b>13.8%</b>	<b>24.75</b>

**Statutory Authority**

North Dakota Century Code Chapter 15-10-01.

**Agency Description**

As a community college, the purpose of Bismarck State College is to provide an educational environment of the highest caliber at a reasonable cost; to maintain a warm and wholesome social atmosphere; to provide opportunities for advanced knowledge, improved skills, high ideals and ethical standards; and to make learning an enjoyable, rewarding experience. Students may 1) earn college credits for transfer to a four-year institution; 2) complete training in a career-technical program; 3) keep job skills current through workforce training or take non-credit courses in subjects of personal interest. The college also recognizes the importance of promoting research, public service, economic development, and cultural awareness. The service areas include the immediate, contiguous geographical region for most programs, and statewide, regional or nationwide areas for select, unique programs.

**Major Accomplishments**

1. Began enrolling students in the new Instrumentation and Control Technology program in the fall of 2008.
2. Continued record enrollment growth in the fall of 2009 with 4,020 headcount.
3. Launched new campus emergency notification system in March of 2008.
4. Acknowledged professor of history for earning 2008 Outstanding Teacher of the Year for Post-Secondary Education Award from Bismarck-Mandan Chamber of Commerce.
5. Continued innovative textbook rental program in bookstore, saving students \$51,500 in one semester.
6. Received significant federal funding to help BSC respond to education and training needs of the state's energy industry.
7. Formed a new partnership with industry called the Grow Your Own Program to assist business and industry in employee recruitment.
8. Chosen as one of the "Top 10 Best Places to Work" by Bismarck-Mandan Chamber Young Professionals Network.
9. Developed partnerships with military branches to provide online education to military personnel around the world.
10. Awarded first bachelor of applied science degree in energy management in May of 2009.

11. Opened the new Mystic Advising and Counseling Center which co-locates academic advising, counseling, job-seeking and multicultural program services.
12. Developed online management program for emergency response workers through a partnership with ND Firefighters Association.
13. Recognized several students for receiving awards from national student organizations and conferences.
14. Initiated new training programs, including Certified Nursing Assistant and Commercial Drivers License programs, through BSC's Division of Continuing Education, Training and Innovation.
15. Recognized staff member for receiving a national Campus Impact Award from the Council of Resource Development.
16. Recognized the women's volleyball team and basketball team for earning NJCAA Academic Team of the Year honors and men's basketball team for winning Region XIII Championship for third consecutive year.
17. Appointed BSC's first Distinguished Scholar of the Humanities to complement BSC's robust liberal arts and humanities education programs and events.
18. Received approval to begin offering the Renewable Generation Technology program to students in the fall of 2010.
19. Received designation as a Military Friendly Institution.
20. Developed partnership with Bismarck Parks District resulting in construction of the BSC Aquatic and Wellness Center on campus, which opened March of 2010.

**Executive Budget Recommendation**

- Provides an increase of \$2.1 million for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary increases for building utilities.
- Allocates \$543,985 from the \$10.0 million equity pool.
- Recommends \$731,556 to freeze tuition rates for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$417,673, which represents 15.0 percent of the OMB generated formula.
- Appropriates \$900,000 to pay off special assessment balances.
- Invests \$1.5 million for construction of a new plant services building to eliminate existing health and safety issues.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

227 Bismarck State College

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Bismarck State College	20,695,572	28,259,035	20,153,847	71.3%	48,412,882	9,794,266	34.7%	38,053,301
<b>Total Major Programs</b>	<b>20,695,572</b>	<b>28,259,035</b>	<b>20,153,847</b>	<b>71.3%</b>	<b>48,412,882</b>	<b>9,794,266</b>	<b>34.7%</b>	<b>38,053,301</b>
<b>By Line Item</b>								
Operating Expenses	19,733,680	24,265,417	6,229,792	25.7%	30,495,209	3,470,211	14.3%	27,735,628
Capital Assets	961,892	3,652,981	6,764,692	185.2%	10,417,673	(835,308)	(22.9%)	2,817,673
Capital Projects Non-State Funded	0	0	7,500,000	100.0%	7,500,000	7,500,000	100.0%	7,500,000
Deferred Maintenance	0	340,637	(340,637)	(100.0%)	0	(340,637)	(100.0%)	0
<b>Total Line Items</b>	<b>20,695,572</b>	<b>28,259,035</b>	<b>20,153,847</b>	<b>71.3%</b>	<b>48,412,882</b>	<b>9,794,266</b>	<b>34.7%</b>	<b>38,053,301</b>
<b>By Funding Source</b>								
General Fund	20,695,572	27,849,535	13,063,347	46.9%	40,912,882	2,703,766	9.7%	30,553,301
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	409,500	7,090,500	1,731.5%	7,500,000	7,090,500	1,731.5%	7,500,000
<b>Total Funding Source</b>	<b>20,695,572</b>	<b>28,259,035</b>	<b>20,153,847</b>	<b>71.3%</b>	<b>48,412,882</b>	<b>9,794,266</b>	<b>34.7%</b>	<b>38,053,301</b>
<b>Total FTE</b>	<b>105.38</b>	<b>111.51</b>	<b>3.05</b>	<b>2.7%</b>	<b>114.56</b>	<b>0.00</b>	<b>0.0%</b>	<b>111.51</b>

## **Statutory Authority**

North Dakota Century Code Chapter 15-10-01.1.

## **Agency Description**

Lake Region State College (LRSC) is a student-centered, open access, comprehensive community college within the North Dakota University System. The college provides quality academic education, vocational/technical training, workforce training, educational outreach opportunities, and life-long learning.

LRSC serves approximately 3,000 students each year through on-campus and distance delivery. LRSC is proud to collaborate with other NDUS campuses to offer an Associate of Arts Degree online, a Baccalaureate Degree in Business in cooperation with Mayville State University in Devils Lake, Associate Degree Nursing through a consortium with Dakota College - Bottineau, Bismarck State College, Williston State College, and Fort Berthold Community College, and an Associate of Applied Science in Law Enforcement through innovative computer-based training and e-learning technology.

## **Major Accomplishments**

1. Achieved a record student enrollment of 1,702 in credit courses in the fall semester of 2010.
2. Established a new program, aptly named "Launch," in the fall of 2010 on the campus of the University of North Dakota to prepare students for full admittance to UND upon successful completion of the LRSC program. The program is intended to assist UND with student retention issues.
3. Expanded the number of training locations for the Associate Degree in Nursing program to continue to address the nursing shortage.

4. Started a new Wind Energy Technician degree program, with grant assistance from the North Dakota Department of Commerce and gifts from private industry, in the fall of 2010 to train technicians for the rapidly growing wind energy industry in North Dakota. The program was filled immediately and currently maintains a student wait list.
5. Established training operations in Grand Forks for the Peace Officer Training program. Locations now include Devils Lake, Fargo and Grand Forks.
6. Received a \$625,000 U.S. Dept. of Health and Human Services three-year Health Information Technology grant as part of a consortium of eight community colleges located in eight states in the northwest region of the U.S. The grant will be used to develop and deliver training to health industry workers to assist them in meeting the upcoming federal compliance issues associated with the maintenance of digital medical information records.

## **Executive Budget Recommendation**

- Provides an increase of \$558,454 for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary adjustments for building utilities.
- Allocates \$219,139 from the \$10.0 million equity pool.
- Recommends \$200,540 to freeze tuition rates for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$155,367, which represents 15.0 percent of the OMB generated formula.
- Approves \$120,570 to provide additional mental health services to students.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

228 Lake Region State College  
 Biennium: 2011-2013

Bill#: HB1003

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Lake Region State College	6,636,952	13,374,931	437,398	3.3%	13,812,329	(4,060,072)	(30.4%)	9,314,859
<b>Total Major Programs</b>	<b>6,636,952</b>	<b>13,374,931</b>	<b>437,398</b>	<b>3.3%</b>	<b>13,812,329</b>	<b>(4,060,072)</b>	<b>(30.4%)</b>	<b>9,314,859</b>
<b>By Line Item</b>								
Operating Expenses	6,511,348	8,017,622	1,739,340	21.7%	9,756,962	1,141,870	14.2%	9,159,492
Capital Assets	125,604	2,653,582	1,401,785	52.8%	4,055,367	(2,498,215)	(94.1%)	155,367
Deferred Maintenance	0	93,807	(93,807)	(100.0%)	0	(93,807)	(100.0%)	0
Capital Projects - Federal Stimulus	0	2,609,920	(2,609,920)	(100.0%)	0	(2,609,920)	(100.0%)	0
<b>Total Line Items</b>	<b>6,636,952</b>	<b>13,374,931</b>	<b>437,398</b>	<b>3.3%</b>	<b>13,812,329</b>	<b>(4,060,072)</b>	<b>(30.4%)</b>	<b>9,314,859</b>
<b>By Funding Source</b>								
General Fund	6,636,952	10,765,011	3,047,318	28.3%	13,812,329	(1,450,152)	(13.5%)	9,314,859
Federal Funds	0	2,609,920	(2,609,920)	(100.0%)	0	(2,609,920)	(100.0%)	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>6,636,952</b>	<b>13,374,931</b>	<b>437,398</b>	<b>3.3%</b>	<b>13,812,329</b>	<b>(4,060,072)</b>	<b>(30.4%)</b>	<b>9,314,859</b>
<b>Total FTE</b>	<b>30.49</b>	<b>37.50</b>	<b>7.03</b>	<b>18.7%</b>	<b>44.53</b>	<b>0.00</b>	<b>0.0%</b>	<b>37.50</b>

## Statutory Authority

North Dakota Century Code 15-10-01.1.

## Agency Description

Williston State College is a comprehensive community college serving northwest North Dakota and beyond with Associate of Arts, Associate of Science, Associate of Applied Science, certificate education in academic transfer, and vocational education, as well as Workforce Training as a service to regional employers.

## Major Accomplishments

1. Increased revenue in the Workforce Training division from around \$400,000 in 2007 to over \$1.3 million in 2010.
2. Began construction of the Northwest Career and Technical Center building, which is designed to serve both WSC students and high school students, and is scheduled to be completed in 2011.
3. Started construction of a new residence hall that is scheduled to be ready for students in the fall of 2011.
4. Increased the number of students by 6.0 percent from 2008-09 to 2009-10.

## Executive Budget Recommendation

- Provides an increase of \$610,992 for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary adjustments for building utilities.
- Allocates \$166,667 from the \$10.0 million equity pool.
- Recommends \$214,161 to freeze tuition rates for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$197,801 which represents 15.0 percent of the OMB generated formula.
- Approves \$120,570 to provide additional mental health services to students.
- Invests \$1.3 million from the permanent oil tax trust fund to complete the science lab remodel and addition project that was authorized by the 2009 Legislative Assembly.
- Authorizes \$1.0 million from the permanent oil tax trust fund with a required \$500,000 special fund match to repair and redesign multiple exterior areas to develop a more collegiate and professional atmosphere on the WSC campus.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

229 Williston State College

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Williston State College	7,465,353	25,289,732	(5,269,156)	(20.8%)	20,020,576	(13,369,636)	(52.9%)	11,920,096
<b>Total Major Programs</b>	<b>7,465,353</b>	<b>25,289,732</b>	<b>(5,269,156)</b>	<b>(20.8%)</b>	<b>20,020,576</b>	<b>(13,369,636)</b>	<b>(52.9%)</b>	<b>11,920,096</b>
<b>By Line Item</b>								
Operating Expenses	6,553,155	7,758,411	1,630,364	21.0%	9,388,775	1,143,884	14.7%	8,902,295
Capital Assets	912,198	6,696,475	3,935,326	58.8%	10,631,801	(3,678,674)	(54.9%)	3,017,801
Capital Assets-Carryover	0	77,844	(77,844)	(100.0%)	0	(77,844)	(100.0%)	0
Capital Projects Non-State Funded	0	10,375,000	(10,375,000)	(100.0%)	0	(10,375,000)	(100.0%)	0
Deferred Maintenance	0	382,002	(382,002)	(100.0%)	0	(382,002)	(100.0%)	0
<b>Total Line Items</b>	<b>7,465,353</b>	<b>25,289,732</b>	<b>(5,269,156)</b>	<b>(20.8%)</b>	<b>20,020,576</b>	<b>(13,369,636)</b>	<b>(52.9%)</b>	<b>11,920,096</b>
<b>By Funding Source</b>								
General Fund	7,465,353	9,845,383	10,175,193	103.3%	20,020,576	(745,287)	(7.6%)	9,100,096
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	15,444,349	(15,444,349)	(100.0%)	0	(12,624,349)	(81.7%)	2,820,000
<b>Total Funding Source</b>	<b>7,465,353</b>	<b>25,289,732</b>	<b>(5,269,156)</b>	<b>(20.8%)</b>	<b>20,020,576</b>	<b>(13,369,636)</b>	<b>(52.9%)</b>	<b>11,920,096</b>
<b>Total FTE</b>	<b>39.80</b>	<b>43.42</b>	<b>3.32</b>	<b>7.6%</b>	<b>46.74</b>	<b>0.00</b>	<b>0.0%</b>	<b>43.42</b>

**Statutory Authority**

ND Constitution Articles VIII and IX; North Dakota Century Code Sections 15-11 and 15-22.

**Agency Description**

The University of North Dakota, classified as a "Doctoral/Research University Intensive" institution by the Carnegie Foundation for the Advancement of Teaching, is characterized by a solid foundation of the liberal arts, a manageable size, high-quality students and faculty, a diverse curriculum, a widely recognized program of graduate education and research, law and medical schools praised for quality and innovation, rich cultural resources, and an outstanding record of alumni support. Its major academic divisions include Arts and Sciences, Aerospace Sciences, Business and Public Administration, Education and Human Development, Engineering and Mines, Nursing, Medicine and Health Sciences, Law, Graduate School, and Continuing Education.

**Major Accomplishments**

1. Installed the UND student and faculty built ISSAC (International Space Station Agricultural Camera) on the International Space Station in April 2009. Activated by astronaut Michael Barratt, ISSAC takes infrared and near-infrared pictures (handy for judging vegetation) for use by farmers, ranchers, resource managers, and teachers.
2. Ranked by the American Academy of Family Physicians as the top medical school in the country for producing family medicine physicians. U.S. News and World Report ranked UND's School of Medicine and Health Sciences among the top five family medicine programs and also recognized UND's Center for Rural Health as a leading national resource for rural health information. In October 2009, Entrepreneur Magazine and the Princeton Review named UND's entrepreneurship program one of the top 25 in the country. UND is consistently ranked as one of the best national universities by the Princeton Review and U.S. News & World Report.
3. Celebrated an anonymous \$10.0 million gift to the UND College of Business and Public Administration, its largest gift ever and one of the largest given to UND through the UND Foundation. Established as a challenge grant, the donation could have a \$40.0 million impact on the College of Business and Public Administration.
4. Captured the 16th national flying team championship in 25 years at the SAFECON competition in Terre Haute, Indiana.
5. Unveiled the SpaceShip One-based space flight simulator—the second of two unique-to-UND training units—in the Spacecraft Simulator Facility. This UND

space flight simulator was made possible by the generous cooperation of Cirrus Design Corp and was part of the UND-based North Dakota Space Grant Consortium and the UND Department of Space Studies.

6. Dedicated the Research Enterprise and Commercialization park (REAC 1), which houses the University's Center of Excellence in Life Sciences and Advanced Technology (COELSAT). The \$16.0-million-plus, 50,000-square-foot structure provides a research and development hub to increase the University's output of innovative, creative and entrepreneurial patents and get them commercialized with private-sector partners.
7. Began offering the country's first fully accredited online Master's of Social Welfare (MSW) degree that includes both concentration and foundation in social work; the program graduated its first class in 2009. UND also began offering the state's first online Master's in Early Childhood Education degree. The UND Graduate School and School of Engineering and Mines established the country's first Master's in Sustainable Energy Engineering degree. UND Aerospace began offering a new program—the Bachelor of Science in Aeronautics degree with a major in unmanned aerial systems.
8. Generated an overall economic impact of more than \$1.000 billion, with the research enterprise alone having a state and regional economic impact of just over \$195.3 million in FY 2009, an increase of \$21.2 million over the prior year. The University's research activity in fiscal year 2009 funded 1,648 jobs, including 808 at UND. UND sponsored programs created 1,435 jobs within North Dakota. UND research activity also generated about \$19.3 million in federal and state tax revenue.

**Executive Budget Recommendation**

- Provides an increase of \$9.3 million for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary adjustments for building utilities.
- Allocates \$2.5 million from the \$10.0 million equity pool.
- Recommends \$1.7 million to limit annual tuition rate increases to 2.5 percent for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$4.4 million, which represents 15.0 percent of the OMB generated formula.
- Approves \$1.6 million to support the statewide nursing consortium.
- Appropriates \$281,013 to pay off special assessment balances.
- Invests \$11.2 million from the general fund to construct a facility to house the joint information technology data center for the university system and UND.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

230 University of North Dakota  
Biennium: 2011-2013

Bill#: HB1003

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
University of North Dakota	115,472,926	303,839,549	(70,980,670)	(23.4%)	232,858,879	(125,266,456)	(41.2%)	178,573,093
<b>Total Major Programs</b>	<b>115,472,926</b>	<b>303,839,549</b>	<b>(70,980,670)</b>	<b>(23.4%)</b>	<b>232,858,879</b>	<b>(125,266,456)</b>	<b>(41.2%)</b>	<b>178,573,093</b>
<b>By Line Item</b>								
Operating Expenses	107,511,830	125,261,007	22,496,306	18.0%	147,757,313	15,719,507	12.5%	140,980,514
Capital Assets	6,343,693	7,700,545	55,701,021	723.3%	63,401,566	8,192,034	106.4%	15,892,579
Capital Assets-Carryover	0	1,565,182	(1,565,182)	(100.0%)	0	(1,565,182)	(100.0%)	0
Capital Projects - Non-State	0	44,475,661	(22,775,661)	(51.2%)	21,700,000	(22,775,661)	(51.2%)	21,700,000
Capital Projects Carryover - Non-State	0	104,717,112	(104,717,112)	(100.0%)	0	(104,717,112)	(100.0%)	0
Deferred Maintenance	0	7,178,674	(7,178,674)	(100.0%)	0	(7,178,674)	(100.0%)	0
Capital Assets-Federal Stimulus	0	11,700,000	(11,700,000)	(100.0%)	0	(11,700,000)	(100.0%)	0
1997 Flood Expenditures	1,617,403	1,241,368	(1,241,368)	(100.0%)	0	(1,241,368)	(100.0%)	0
<b>Total Line Items</b>	<b>115,472,926</b>	<b>303,839,549</b>	<b>(70,980,670)</b>	<b>(23.4%)</b>	<b>232,858,879</b>	<b>(125,266,456)</b>	<b>(41.2%)</b>	<b>178,573,093</b>
<b>By Funding Source</b>								
General Fund	115,472,926	137,546,776	73,612,103	53.5%	211,158,879	19,326,317	14.1%	156,873,093
Federal Funds	0	11,700,000	(11,700,000)	(100.0%)	0	(11,700,000)	(100.0%)	0
Special Funds	0	154,592,773	(132,892,773)	(86.0%)	21,700,000	(132,892,773)	(86.0%)	21,700,000
<b>Total Funding Source</b>	<b>115,472,926</b>	<b>303,839,549</b>	<b>(70,980,670)</b>	<b>(23.4%)</b>	<b>232,858,879</b>	<b>(125,266,456)</b>	<b>(41.2%)</b>	<b>178,573,093</b>
<b>Total FTE</b>	<b>637.24</b>	<b>651.91</b>	<b>6.25</b>	<b>1.0%</b>	<b>658.16</b>	<b>0.00</b>	<b>0.0%</b>	<b>651.91</b>

**Statutory Authority**

ND Constitution Articles VIII and IX; North Dakota Century Code Chapter 15-22.

**Agency Description**

The University of North Dakota School of Medicine and Health Sciences (SMHS) is recognized nationally as one of the outstanding community-based medical schools in the nation and as a model for highest quality educational programs, efficiently delivered, with an emphasis on primary care. In addition to medical student and resident education, the SMHS provides educational opportunities for a wide variety of allied health service professionals including clinical lab science, athletic training, physical therapy, occupational therapy and the physician assistant program. Further, the SMHS is acknowledged for its leadership in providing education in health professions through its commitment to American Indians.

**Major Accomplishments**

1. Recognized by the American Academy of Family Physicians (AAFP) as having the nation's highest percentage of graduating seniors select family medicine as their specialty choice.
2. Ranked by U.S. News & World Report as one of the best in the nation, ranking 5th for its commitment to rural medicine.
3. Initiated RuralMed program to mitigate medical student debt and encourage the choice of a rural family medicine practice location for graduating medical students.
4. Increased grant applications by 36.0 percent over the prior four years.
5. Continued a strong program in eating disorders (\$15.0 million in funding to Dept. Clinical Neurosciences).
6. Progressed in building research infrastructure with INBRE and COBRE grants (\$26.0 million in grant funding).

7. Sponsored or jointly approved 340 Continuing Medical Education (CME) activities involving some 4,500 physician and 7,100 other health professional encounters.
8. Supervised the Tobacco Quitline, which is a successful behavior modification tool to reduce health risks.
9. Sponsored 37 programs and research projects through the Center for Rural Health and Rural Assistance Center to address a variety of rural health issues in North Dakota and across the United States.
10. Improved school governance by emphasizing participatory and engaged faculty involvement, with open discussion and opportunity for input.
11. Completed major upgrade to the Clinical Education Center to improve the educational experience of medical and other health care students.
12. Enhanced bidirectional school communication through multiple approaches, including weekly column by dean in electronic newsletter from the school, ENews.

**Executive Budget Recommendation**

- Provides an increase of \$2.1 million for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary adjustments for building utilities.
- Allocates \$591,552 from the \$10.0 million equity pool.
- Recommends \$571,224 to limit annual tuition rate increases to 2.5 percent for the 2011-13 biennium.
- Appropriates \$2.4 million for the joint UND/NDSU Master's in Public Health program and expanded geriatrics training program.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

232 UND Medical Center

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
UND-Medical Center	34,488,501	41,115,401	10,971,958	26.7%	52,087,359	5,538,005	13.5%	46,653,406
<b>Total Major Programs</b>	<b>34,488,501</b>	<b>41,115,401</b>	<b>10,971,958</b>	<b>26.7%</b>	<b>52,087,359</b>	<b>5,538,005</b>	<b>13.5%</b>	<b>46,653,406</b>
<b>By Line Item</b>								
Operating Expenses	34,488,501	41,115,401	10,971,958	26.7%	52,087,359	5,538,005	13.5%	46,653,406
<b>Total Line Items</b>	<b>34,488,501</b>	<b>41,115,401</b>	<b>10,971,958</b>	<b>26.7%</b>	<b>52,087,359</b>	<b>5,538,005</b>	<b>13.5%</b>	<b>46,653,406</b>
<b>By Funding Source</b>								
General Fund	34,488,501	41,115,401	10,971,958	26.7%	52,087,359	5,538,005	13.5%	46,653,406
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>34,488,501</b>	<b>41,115,401</b>	<b>10,971,958</b>	<b>26.7%</b>	<b>52,087,359</b>	<b>5,538,005</b>	<b>13.5%</b>	<b>46,653,406</b>
<b>Total FTE</b>	<b>157.74</b>	<b>137.43</b>	<b>17.51</b>	<b>12.7%</b>	<b>154.94</b>	<b>0.00</b>	<b>0.0%</b>	<b>137.43</b>

**Statutory Authority**

ND Constitution Section 215, North Dakota Century Code Chapter 15-12.

**Agency Description**

North Dakota State University (NDSU) has clearly established itself in recent years as one of the state’s two flagship research universities. Perhaps more importantly in terms of its capacity to serve the state’s interests, NDSU has also entered the ranks of the National Science Foundation’s top 100 research universities (39th of those without a medical school), with over \$114.0 million in annual research activity reported for the most recent national survey.

Nonetheless, NDSU is proud of its founding as the state’s land-grant institution. It embraces that responsibility as a cornerstone of its future productivity, and the contributions it can increasingly provide to North Dakota and the state’s residents.

The university also provides the largest and most diverse student learning environment in the NDUS system. The university enjoys its location in a vibrant and growing area of the state, and has shared a responsibility for creation of an environment that compliments and blends the experiences of its students, faculty and staff with the community in which they live while attending NDSU.

**Major Accomplishments**

1. Increased demand by prospective undergraduate students has been reflected in the past decade of new enrollment records, which in the fall of 2009 reached 14,189 students.
2. Continued improvement in the diversity of the NDSU student body, including in the spring of 2010 a record 1,216 international students representing 81 countries, and an increasing number of U.S. born students reflecting ethnic, cultural and geographical diversity.
3. Increased demand by graduate students set new records with enrollment reaching 2,103 in the fall of 2009.

4. Initiated efforts to improve the sense of welcome and support; retention and graduation rates; focus on students from historically under-represented populations, veterans, and others; and addressed high risk behaviors and other student issues.
5. Collaborated to increase the support, success and transferability of undergraduate and graduate student coursework within the broader North Dakota University System.
6. Continued the on-going construction of the Beef Cattle Research Center and the Research Greenhouse Complex. Both represent “game changing” state of the art facilities, which will draw national and international attention and resources.
7. Continued the involvement with the Research and Technology Park and emerging technology firms that have created several thousand new jobs, including employment of over 100 NDSU undergraduate and graduate students. Received national and international awards, including the “2010 Outstanding Incubator Graduate of the Year.”
8. Enhanced academic computing infrastructure including upgrading the computer fiber network, routing and switching equipment and extending the state’s Internet2 connection through the Northern Tier Network.

**Executive Budget Recommendation**

- Provides an increase of \$9.1 million for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary adjustments for building utilities.
- Allocates \$4.7 million from the \$10.0 million equity pool.
- Recommends \$1.9 million to limit annual tuition rate increases to 2.5 percent for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$2.7 million, which represents 15.0 percent of the OMB generated formula.
- Appropriates \$2.3 million to pay off special assessment balances.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

235 North Dakota State University  
 Biennium: 2011-2013

Bill#: HB1003

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
North Dakota State University	119,217,813	190,752,339	(19,443,495)	(10.2%)	171,308,844	(24,466,023)	(12.8%)	166,286,316
<b>Total Major Programs</b>	<b>119,217,813</b>	<b>190,752,339</b>	<b>(19,443,495)</b>	<b>(10.2%)</b>	<b>171,308,844</b>	<b>(24,466,023)</b>	<b>(12.8%)</b>	<b>166,286,316</b>
<b>By Line Item</b>								
Operating Expenses	90,594,710	108,715,082	23,761,518	21.9%	132,476,600	16,419,290	15.1%	125,134,372
Capital Assets	4,819,945	14,692,225	(11,959,981)	(81.4%)	2,732,244	(9,640,281)	(65.6%)	5,051,944
Capital Assets Carryover	12,102,162	3,889,215	(3,889,215)	(100.0%)	0	(3,889,215)	(100.0%)	0
Capital Projects - Non-State	11,125,854	58,100,000	(22,000,000)	(37.9%)	36,100,000	(22,000,000)	(37.9%)	36,100,000
Deferred Maintenance	0	5,355,817	(5,355,817)	(100.0%)	0	(5,355,817)	(100.0%)	0
2000 Flood Expenditures	575,142	0	0	0.0%	0	0	0.0%	0
<b>Total Line Items</b>	<b>119,217,813</b>	<b>190,752,339</b>	<b>(19,443,495)</b>	<b>(10.2%)</b>	<b>171,308,844</b>	<b>(24,466,023)</b>	<b>(12.8%)</b>	<b>166,286,316</b>
<b>By Funding Source</b>								
General Fund	94,988,719	132,652,339	2,556,505	1.9%	135,208,844	(2,466,023)	(1.9%)	130,186,316
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	24,229,094	58,100,000	(22,000,000)	(37.9%)	36,100,000	(22,000,000)	(37.9%)	36,100,000
<b>Total Funding Source</b>	<b>119,217,813</b>	<b>190,752,339</b>	<b>(19,443,495)</b>	<b>(10.2%)</b>	<b>171,308,844</b>	<b>(24,466,023)</b>	<b>(12.8%)</b>	<b>166,286,316</b>
<b>Total FTE</b>	<b>498.12</b>	<b>584.88</b>	<b>69.12</b>	<b>11.8%</b>	<b>654.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>584.88</b>

**Statutory Authority**

North Dakota Century Code 15-15.02.

**Agency Description**

NDSCS provides educational programs and services which serve the needs of individuals preparing for careers in the applied sciences/technologies. It serves the businesses and industries of North Dakota by working with employers on the design and delivery of customized training programs. It is the vision of the college to provide quality education/services "second to none" through our commitment to customer focus, employee development and continuous improvement.

NDSCS is committed to a philosophy that provides for the varied educational needs of each person through competent faculty, curriculum programs and educational experiences. Students have the opportunity to develop their full potential, obtain gainful employment and make satisfactory career progress. It provides students with practical hands-on and general-education knowledge and skills.

**Major Accomplishments**

1. Received continued accreditation through the Institutional Actions Council (IAC) of the Higher Learning Commission's Academic Quality Improvement Program.
2. Achieved first graduation rate of 79.0 percent in 2009.
3. Maintained or improved student performance on most nationally recognized exams in their major fields.
4. Maintained or improved most student first time licensure pass rates.
5. Increased non-traditional delivery methods unduplicated headcount from 1,038 in 2007-08 to 1,337 in 2009-10, or an 8.0 percent increase.
6. Created NDSCS marketing campaign and participated in the ND Community College Awareness campaign. Assessment of both campaigns will take place in the fall of 2010.
7. Created an Associate of Arts and Associate of Science degree in Fargo.
8. Increased capture rates of ND high school graduates attending NDSCS from 6.0 percent in fall 2007 to 8.0 percent in fall 2008.
9. Expanded and upgraded wireless access to 70.0 percent of the campus.
10. Completed the \$5.7 million Horton Hall Renovation on time and within budget

11. Recorded student performance on nationally recognized exams for 2009 in 5 of 9 programs as exceeding national norms and will improve to include 7 of 9 programs exceeding national norms for 2010.
12. Enrolled an increasing number of career and technical education and transfer programs students: 2,651 in 2009 to 2,704 in 2010, for a 2.0 percent increase.
13. Provided training to 669 businesses in 2009 and 682 in 2010, a 2.0 percent increase.
14. Achieved a 100.0 percent business satisfactory rating with TrainND program in 2009.
15. Trained 2,204 employees in 2009 and 2,358 in 2010, a 7.0 percent increase.
16. Achieved student retention rates of 77.0 percent compared to the national average of 38.0 percent for two year colleges.
17. Created a master plan for the campus that meets the State Board of Higher Education requirements.
18. Received a sound financial rating in the 2009 university system funding analysis.
19. Implemented TouchNet MarketPlace, an online store/payment gateway to receive general online payments for participating departments.
20. Replaced and upgraded the entire keyless entry system on campus.
21. Developed and implemented a plan with the NDSU Telecommunications department on the removal of the NDSCS campus telephone switch and partnered with NDSU in using their telephone switch equipment via VoIP technology.

**Executive Budget Recommendation**

- Provides an increase of \$1.7 million for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary increases for building utilities.
- Allocates \$166,667 from the \$10.0 million equity pool.
- Recommends \$604,037 to freeze tuition rates for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$1.0 million, which represents 15.0 percent of the OMB generated formula.
- Appropriates \$125,851 to pay off special assessment balances.
- Invests \$8.2 million to renovate Old Main and demolish two other buildings on the NDSCS campus.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

238 ND State College of Science

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
ND State College of Science	30,952,700	46,425,509	7,696,803	16.6%	54,122,312	7,777,571	16.8%	54,203,080
<b>Total Major Programs</b>	<b>30,952,700</b>	<b>46,425,509</b>	<b>7,696,803</b>	<b>16.6%</b>	<b>54,122,312</b>	<b>7,777,571</b>	<b>16.8%</b>	<b>54,203,080</b>
<b>By Line Item</b>								
Operating Expenses	27,895,835	31,802,034	4,127,899	13.0%	35,929,933	2,582,816	8.1%	34,384,850
Capital Assets	3,056,865	6,453,332	2,739,047	42.4%	9,192,379	2,864,898	44.4%	9,318,230
Capital Projects Non-State Funded	0	7,136,000	1,864,000	26.1%	9,000,000	3,364,000	47.1%	10,500,000
Deferred Maintenance	0	1,034,143	(1,034,143)	(100.0%)	0	(1,034,143)	(100.0%)	0
<b>Total Line Items</b>	<b>30,952,700</b>	<b>46,425,509</b>	<b>7,696,803</b>	<b>16.6%</b>	<b>54,122,312</b>	<b>7,777,571</b>	<b>16.8%</b>	<b>54,203,080</b>
<b>By Funding Source</b>								
General Fund	29,282,280	39,289,509	5,832,803	14.8%	45,122,312	4,413,571	11.2%	43,703,080
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,670,420	7,136,000	1,864,000	26.1%	9,000,000	3,364,000	47.1%	10,500,000
<b>Total Funding Source</b>	<b>30,952,700</b>	<b>46,425,509</b>	<b>7,696,803</b>	<b>16.6%</b>	<b>54,122,312</b>	<b>7,777,571</b>	<b>16.8%</b>	<b>54,203,080</b>
<b>Total FTE</b>	<b>156.77</b>	<b>164.87</b>	<b>7.63</b>	<b>4.6%</b>	<b>172.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>164.87</b>

**Statutory Authority**

North Dakota Century Code 15-13-01.

**Agency Description**

Dickinson State University is a comprehensive state institution, one of 11 colleges and universities that make up the North Dakota University System. The university employs approximately 215 faculty and staff with an enrollment of approximately 2,700 students. DSU has shown a strong growth pattern in enrollment, setting new fall semester enrollment records each of the last fourteen years. More than 50 programs are offered at the undergraduate level. The institution is comprised of two colleges, the College of Arts and Sciences, and the College of Education, Business, and Applied Sciences. The majority of students come from North Dakota, Montana, and other Midwestern states. A strong contingent of international students representing approximately 31 different countries are also an important component of the student body.

**Major Accomplishments**

1. Injected \$31.1 million into the local economy in fiscal year 2008, reflecting a 108.4 percent increase in the past nine years. In addition, those expenditures created a ripple effect, which brought DSU's total economic impact within the region's economy to \$92.6 million and nearly 900 jobs.
2. Collaborated with the Library of Congress, the National Park Service, Harvard University and others to create a comprehensive Theodore Roosevelt digital library and archive.
3. Received a \$500,000 National Endowment for the Humanities (NEH) Challenge Grant for the Theodore Roosevelt Center. The grant, which requires the university to raise matching funds of \$1.5 million over five years, will fund an endowed chair in Theodore Roosevelt studies and allow the center to acquire materials to create a comprehensive Theodore Roosevelt research library.
4. Opened the Badlands Activities Center (BAC), DSU's \$16.0 million dollar multipurpose athletics facility, to the public on May 10, 2010. The BAC houses three home teams, DSU, Dickinson High School and Trinity High School, and includes multipurpose space for community events. The facility also hosts concerts, marching band competitions, vehicle sales, and enables expanded programming for schools and Dickinson Parks and Recreation.

5. Achieved record-breaking fall enrollment in 2009 for the 14th consecutive year, with a 1.5 percent increase over fall 2008. Summer 2010 showed a 5.9 percent increase over the previous year.
6. Awarded more than \$730,000 DSU Foundation scholarships to deserving students for the 2009-10 academic year.
7. Offered programs at Bismarck State College and Williston State College by distance delivery through the Interactive Television Network and online. In the fall of 2009, 750 students were enrolled through Extended Learning, reflecting 36.0 percent of the total student headcount and 27.0 percent of the total credit hours taken by DSU students.
8. In 2009, the number of DSU resident graduates employed in North Dakota was 93.0 percent, while 14.0 percent of DSU graduates continued their education in a graduate program.
9. Added a Bachelor of Science in Environmental Science program, which was approved by the State Board of Higher Education in September 2009. DSU is the only institution of higher learning in North Dakota to offer a major in environmental science.
10. Achieved four Dakota Athletic Conference (DAC) championships in 2009-10, including football, men's indoor and outdoor track, and softball.

**Executive Budget Recommendation**

- Provides an increase of \$1.4 million for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary increases for building utilities.
- Allocates \$472,867 from the \$10.0 million equity pool.
- Recommends \$48,128 to limit annual tuition rate increases to 2.5 percent for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$409,078, which represents 15.0 percent of the OMB generated formula.
- Approves \$120,570 to provide additional mental health services to students.
- Invests \$8.8 million for the construction of an addition and the renovation of the Stoxen Library.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

239 Dickinson State University  
Biennium: 2011-2013

Bill#: HB1003

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Dickinson State University	19,182,668	24,578,226	(414,217)	(1.7%)	24,164,009	7,178,793	29.2%	31,757,019
<b>Total Major Programs</b>	<b>19,182,668</b>	<b>24,578,226</b>	<b>(414,217)</b>	<b>(1.7%)</b>	<b>24,164,009</b>	<b>7,178,793</b>	<b>29.2%</b>	<b>31,757,019</b>
<b>By Line Item</b>								
Operating Expenses	17,006,110	21,535,149	2,219,782	10.3%	23,754,931	1,012,792	4.7%	22,547,941
Capital Assets	2,021,548	1,111,802	(702,724)	(63.2%)	409,078	8,097,276	728.3%	9,209,078
Capital Assets Carryover	155,010	269,103	(269,103)	(100.0%)	0	(269,103)	(100.0%)	0
Deferred Maintenance	0	1,662,172	(1,662,172)	(100.0%)	0	(1,662,172)	(100.0%)	0
<b>Total Line Items</b>	<b>19,182,668</b>	<b>24,578,226</b>	<b>(414,217)</b>	<b>(1.7%)</b>	<b>24,164,009</b>	<b>7,178,793</b>	<b>29.2%</b>	<b>31,757,019</b>
<b>By Funding Source</b>								
General Fund	19,182,668	24,228,226	(64,217)	(0.3%)	24,164,009	7,528,793	31.1%	31,757,019
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	350,000	(350,000)	(100.0%)	0	(350,000)	(100.0%)	0
<b>Total Funding Source</b>	<b>19,182,668</b>	<b>24,578,226</b>	<b>(414,217)</b>	<b>(1.7%)</b>	<b>24,164,009</b>	<b>7,178,793</b>	<b>29.2%</b>	<b>31,757,019</b>
<b>Total FTE</b>	<b>121.60</b>	<b>92.96</b>	<b>2.86</b>	<b>3.1%</b>	<b>95.82</b>	<b>0.00</b>	<b>0.0%</b>	<b>92.96</b>

## Statutory Authority

ND Constitution Article VIII, Section 6; North Dakota Century Code Chapter 15-13.

## Agency Description

Mayville State University is a regional, undergraduate institution of higher education with a focus on teaching and learning. The university operates as an institution within the North Dakota University System to provide instructional programs, which prepare students for successful careers as teachers in elementary and secondary schools and for positions in business.

## Major Accomplishments

1. Increased freshmen to sophomore retention from base of 58.0 percent to 61.0 percent in the fall of 2009.
2. Increased freshmen retention to graduation from base of 35.0 percent to 40.0 percent in the fall of 2009.
3. Increased distance degree students by 34.0 percent to 133 in the fall of 2009.
4. Increased total distance students by 12.0 percent to 338 in the fall of 2009.
5. Eliminated \$900,000 in local fund accumulated debt.

6. Built \$660,000 in operating reserves.
7. Eliminated number 2 fuel oil dependency with an energy performance contract funded coal burning power plant.
8. Reduced campus overall building square footage by 10.0 percent to 366,201 sq ft.

## Executive Budget Recommendation

- Provides an increase of \$599,971 for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary increases for building utilities.
- Allocates \$166,667 from the \$10.0 million equity pool.
- Recommends \$41,839 to limit annual tuition rate increases to 2.5 percent for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$358,992, which represents 15.0 percent of the OMB generated formula.
- Appropriates \$392,493 to pay off special assessment balances.
- Approves \$140,570 to provide additional mental health services to students.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

240 Mayville State University

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Mayville State University	11,294,096	23,499,499	(9,698,981)	(41.3%)	13,800,518	(9,814,115)	(41.8%)	13,685,384
<b>Total Major Programs</b>	<b>11,294,096</b>	<b>23,499,499</b>	<b>(9,698,981)</b>	<b>(41.3%)</b>	<b>13,800,518</b>	<b>(9,814,115)</b>	<b>(41.8%)</b>	<b>13,685,384</b>
<b>By Line Item</b>								
Operating Expenses	10,116,665	11,941,028	1,500,498	12.6%	13,441,526	992,871	8.3%	12,933,899
Capital Assets	1,089,963	5,167,319	(4,808,327)	(93.1%)	358,992	(4,415,834)	(85.5%)	751,485
Capital Projects Non-State Funded	87,468	4,481,032	(4,481,032)	(100.0%)	0	(4,481,032)	(100.0%)	0
Deferred Maintenance	0	1,910,120	(1,910,120)	(100.0%)	0	(1,910,120)	(100.0%)	0
<b>Total Line Items</b>	<b>11,294,096</b>	<b>23,499,499</b>	<b>(9,698,981)</b>	<b>(41.3%)</b>	<b>13,800,518</b>	<b>(9,814,115)</b>	<b>(41.8%)</b>	<b>13,685,384</b>
<b>By Funding Source</b>								
General Fund	11,206,628	19,018,467	(5,217,949)	(27.4%)	13,800,518	(5,333,083)	(28.0%)	13,685,384
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	87,468	4,481,032	(4,481,032)	(100.0%)	0	(4,481,032)	(100.0%)	0
<b>Total Funding Source</b>	<b>11,294,096</b>	<b>23,499,499</b>	<b>(9,698,981)</b>	<b>(41.3%)</b>	<b>13,800,518</b>	<b>(9,814,115)</b>	<b>(41.8%)</b>	<b>13,685,384</b>
<b>Total FTE</b>	<b>55.89</b>	<b>58.72</b>	<b>5.83</b>	<b>9.9%</b>	<b>64.55</b>	<b>0.00</b>	<b>0.0%</b>	<b>58.72</b>

## **Statutory Authority**

ND Constitution Article VIII, Section 6; North Dakota Century Code Chapters 15-10 and 15-13.

## **Agency Description**

Minot State University is a regional, public institution located in the northwest region of North Dakota, serving students from Minot, the region, state, nation, and other countries. Undergraduate and graduate courses and programs are offered on campus and at a distance, through face-to-face, online, and alternative modes of delivery. Non-credit and professional training and experiences are offered to students and community members.

## **Major Accomplishments**

1. Increased enrollment over the previous year and are projecting an increase for 2011, both of which are a direct result of the focus on recruitment efforts and the implementation of the Grow North Dakota Plan.
2. Received a Title III, Strengthening Institutions Grant for \$2.0 million over five years.

3. Increased first-year to second-year retention rate from 58.0 percent to 71.0 percent.
4. Met or exceeded benchmarks in many areas relative to Great Plains aspiration peers.

## **Executive Budget Recommendation**

- Provides an increase of \$2.2 million for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary increases for building utilities.
- Allocates \$180,142 from the \$10.0 million equity pool.
- Recommends \$439,621 to limit annual tuition rate increases to 2.5 percent for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$899,620, which represents 15.0 percent of the OMB generated formula.
- Approves \$20,000 to provide additional mental health services to students.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

241 Minot State University

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Minot State University	33,983,573	72,050,567	(13,781,361)	(19.1%)	58,269,206	(28,189,831)	(39.1%)	43,860,736
<b>Total Major Programs</b>	<b>33,983,573</b>	<b>72,050,567</b>	<b>(13,781,361)</b>	<b>(19.1%)</b>	<b>58,269,206</b>	<b>(28,189,831)</b>	<b>(39.1%)</b>	<b>43,860,736</b>
<b>By Line Item</b>								
Operating Expenses	30,095,122	34,935,119	4,399,912	12.6%	39,335,031	2,975,997	8.5%	37,911,116
Capital Assets	3,887,309	4,346,870	10,287,305	236.7%	14,634,175	(3,447,250)	(79.3%)	899,620
Capital Assets Carryover	1,142	4,923,467	(4,923,467)	(100.0%)	0	(4,923,467)	(100.0%)	0
Capital Projects non-state funded	0	22,250,000	(17,950,000)	(80.7%)	4,300,000	(17,200,000)	(77.3%)	5,050,000
Deferred Maintenance	0	595,111	(595,111)	(100.0%)	0	(595,111)	(100.0%)	0
Capital Assets Federal Stimulus Funds	0	5,000,000	(5,000,000)	(100.0%)	0	(5,000,000)	(100.0%)	0
<b>Total Line Items</b>	<b>33,983,573</b>	<b>72,050,567</b>	<b>(13,781,361)</b>	<b>(19.1%)</b>	<b>58,269,206</b>	<b>(28,189,831)</b>	<b>(39.1%)</b>	<b>43,860,736</b>
<b>By Funding Source</b>								
General Fund	33,983,573	44,162,070	1,072,581	2.4%	45,234,651	(5,351,334)	(12.1%)	38,810,736
Federal Funds	0	5,000,000	(5,000,000)	(100.0%)	0	(5,000,000)	(100.0%)	0
Special Funds	0	22,888,497	(9,853,942)	(43.1%)	13,034,555	(17,838,497)	(77.9%)	5,050,000
<b>Total Funding Source</b>	<b>33,983,573</b>	<b>72,050,567</b>	<b>(13,781,361)</b>	<b>(19.1%)</b>	<b>58,269,206</b>	<b>(28,189,831)</b>	<b>(39.1%)</b>	<b>43,860,736</b>
<b>Total FTE</b>	<b>184.83</b>	<b>187.83</b>	<b>(1.99)</b>	<b>(1.1%)</b>	<b>185.84</b>	<b>0.00</b>	<b>0.0%</b>	<b>187.83</b>

**Statutory Authority**

ND Constitution, Article VIII, Section 6.

**Agency Description**

Valley City State University, operating as a postsecondary educational institution within the North Dakota University System, serves the citizens of North Dakota and the surrounding area by offering a broad and diverse population of students an opportunity to challenge their individual learning capabilities.

**Major Accomplishments**

1. Increased enrollment 6.3 percent increase over the fall of 2008 and had the highest headcount in nine years
2. Received a second congressionally-directed grant of \$750,000 to increase STEM Education and training for K-12 teachers.
3. Selected by the Bush Foundation to participate with NDSU and MSUM in a \$5.6 million consortium to improve teacher training and further strengthen teacher education in the region over the next 10 years.
4. Awarded funding through the North Dakota Department of Health to establish the Prairie Waters Education and Research Center (PWERC). This five-year, \$732,000 grant will help establish the PWERC and allow the center to serve as a statewide resource for water education, research, and management.
5. Graduated the largest class of Master's students to date (39 students).

6. Named a Best College in the 2010 edition of America's Best Colleges by USNews and World Report for the 12th year in a row--the highest ranked college in 2010 in North Dakota or Minnesota in this category.
7. Met and exceeded fundraising goals to establish new men's and women's track and field programs. A new coach has been hired, and the programs officially began August 2010.
8. Repaired structural damage to W.E. Osmon Fieldhouse.
9. Developed new study abroad opportunities in China and Honduras for students.
10. Completed a new, five-year strategic plan for the university--VCSU 2015.

**Executive Budget Recommendation**

- Provides an increase of \$973,284 for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary increases for building utilities.
- Allocates \$166,667 from the \$10.0 million equity pool.
- Recommends \$148,884 to limit annual tuition rate increases to 2.5 percent for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$408,319, which represents 15.0 percent of the OMB generated formula.
- Approves \$60,290 to provide additional mental health services to students.
- Appropriates \$283,567 to pay off special assessment balances.
- Invests \$8.0 million for a renovation and addition to the Rhoades Science Center.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

242 Valley City State University

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Valley City State University	16,539,853	37,869,958	(8,042,836)	(21.2%)	29,827,122	(10,610,493)	(28.0%)	27,259,465
<b>Total Major Programs</b>	<b>16,539,853</b>	<b>37,869,958</b>	<b>(8,042,836)</b>	<b>(21.2%)</b>	<b>29,827,122</b>	<b>(10,610,493)</b>	<b>(28.0%)</b>	<b>27,259,465</b>
<b>By Line Item</b>								
Operating Expenses	13,667,137	16,362,413	2,220,390	13.6%	18,582,803	1,419,166	8.7%	17,781,579
Capital Assets	2,872,716	1,258,416	9,985,903	793.5%	11,244,319	7,404,470	588.4%	8,662,886
Capital Assets Carryover	0	444,208	(444,208)	(100.0%)	0	(444,208)	(100.0%)	0
Capital Projects non-state funded	0	18,500,000	(18,500,000)	(100.0%)	0	(17,685,000)	(95.6%)	815,000
Deferred Maintenance	0	1,304,921	(1,304,921)	(100.0%)	0	(1,304,921)	(100.0%)	0
<b>Total Line Items</b>	<b>16,539,853</b>	<b>37,869,958</b>	<b>(8,042,836)</b>	<b>(21.2%)</b>	<b>29,827,122</b>	<b>(10,610,493)</b>	<b>(28.0%)</b>	<b>27,259,465</b>
<b>By Funding Source</b>								
General Fund	14,434,182	19,275,629	10,551,493	54.7%	29,827,122	7,168,836	37.2%	26,444,465
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	2,105,671	18,594,329	(18,594,329)	(100.0%)	0	(17,779,329)	(95.6%)	815,000
<b>Total Funding Source</b>	<b>16,539,853</b>	<b>37,869,958</b>	<b>(8,042,836)</b>	<b>(21.2%)</b>	<b>29,827,122</b>	<b>(10,610,493)</b>	<b>(28.0%)</b>	<b>27,259,465</b>
<b>Total FTE</b>	<b>78.15</b>	<b>90.37</b>	<b>4.51</b>	<b>5.0%</b>	<b>94.88</b>	<b>0.00</b>	<b>0.0%</b>	<b>90.37</b>

**Statutory Authority**

ND Constitution Article XIX, Section 216.

**Agency Description**

A referendum in 1894 stated that a school of forestry should be located in Bottineau, North Dakota, to provide, in addition to forestry, comprehensive community college curricula. The North Dakota Century Code also identified the role of Dakota College at Bottineau as offering programs in agriculture, forestry, and horticulture. Since then, the college has expanded its natural resource programming, and has also added programs in other areas that serve the needs of its constituents. For example, business, information technology, allied health, and general education/liberal arts courses now comprise a majority of the college's inventory of program offerings for students enrolled in transfer, career, and technical curriculums. For over 100 years, as the North Dakota School of Forestry, NDSU-Bottineau, MSU-Bottineau, and Dakota College, the institution has prepared men and women to become contributing members of society. Most recently, the campus has adopted a "Nature, Technology, and Beyond" focus that endeavors to leave students with a care and concern for the environment.

An institutional name change from Minot State University-Bottineau to Dakota College at Bottineau did not change the college's affiliation with Minot State. That affiliation continues to grow stronger.

**Major Accomplishments**

1. Collaborated with the ambulance services in Rugby, Minot, and Harvey to begin one and two-year degree programs in Paramedic (EMT) Technology.
2. Began construction of nine high tunnel greenhouses and a wash-pack facility that will comprise the facility components of the Entrepreneurial Center for Horticulture (ECH).
3. Cooperated with Valley City State University (VCSU) to offer a "Bridges" Program on the VCSU campus. The program will allow students who are currently not eligible for admission to VCSU the ability to attend Dakota College at Bottineau (DCB) classes on the Valley City campus until such time as they are eligible. These students will become eligible for VCSU admission after the completion of 24 DCB credits.

4. Cooperated with Minot State University (MiSU) to offer a "Passport" Program on the MiSU campus. The program will allow students who are currently not eligible for admission to MiSU the ability to attend Dakota College at Bottineau (DCB) classes on the Minot campus until such time as they are eligible. These students will become eligible for MiSU admission after the completion of 24 DCB credits.
5. Developed a Certificate in College Studies program that will provide direction for students who are undecided about a college major or about a career choice.
6. Set enrollment records for the Fall 2009 (748) and Spring 2010 (755) semesters.
7. Received \$525,000 in federal grant funding to support the ECH.
8. Certified by GI Jobs as a "Military Friendly" campus and as a "General Education Mobile" (G.E.M.) campus by the Community College of the Air Force.
9. Received accreditation from the Higher Learning Commission (HLC) until 2020. The campus was described by the HLC as follows: The institutional climate at DCB is outstanding. This college may be the most positive, yet smallest, community college the team members have visited. Although DCB is one of the smallest among the numerous North Dakota institutions, its learning resources support student learning and effective teaching in broad sweeping ways comparable to many larger institutions.
10. Inaugurated an annual Earth Day learning event that was organized and attended by students, faculty, staff, community, and area high school students.
11. Increased the number of online course offerings by 47 for a total of 124.

**Executive Budget Recommendation**

- Provides an increase of \$293,159 for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary adjustments for building utilities.
- Allocates \$166,667 from the \$10.0 million equity pool.
- Recommends \$105,550 to freeze tuition rates for the 2011-13 biennium.
- Increases the base allowance for extraordinary repairs to \$115,507, which represents 15.0 percent of the OMB generated formula.
- Approves \$120,570 to provide additional mental health services to students.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

243 Dakota College at Bottineau  
Biennium: 2011-2013

Bill#: HB1003

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Dakota College at Bottineau	5,255,177	9,211,198	(1,098,743)	(11.9%)	8,112,455	(2,462,469)	(26.7%)	6,748,729
<b>Total Major Programs</b>	<b>5,255,177</b>	<b>9,211,198</b>	<b>(1,098,743)</b>	<b>(11.9%)</b>	<b>8,112,455</b>	<b>(2,462,469)</b>	<b>(26.7%)</b>	<b>6,748,729</b>
<b>By Line Item</b>								
Operating Expenses	4,858,048	5,923,784	1,076,914	18.2%	7,000,698	709,438	12.0%	6,633,222
Capital Assets	397,129	1,189,725	(77,968)	(6.6%)	1,111,757	(1,074,218)	(90.3%)	115,507
Capital Assets Carryover	0	668	(668)	(100.0%)	0	(668)	(100.0%)	0
Capital Projects non-state funded	0	2,000,000	(2,000,000)	(100.0%)	0	(2,000,000)	(100.0%)	0
Deferred Maintenance	0	97,021	(97,021)	(100.0%)	0	(97,021)	(100.0%)	0
<b>Total Line Items</b>	<b>5,255,177</b>	<b>9,211,198</b>	<b>(1,098,743)</b>	<b>(11.9%)</b>	<b>8,112,455</b>	<b>(2,462,469)</b>	<b>(26.7%)</b>	<b>6,748,729</b>
<b>By Funding Source</b>								
General Fund	5,016,082	7,211,198	870,007	12.1%	8,081,205	(462,469)	(6.4%)	6,748,729
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	239,095	2,000,000	(1,968,750)	(98.4%)	31,250	(2,000,000)	(100.0%)	0
<b>Total Funding Source</b>	<b>5,255,177</b>	<b>9,211,198</b>	<b>(1,098,743)</b>	<b>(11.9%)</b>	<b>8,112,455</b>	<b>(2,462,469)</b>	<b>(26.7%)</b>	<b>6,748,729</b>
<b>Total FTE</b>	<b>31.11</b>	<b>34.81</b>	<b>2.00</b>	<b>5.7%</b>	<b>36.81</b>	<b>0.00</b>	<b>0.0%</b>	<b>34.81</b>

## Statutory Authority

ND Constitution, Article VIII, Section 6.

## Agency Description

The State Forester has the statutory authority and responsibility to meet the forestry needs in North Dakota. The North Dakota Forest Service administers forestry programs statewide. The agency operates a conifer tree nursery at Towner. Technical and financial assistance for management of private forest lands, state forest lands, urban and community forests, tree planting and wildland fire protection are provided. The North Dakota Forest Service owns and manages approximately 13,278 acres of state forest lands.

## Major Accomplishments

1. Assisted biomass and wood utilization businesses in utilizing forest and municipal wood waste for renewable energy resulting in the installation of a biomass heating system demonstration in a public works facility in Bismarck.
2. Generated forestry-based economic benefits of \$1.6 million for forestry practices serving 58.0 percent of the financial assistance needs of communities, fire districts and private forest landowners. Practices include tree planting, community forestry development, fire protection and living snow fences.
3. Enhanced community wildfire protection resulting in the preparation of 17 County Wildfire Protection Plans encompassing 32.0 percent of North Dakota's counties.
4. Enhanced rural fire department capacity through wildland firefighter training provided to 228, or 57.0 percent, of rural fire departments.
5. Provided wildland fire awareness and prevention programs including firewise concepts to 53, or 100.0 percent, of North Dakota's counties.
6. Raised public awareness and fostered individual responsibility for conserving forest resources by delivering environmental education to 1,201 K-12 teachers (18.0 percent) and 35,596 K-12 students (35.0 percent).

7. Promoted professionalism in the tree care industry through training provided to 82 arborists (36.0 percent) certified according to International Society of Arboriculture standards.
8. Sold 1.2 million nursery seedlings that supplied conservation tree planting needs for Towner State Nursery customers.
9. Sustained North Dakota's natural resources through the active forest management and protection services for 97,699 acres or 22.0 percent of privately-owned forest lands.
10. Served 153, or 41.0 percent, of North Dakota's communities, benefiting 80.0 percent of the state's residents through sustainable community forestry programs including the planting and care of street and park trees.
11. Ensured the health and sustainability of 373,760 acres of "at risk" forest resources through continuous surveys for damaging pests and agents.
12. Provided quality outdoor state forest experiences on 2,111 acres or 16.0 percent of the state forests under multiple use management.

## Executive Budget Recommendation

- Approves a one-time appropriation of \$250,000 to assist communities with removal and replacement of trees destroyed by the emerald ash borer, based on a 1:1 community match.
- Provides an increase of \$254,524 for parity, which includes a 3.0 percent annual salary increase, actual health insurance premium increases, and inflationary adjustments for building utilities.
- Approves \$4,905 to fund extraordinary repairs at 15.0 percent of the OMB formula.
- Authorizes \$175,510 for program enhancements to address critical natural resource issues identified in the recently completed statewide assessment.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

244 North Dakota Forest Service

Bill#: HB1003

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Operations	3,057,462	4,531,608	625,579	13.8%	5,157,187	580,559	12.8%	5,112,167
Capital Assets	217,087	382,214	316,919	82.9%	699,133	(284,423)	(74.4%)	97,791
<b>Total Major Programs</b>	<b>3,274,549</b>	<b>4,913,822</b>	<b>942,498</b>	<b>19.2%</b>	<b>5,856,320</b>	<b>296,136</b>	<b>6.0%</b>	<b>5,209,958</b>
<b>By Line Item</b>								
Operating Expenses	3,057,462	4,531,608	625,579	13.8%	5,157,187	580,559	12.8%	5,112,167
Capital Assets	217,087	336,638	362,495	107.7%	699,133	(238,847)	(71.0%)	97,791
Deferred Maintenance	0	45,576	(45,576)	(100.0%)	0	(45,576)	(100.0%)	0
<b>Total Line Items</b>	<b>3,274,549</b>	<b>4,913,822</b>	<b>942,498</b>	<b>19.2%</b>	<b>5,856,320</b>	<b>296,136</b>	<b>6.0%</b>	<b>5,209,958</b>
<b>By Funding Source</b>								
General Fund	2,535,546	3,855,768	1,003,066	26.0%	4,858,834	356,704	9.3%	4,212,472
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	739,003	1,058,054	(60,568)	(5.7%)	997,486	(60,568)	(5.7%)	997,486
<b>Total Funding Source</b>	<b>3,274,549</b>	<b>4,913,822</b>	<b>942,498</b>	<b>19.2%</b>	<b>5,856,320</b>	<b>296,136</b>	<b>6.0%</b>	<b>5,209,958</b>
<b>Total FTE</b>	<b>19.47</b>	<b>26.00</b>	<b>1.00</b>	<b>3.8%</b>	<b>27.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>26.00</b>

## Statutory Authority

North Dakota Century Code Chapter 54-24.

## Agency Description

The North Dakota State Library provides statewide leadership to public and school libraries. The State Library provides comprehensive informational resources for all citizens in the state. Services include training librarians, board members, teachers, and citizens; collecting, organizing, and cataloging state documents; developing the statewide online library catalog; facilitating interlibrary loan for all libraries statewide; distributing grants on a competitive basis; and coordinating Online Library Resources for libraries and citizens.

## Major Accomplishments

1. Established partnerships through the Library Vision 2010 initiative, which provides a long-range plan for coordinated library services in North Dakota.
2. Assisted in adding 66 libraries to the statewide online library catalog through cataloging materials and training staff.
3. Continued development of an extensive interlibrary loan system, acting as the "hub" for the state.
4. Facilitated 68,742 interlibrary loan requests last biennium, in addition to coordinating direct borrowing between libraries.

5. Conducted extensive training for librarians and board members to learn to use the statewide online library catalog and the Online Library Resources available to North Dakota citizens and libraries.
6. Established an electronic state document retrieval and delivery service.
7. Administered State Library Vision 2010 (LV2010) grant funds and federal Library Services and Technology Act (LSTA) grant funds.
8. Continued to facilitate Dakota Radio Information Service (DRIS) programming to eastern North Dakota through a partnership with Minnesota.

## Executive Budget Recommendation

- Provides \$204,186 for the State Library to pay Internet connectivity costs and Internet filtering services for certain public libraries. Of this amount, \$128,240 was transferred from the base budget of ITD, which had previously funded these costs. Additional amounts included in this recommendation are to cover anticipated service charge increases for covered libraries.
- Provides \$1.5 million, an increase of \$200,000, for the state aid to public libraries statutory grant program. State aid formula grants are distributed to all public libraries in the state on the basis of population and area served.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

250 State Library  
Biennium: 2011-2013

Bill#: SB2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	518,979	618,356	13,379	2.2%	631,735	47,102	7.6%	665,458
Services	3,708,551	4,619,508	143,471	3.1%	4,762,979	365,119	7.9%	4,984,627
Programs	1,451,096	1,548,500	0	0.0%	1,548,500	200,000	12.9%	1,748,500
<b>Total Major Programs</b>	<b>5,678,626</b>	<b>6,786,364</b>	<b>156,850</b>	<b>2.3%</b>	<b>6,943,214</b>	<b>612,221</b>	<b>9.0%</b>	<b>7,398,585</b>
<b>By Line Item</b>								
Salaries and Wages	2,697,334	3,251,291	19,643	0.6%	3,270,934	199,068	6.1%	3,450,359
Operating Expenses	1,373,439	1,482,573	137,207	9.3%	1,619,780	213,153	14.4%	1,695,726
Grants	1,607,853	2,052,500	0	0.0%	2,052,500	200,000	9.7%	2,252,500
<b>Total Line Items</b>	<b>5,678,626</b>	<b>6,786,364</b>	<b>156,850</b>	<b>2.3%</b>	<b>6,943,214</b>	<b>612,221</b>	<b>9.0%</b>	<b>7,398,585</b>
<b>By Funding Source</b>								
General Fund	4,077,730	4,651,028	180,605	3.9%	4,831,633	612,947	13.2%	5,263,975
Federal Funds	1,538,181	2,043,484	(23,755)	(1.2%)	2,019,729	(726)	-0.0%	2,042,758
Special Funds	62,715	91,852	0	0.0%	91,852	0	0.0%	91,852
<b>Total Funding Source</b>	<b>5,678,626</b>	<b>6,786,364</b>	<b>156,850</b>	<b>2.3%</b>	<b>6,943,214</b>	<b>612,221</b>	<b>9.0%</b>	<b>7,398,585</b>
<b>Total FTE</b>	<b>29.75</b>	<b>29.75</b>	<b>0.00</b>	<b>0.0%</b>	<b>29.75</b>	<b>0.00</b>	<b>0.0%</b>	<b>29.75</b>

## **Statutory Authority**

ND State Constitution Article IX, Section 12; North Dakota Century Code Chapter 25-07.

## **Agency Description**

North Dakota School for the Deaf (NDSB) provides education to persons of all ages who are deaf/hard of hearing.

NDSB utilizes specialized methods of instruction and provides a comprehensive program with emphasis on the development of language, both receptive and expressive. NDSB provides a parent/infant program that serves children ages birth to three years of age and their families with specialized instruction in the homes.

Pre-kindergarten to grade 8 educational programming is provided at NDSB. Educational services for grades 9 through graduation are provided in partnership with the district of residence, Devils Lake Public Schools or accredited distance education options.

Outreach services include assessments, evaluations, consultations, instruction and inservice training specific to the hearing loss.

NDSB also provides summer camp for children with hearing loss. Siblings are also invited to attend.

NDSB is a statewide comprehensive resource providing services to infants through senior citizens who are deaf/hard of hearing. As per the recommendation of the NDSB Future Services Plan Transition Team, "The NDSB/State Center of Excellence will be responsible for the maintenance and coordination of existing services, identification and provision of expanded services, expansion of outreach services, development of a model/laboratory school and other related, non-duplicative services for individuals who are deaf or hard of hearing."

The North Dakota Dual Sensory Project provides technical assistance, resource library and inservice training.

## **Major Accomplishments**

1. Established "new teams" (i.e., Data, Public Awareness, and Buildings and Grounds) in compliance with mission of NDSB State Center of Excellence.
2. Enhanced electronic communications via Master Calendar and use of shared drive.
3. Shared superintendent position with North Dakota Vision Services/School for the Blind.
4. Implemented Power School.
5. Instituted a Memo of Agreement between Devils Lake Public Schools and NDSB (approved August 23, 2010).
6. Completed Campus Master Plan by EAPC Architects, Grand Forks.
7. Completed the NDSB Future Services Plan with The Consensus Council, Inc. Bismarck.
8. Installed public access videophones on campus.
9. Demolished the infirmary building.

## **Executive Budget Recommendation**

- Provides \$200,000 to continue the higher education interpreter reimbursement grant program authorized by the 2009 legislature.
- Provides for the transfer to the School for the Deaf fund of \$835,000 unspent 2009-11 general fund appropriation authority originally authorized for remodel of the trades building. Funding will be used during the 2011-13 biennium for critical safety/health improvements to currently occupied buildings.
- Provides \$998,530 for fire suppression, air handling, electrical service, and other critical safety/health improvements to school building, dining/kitchen building, and Blackhurst Dormitory.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

252 School for the Deaf  
Biennium: 2011-2013

Bill#: SB2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Auxiliary Services	1,520,993	4,056,327	(2,058,532)	(50.7%)	1,997,795	(1,079,456)	(26.6%)	2,976,871
Administration	682,989	798,038	(57,658)	(7.2%)	740,380	(79,116)	(9.9%)	718,922
Resident Living	541,227	654,441	(3,901)	(0.6%)	650,540	30,836	4.7%	685,277
Education Including Transportation	2,460,358	2,816,145	197,392	7.0%	3,013,537	262,933	9.3%	3,079,078
Outreach Services	941,440	1,248,714	83,121	6.7%	1,331,835	97,917	7.8%	1,346,631
<b>Total Major Programs</b>	<b>6,147,007</b>	<b>9,573,665</b>	<b>(1,839,578)</b>	<b>(19.2%)</b>	<b>7,734,087</b>	<b>(766,886)</b>	<b>(8.0%)</b>	<b>8,806,779</b>
<b>By Line Item</b>								
Salaries and Wages	4,620,782	5,472,098	276,847	5.1%	5,748,945	460,540	8.4%	5,932,638
Operating Expenses	1,289,612	1,638,603	45,109	2.8%	1,683,712	(4,692)	(0.3%)	1,633,911
Capital Assets	57,613	1,931,472	(1,830,042)	(94.7%)	101,430	(891,242)	(46.1%)	1,040,230
Capital Construction Carry	179,000	232,887	(232,887)	(100.0%)	0	(232,887)	(100.0%)	0
Deferred Maintenance	0	98,605	(98,605)	(100.0%)	0	(98,605)	(100.0%)	0
Grants	0	200,000	0	0.0%	200,000	0	0.0%	200,000
<b>Total Line Items</b>	<b>6,147,007</b>	<b>9,573,665</b>	<b>(1,839,578)</b>	<b>(19.2%)</b>	<b>7,734,087</b>	<b>(766,886)</b>	<b>(8.0%)</b>	<b>8,806,779</b>
<b>By Funding Source</b>								
General Fund	5,279,937	7,405,115	(904,529)	(12.2%)	6,500,586	(686,343)	(9.3%)	6,718,772
Federal Funds	269,404	268,534	(13,339)	(5.0%)	255,195	(1,833)	(0.7%)	266,701
Special Funds	597,666	1,900,016	(921,710)	(48.5%)	978,306	(78,710)	(4.1%)	1,821,306
<b>Total Funding Source</b>	<b>6,147,007</b>	<b>9,573,665</b>	<b>(1,839,578)</b>	<b>(19.2%)</b>	<b>7,734,087</b>	<b>(766,886)</b>	<b>(8.0%)</b>	<b>8,806,779</b>
<b>Total FTE</b>	<b>43.94</b>	<b>43.94</b>	<b>0.00</b>	<b>0.0%</b>	<b>43.94</b>	<b>0.00</b>	<b>0.0%</b>	<b>43.94</b>

**Statutory Authority**

ND Constitution, Article IX, Section 12; North Dakota Century Code Chapter 25-06.

**Agency Description**

North Dakota Vision Services/School for the Blind is a statewide comprehensive resource that works cooperatively with related agencies in providing a full range of services to persons of all ages who are blind or visually impaired, including those with additional disabilities. Services include evaluation, consultation, and instruction in the vision specific related areas (i.e. orientation & mobility, braille, daily living skills, technology, career/vocational, recreation/leisure and functional vision). Services provided via the Vision Resource Center include adaptive materials and equipment, NIMAS, Talking Book Machine Lending Agency, braille productions, the vision services "store," descriptive videos, and the professional and consumer library. Additional services include support to parents and families, adult evaluation and training, summer camp and inservice training.

**Major Accomplishments**

1. Continued ongoing development of short term center-based programming providing instruction in all areas of academic and disability-specific core curricula based on individualized assessment of needs.
2. Entered into an agreement with the Clinical Psychology Training Program, University of North Dakota to provide for research, psychological assessments,

diagnostic interviewing, and psychotherapy, including distance therapy via telephone.

3. Increased services to adults in orientation and mobility, independent living skills, career education, use of assistive technology, and low vision.
4. Strengthened the collaboration with related entities (i.e. vocational rehabilitation counselors, vision rehabilitation specialist, local school personnel, and family members).

**Executive Budget Recommendation**

- Provides \$134,497 to maintain teacher salaries on the state's composite salary schedule, ensuring licensed teachers employed by the state receive a salary comparable to counterparts in local school districts.
- Provides a new 0.50 FTE music instructor position.
- Reduces the superintendent position from 1.00 FTE to 0.50 FTE to reflect the current shared administration arrangement with the School for the Deaf.
- Provides a contingent appropriation of \$300,000 to be available only if the current tenant of the school building fails to renew its lease. The contingent appropriation is available to offset any resulting revenue shortfall and to allow for remodeling, if required by a new tenant.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

253 ND Vision Services

Bill#: SB2013

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Outreach Education	3,546,389	4,328,970	86,975	2.0%	4,415,945	586,361	13.5%	4,915,331
<b>Total Major Programs</b>	<b>3,546,389</b>	<b>4,328,970</b>	<b>86,975</b>	<b>2.0%</b>	<b>4,415,945</b>	<b>586,361</b>	<b>13.5%</b>	<b>4,915,331</b>
<b>By Line Item</b>								
Salaries and Wages	2,840,722	3,552,264	157,175	4.4%	3,709,439	263,561	7.4%	3,815,825
Operating Expenses	572,541	685,206	(18,200)	(2.7%)	667,006	66,300	9.7%	751,506
Capital Assets	133,126	27,000	12,500	46.3%	39,500	21,000	77.8%	48,000
Deferred Maintenance	0	64,500	(64,500)	(100.0%)	0	(64,500)	(100.0%)	0
Contingency	0	0	0	0.0%	0	300,000	100.0%	300,000
<b>Total Line Items</b>	<b>3,546,389</b>	<b>4,328,970</b>	<b>86,975</b>	<b>2.0%</b>	<b>4,415,945</b>	<b>586,361</b>	<b>13.5%</b>	<b>4,915,331</b>
<b>By Funding Source</b>								
General Fund	2,927,030	3,510,068	93,120	2.7%	3,603,188	570,172	16.2%	4,080,240
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	619,359	818,902	(6,145)	(0.8%)	812,757	16,189	2.0%	835,091
<b>Total Funding Source</b>	<b>3,546,389</b>	<b>4,328,970</b>	<b>86,975</b>	<b>2.0%</b>	<b>4,415,945</b>	<b>586,361</b>	<b>13.5%</b>	<b>4,915,331</b>
<b>Total FTE</b>	<b>28.00</b>	<b>29.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>29.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>29.50</b>

## Statutory Authority

North Dakota Century Code Chapter 15-20.1-3 and Carl D Perkins Vocational and Applied Technology Act of 1998.

## Agency Description

The Department of Career and Technical Education (DCTE) provides leadership, technical assistance and fiscal support of career and technical education to public school districts, state colleges and universities, state institutions and tribal colleges. DCTE is responsible for administering federal and state legislation and funding. The department believes the effort will be enhanced through the establishment of quality instructional programs that derive standards from industry and use industry certifications to validate both program instruction and student performance. The department also establishes standards for teacher certification, curriculum development, access for special populations, and focuses on equity in programs, activities, and services at all levels of education. The Career and Technical Education governing board recognizes that a qualified, skilled workforce is essential to the economic well being of North Dakota's business, industry and public sector.

## Major Accomplishments

1. Integrated student/school data collection into the STARS system which is the Department of Public Instruction data collection system, eliminating data reporting requirements from local schools.
2. Developed a partnership with the Information Technology Council of North Dakota (ITCND) to promote IT programs of study and IT career awareness.

3. Developed coordinated plans of study to assist students in career planning and qualifying for the new CTE scholarship.
4. Selected as the national test site for a professional development model to test the impact of integrating science in CTE.
5. Expanded the math in CTE project which provides teachers the tools they need to reinforce math in their CTE program resulting in a 5.0 to 10.0 percent increase in math scores on standardized tests.
6. Continued to monitor and assist three "virtual" area career technology centers established by the 2007-09 legislature which bring new CTE programming to 48 schools.

## Executive Budget Recommendation

- Continues Adult Farm Management program grants at \$699,802.
- Continues Workforce Training grants at \$3.0 million.
- Provides nearly \$20.0 million from the state general fund to provide grants supporting CTE programs.
- Provides \$400,000 to continue program reimbursements at the same percentage rate.
- Provides \$1.0 million to allow for the establishment of one additional virtual CTE center.
- Provides \$400,000 for the expansion of CTE course offerings.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

270 Career and Technical Education

Bill#: HB1019

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	2,690,623	3,886,445	(211,334)	(5.4%)	3,675,111	(149,495)	(3.8%)	3,736,950
Technical Assistance	28,471,189	32,857,445	333,963	1.0%	33,191,408	2,321,296	7.1%	35,178,741
<b>Total Major Programs</b>	<b>31,161,812</b>	<b>36,743,890</b>	<b>122,629</b>	<b>0.3%</b>	<b>36,866,519</b>	<b>2,171,801</b>	<b>5.9%</b>	<b>38,915,691</b>
<b>By Line Item</b>								
Salaries and Wages	3,272,856	4,210,030	54,889	1.3%	4,264,919	294,061	7.0%	4,504,091
Operating Expenses	720,477	1,226,606	67,740	5.5%	1,294,346	(7,260)	(0.6%)	1,219,346
Grants	23,311,224	27,200,000	0	0.0%	27,200,000	1,885,000	6.9%	29,085,000
Postsecondary Grants	357,453	357,452	0	0.0%	357,452	0	0.0%	357,452
Adult Farm Management	499,802	749,802	0	0.0%	749,802	0	0.0%	749,802
Workforce Training	3,000,000	3,000,000	0	0.0%	3,000,000	0	0.0%	3,000,000
<b>Total Line Items</b>	<b>31,161,812</b>	<b>36,743,890</b>	<b>122,629</b>	<b>0.3%</b>	<b>36,866,519</b>	<b>2,171,801</b>	<b>5.9%</b>	<b>38,915,691</b>
<b>By Funding Source</b>								
General Fund	21,823,441	25,981,008	118,623	0.5%	26,099,631	2,167,795	8.3%	28,148,803
Federal Funds	9,296,248	10,557,908	4,006	0.0%	10,561,914	4,006	0.0%	10,561,914
Special Funds	42,123	204,974	0	0.0%	204,974	0	0.0%	204,974
<b>Total Funding Source</b>	<b>31,161,812</b>	<b>36,743,890</b>	<b>122,629</b>	<b>0.3%</b>	<b>36,866,519</b>	<b>2,171,801</b>	<b>5.9%</b>	<b>38,915,691</b>
<b>Total FTE</b>	<b>27.50</b>	<b>28.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>28.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>28.50</b>

**Statutory Authority**

North Dakota Century Code Titles 19, 23, 25 and 61.

**Agency Description**

- Works closely with the U.S. Environmental Protection Agency (EPA) to safeguard the quality of North Dakota’s air, land and water resources through permitting, inspecting, sampling, analytical services and monitoring activities.
- Enables communities to promote healthy behaviors that prevent injury, illness and disease through various state and federal programs.
- Manages programs leading to the detection, diagnosis, analysis, reporting, intervention/referral and follow-up of diseases.
- Provides leadership and oversight for public health and medical emergency preparedness and response efforts in the state.
- Regulates and supports food and lodging establishments, emergency medical services and healthcare facilities including hospitals, home health agencies, nursing facilities, basic care facilities, intermediate care facilities for the mentally retarded, and clinical laboratory services.

**Major Accomplishments**

1. Worked with critical stakeholders to prepare for and respond to the 2009-10 influenza pandemic; administered 184,087 doses of H1N1 influenza vaccine to North Dakota residents and tracked more than 3,200 cases of influenza.
2. Facilitated emergency response to large-scale hospital and medical evacuations during the 2009 flood.
3. Achieved a 33 percent 12-month quit rate for the Tobacco Quitline in FY 2010 and launched an online service to help people quit tobacco use.
4. Received Gold Certification of the North Dakota Cancer Registry in 2009 and 2010 for data accuracy, completeness and timeliness of reporting.
5. Implemented a state-funded colorectal cancer screening pilot project that screened 91 rural North Dakotans and prevented 15 colon cancers.
6. Developed and implemented a program for onsite review of construction projects involving health-care facilities licensed by the department.
7. Established a statewide worksite wellness program through strategic partnerships.
8. Enrolled nine hospitals in the State Stroke Registry Program.
9. Maintained a 90 percent or higher rate of compliance with permit requirements or standards in the air, waste, water discharge and public water supply programs.
10. Authored/published The Burden of Diabetes in North Dakota 2009.
11. Implemented a local public health regional network pilot project to determine a delivery structure for sharing administrative functions and public health services through joint powers agreements.
12. Implemented new food rules in the WIC Program.

**Executive Budget Recommendation**

- Recommends \$1.0 million Suicide Prevention funding, an increase of \$741,493 from the general fund, for grants to communities.
- Replaces \$523,900 federal funds with general funding for training, testing and education of EMS workers.
- Provides \$1.0 million additional grants for 21 domestic violence agencies for a total of \$1.7 million.
- Recommends \$250,700 from the general fund for the State Stroke Registry to replace current funding from the community health trust fund for a total appropriation of \$472,700.
- Provides \$300,500 from the general fund in addition to \$304,332 from the community health trust fund for total funding of \$654,332 for the Women's Way program that provides screening for breast and cervical cancer to low-income, uninsured and underinsured clients.
- Provides \$200,000 from the general fund for loan repayment grants to ten new dentists. Funding includes \$180,000 to three dentists each year for loan repayment and \$20,000 to two dentists each year for new dental practices. The recommendation also includes \$270,000 from the community health trust fund for previously awarded loan repayments for a total program funding of \$470,000.
- Adds \$270,000 from the general fund for physician and mid-level practitioner loan programs. Funding provides \$202,500 for three new physicians each year and \$67,500 for three new mid-level practitioners each year. Funding is in addition to \$150,000 in the base budget for a total program funding of \$420,000 of which \$75,000 is from the community health trust fund.
- Provides \$300,000 additional general fund dollars to maintain a current funding level of \$1.2 million for training 3,000 emergency medical technicians.
- Provides authority to carryover federal stimulus funding.
- Continues funding for pilot colorectal cancer screenings with \$477,600 from the general fund.
- Provides additional \$102,512 in federal authority to contract for the Home Visitation program.
- Recommends \$388,458 for Prenatal Alcohol Screening. This program supports the use of standardized tools for alcohol screening and adds an intervention module for providers when identifying drinking during pregnancy to reduce mortality rates in infants.
- Increases funding for the Veterinary Loan Program with \$135,000 from the general fund. The program funds three new veterinarians per year to encourage large animal practice in rural areas. Funding also includes \$310,000 from the community health trust fund for previously obligated loans.
- Recommends \$275,000 to establish one additional regional public health unit.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

301 ND Department of Health

Bill#: HB1004

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administrative Support	7,635,109	11,952,535	(2,594,436)	(21.7%)	9,358,099	(2,017,821)	(16.9%)	9,934,714
Medical Services	12,649,772	31,604,191	(2,084,867)	(6.6%)	29,519,324	(1,258,139)	(4.0%)	30,346,052
Health Resources	5,685,489	7,709,589	216,728	2.8%	7,926,317	577,620	7.5%	8,287,209
Community Health	51,875,742	67,037,746	(4,447,678)	(6.6%)	62,590,068	(721,299)	(1.1%)	66,316,447
Environmental Health	36,899,572	73,312,818	(25,157,726)	(34.3%)	48,155,092	(21,165,965)	(28.9%)	52,146,853
Emergency Preparedness and Response	19,510,303	21,297,431	(7,653,300)	(35.9%)	13,644,131	(6,738,684)	(31.6%)	14,558,747
Special Populations	3,204,392	4,747,850	(527,561)	(11.1%)	4,220,289	198,873	4.2%	4,946,723
<b>Total Major Programs</b>	<b>137,460,379</b>	<b>217,662,160</b>	<b>(42,248,840)</b>	<b>(19.4%)</b>	<b>175,413,320</b>	<b>(31,125,415)</b>	<b>(14.3%)</b>	<b>186,536,745</b>
<b>By Line Item</b>								
Salaries and Wages	37,191,204	45,665,406	1,101,669	2.4%	46,767,075	3,948,988	8.6%	49,614,394
Operating Expenses	29,761,520	45,275,789	(817,242)	(1.8%)	44,458,547	(52,022)	(0.1%)	45,223,767
Capital Assets	1,566,836	2,013,268	(15,195)	(0.8%)	1,998,073	(15,195)	(0.8%)	1,998,073
Grants	41,197,039	67,469,743	(15,550,723)	(23.0%)	51,919,020	(11,581,965)	(17.2%)	55,887,778
Tobacco Prevention & Control	8,428,453	9,080,745	(2,968,249)	(32.7%)	6,112,496	(2,918,349)	(32.1%)	6,162,396
WIC Food Payments	19,315,327	25,063,375	(905,266)	(3.6%)	24,158,109	(905,266)	(3.6%)	24,158,109
Community Health Trust Fund	0	2,405,371	(2,405,371)	(100.0%)	0	(2,405,371)	(100.0%)	0
Federal Stimulus Funds	0	20,688,463	(20,688,463)	(100.0%)	0	(17,196,235)	(83.1%)	3,492,228
<b>Total Line Items</b>	<b>137,460,379</b>	<b>217,662,160</b>	<b>(42,248,840)</b>	<b>(19.4%)</b>	<b>175,413,320</b>	<b>(31,125,415)</b>	<b>(14.3%)</b>	<b>186,536,745</b>
<b>By Funding Source</b>								
General Fund	21,545,230	27,234,262	(5,339,072)	(19.6%)	21,895,190	846,294	3.1%	28,080,556
Federal Funds	98,833,836	150,805,983	(30,992,105)	(20.6%)	119,813,878	(26,054,046)	(17.3%)	124,751,937
Special Funds	17,081,313	39,621,915	(5,917,663)	(14.9%)	33,704,252	(5,917,663)	(14.9%)	33,704,252
<b>Total Funding Source</b>	<b>137,460,379</b>	<b>217,662,160</b>	<b>(42,248,840)</b>	<b>(19.4%)</b>	<b>175,413,320</b>	<b>(31,125,415)</b>	<b>(14.3%)</b>	<b>186,536,745</b>
<b>Total FTE</b>	<b>331.50</b>	<b>343.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>343.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>343.50</b>

## Statutory Authority

North Dakota Century Code 23-42 and 54-27-25.

## Agency Description

Tobacco Prevention and Control Executive Committee, created by the passage of statewide initiated Measure 3 in November 2008, performs the following essential functions for the state:

1. Provides leadership to develop and fully implement a statewide, long-term comprehensive plan to significantly reduce tobacco use, the leading cause of preventable disease and death in North Dakota.
2. Monitors and evaluates the effectiveness of the implementation of the statewide plan.
3. Provides for an independent review of the plan to assure it is consistent with Center for Disease Control's Best Practices for Comprehensive Tobacco Control Programs, and reports the results to the Governor and State Health Officer each biennium.
4. Develops and implements programs and policies that ensure that tobacco use and the sickness, disease, death and economic burden it places on all North Dakota residents, is reduced significantly over a matter of years rather than over many decades.
5. Supports other state and local tobacco prevention efforts that are part of the comprehensive plan, including the North Dakota Department of Health tobacco use cessation, surveillance and infrastructure programs.

## Major Accomplishments

1. Developed and initiated the implementation of a statewide comprehensive plan, Saving Lives – Saving Money: North Dakota's Comprehensive State Plan to Prevent and Reduce Tobacco Use. As part of the plan, health communications and evaluation plans were developed.
2. Established and staffed the Center for Tobacco Prevention and Control Policy to oversee implementation of the statewide plan.
3. Implemented a local tobacco prevention grants program providing funding, technical assistance and training to public health units or cooperating public health units serving all 53 counties to support tobacco prevention efforts in communities. This grant program provided \$5.9 million to local public health agencies for the 2009-11 biennium.
4. Implemented a tobacco state aid grants program to support implementation of the Public Health Service Guidelines Treating Tobacco Use and Dependence, Clinical Practice Guideline – 2008 Update in local public health unit client-based programs. More than 361 staff in local public health units have been trained in use of the guidelines to reach thousands of individuals at high risk for tobacco use and the health consequences it causes. Grant payments totaling \$940,000

have been allocated to local public health units in all 53 counties for this ongoing work helping tobacco users quit.

5. Worked with two city commissions (Bismarck and Grand Forks) to pass comprehensive smoke-free ordinances that enhanced their current city ordinance by adding protection from secondhand smoke exposure to people who work in and patronize bars, truck stops and clubs. Voters in Napoleon passed a comprehensive smoke-free ordinance on their primary ballot. Passage of these ordinances in addition to the Fargo and West Fargo ordinances now provides protection from secondhand smoke for 34 percent of North Dakota residents.
6. Increased the percentage of school districts with comprehensive tobacco-free buildings and grounds policies from 21.0 to 28.0 percent, as 22 school districts strengthened their policies. This means that every day, more than 33,000 students – about one-third of students statewide – in elementary and secondary schools are protected from exposure to secondhand smoke and other tobacco use and see firsthand healthy, tobacco-free living modeled for them by adults.
7. Worked with Lake Region State College, Devils Lake; Rasmussen College, Bismarck; Quentin N. Burdick Job Corps Center, Minot; and Dakota College, Bottineau to adopt tobacco-free campus policies. More than 32,000 students, representing approximately 58 percent of students enrolled at seven of the 11 North Dakota University System colleges benefited from tobacco-free campuses in 2010.
8. Worked with North Dakota State University, Fargo and JZ Trend Academy, Bismarck, to adopt smoke-free campus policies. Dickinson State University Faculty and Staff Senate passed a smoke-free campus resolution.
9. Conducted economic impact and observational studies of the Fargo and West Fargo smoke-free ordinances and found high rates of compliance and no lasting negative economic impact from the smoke-free laws.
10. Provided grant funds to support a Fargo Cass Public Health partnership with MeritCare (now Sanford Medical Center), Innovis Health, Family Health Care and NDSU that has seen 56 percent of contacts making appointments to enroll in the Quitline.
11. Worked with local park boards in Harvey and Rolla to adopt smoke-free or tobacco-free policies for parks, swimming pools, ballparks, skating rinks and warming houses.
12. Towner County implemented county smoke-free grounds policy.
13. Ransom County Commission adopted a smoke-free public health campus policy.

## Executive Budget Recommendation

- Approves base budget as requested.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

305 Tobacco Prevention and Control

Bill#: HB1025

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Tobacco Prevention and Control Program	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
<b>Total Major Programs</b>	<b>38,815</b>	<b>12,882,000</b>	<b>0</b>	<b>0.0%</b>	<b>12,882,000</b>	<b>40,614</b>	<b>0.3%</b>	<b>12,922,614</b>
<b>By Line Item</b>								
Comprehensive Tobacco Control	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
<b>Total Line Items</b>	<b>38,815</b>	<b>12,882,000</b>	<b>0</b>	<b>0.0%</b>	<b>12,882,000</b>	<b>40,614</b>	<b>0.3%</b>	<b>12,922,614</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	38,815	12,882,000	0	0.0%	12,882,000	40,614	0.3%	12,922,614
<b>Total Funding Source</b>	<b>38,815</b>	<b>12,882,000</b>	<b>0</b>	<b>0.0%</b>	<b>12,882,000</b>	<b>40,614</b>	<b>0.3%</b>	<b>12,922,614</b>
<b>Total FTE</b>	<b>0.00</b>	<b>4.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>4.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>4.00</b>

## Statutory Authority

North Dakota Century Code Chapters 54-44.6, 54-46, 54-46.1, and 54-59.

## Agency Description

Located on 90 acres of land in the picturesque Sheyenne River Valley in Lisbon, ND, the North Dakota Veterans Home stands as a tribute to North Dakota citizens who answered their country's call to duty. Since 1893, the Veterans Home has been serving the veterans and their spouses in North Dakota.

The new Veterans Home has 52 skilled beds and 98 basic care beds. The skilled unit provides round the clock nursing care for residents who need ongoing nursing supervision and/or assistance with activities of daily living. The basic care unit provides care to veterans as long as they are ambulatory and able to care for their own personal needs. The basic care unit does have a nurse available for emergency care 24 hours a day.

## Major Accomplishments

1. Provided a home for veterans when they had no other place to go.
2. Developed standards of care where residents age in place.
3. Completed a State Home construction grant application that allocated \$14.7 million of federal funds to build a new veterans home.
4. Implemented legislative intent by building a replacement veterans home using current industry standards for the State of North Dakota.

5. Improved the quality of life for veterans by building a new facility in the household/neighborhood design with private rooms that will allow residents more dignity and privacy.

## Executive Budget Recommendation

- Provides \$20,000 housing allowance to the administrator. Destruction of the existing veterans' home building will eliminate the heating source for the residence. Significant repairs are needed at the residence, making it more cost effective to relocate the administrator and provide a housing allowance. Funding authority is provided from special funds which were included in the base budget to fund the new heating system for the residence.
- Approves funding to repair the irrigation system damage that occurred during flooding. FEMA reimbursed the veterans home \$29,475 to repair the system. However, replacement parts were unavailable due to the age of the system, requiring most of the existing system to be replaced. Includes \$55,000 from the general fund.
- Provides an additional \$25,000 to complete the landscaping around the new veterans home building.
- Approves \$75,000 to reshape and grade the oxbow to enable better drainage. Funding consists of \$46,500 from the general fund and \$30,000 special fund revenue from additional Land Department distribution.
- Reduces \$149,764 general funding for utilities based on estimates of costs.



**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

313 Veterans Home  
Biennium: 2011-2013

Bill#: HB1007

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	1,543,665	1,776,265	115,161	6.5%	1,891,426	181,202	10.2%	1,957,467
Plant Operations	1,636,606	1,725,532	451,226	26.1%	2,176,758	443,957	25.7%	2,169,489
New Veterans Home	4,206,173	34,000,295	(33,693,295)	(99.1%)	307,000	(33,668,295)	(99.0%)	332,000
Dietary	1,831,324	2,289,629	(576,576)	(25.2%)	1,713,053	(550,454)	(24.0%)	1,739,175
Nursing Services	5,428,521	7,100,628	3,479,055	49.0%	10,579,683	3,997,224	56.3%	11,097,852
Resident Services	386,852	541,279	(428,126)	(79.1%)	113,153	(423,065)	(78.2%)	118,214
Social Services	522,243	724,096	207,079	28.6%	931,175	250,651	34.6%	974,747
Housekeeping	755,304	941,427	(480,164)	(51.0%)	461,263	(464,696)	(49.4%)	476,731
Laundry	150,781	213,495	33,470	15.7%	246,965	42,875	20.1%	256,370
Pharmacy	892,825	1,258,759	435,697	34.6%	1,694,456	450,842	35.8%	1,709,601
2009 Flood Expenses	67,136	862,574	(862,574)	(100.0%)	0	(862,574)	(100.0%)	0
<b>Total Major Programs</b>	<b>17,421,430</b>	<b>51,433,979</b>	<b>(31,319,047)</b>	<b>(60.9%)</b>	<b>20,114,932</b>	<b>(30,602,333)</b>	<b>(59.5%)</b>	<b>20,831,646</b>
<b>By Line Item</b>								
Salaries and Wages	8,708,798	11,630,756	1,575,127	13.5%	13,205,883	2,306,105	19.8%	13,936,861
Operating Expenses	3,867,782	4,561,857	1,520,192	33.3%	6,082,049	1,370,428	30.0%	5,932,285
Capital Assets	298,725	259,906	260,094	100.1%	520,000	370,594	142.6%	630,500
Life Safety Improvements	202,525	0	0	0.0%	0	0	0.0%	0
New Veterans Home	4,206,173	27,921,467	(27,614,467)	(98.9%)	307,000	(27,589,467)	(98.8%)	332,000
2009 Flood Expenses	137,427	862,574	(862,574)	(100.0%)	0	(862,574)	(100.0%)	0
Federal Stimulus Funds	0	3,158,005	(3,158,005)	(100.0%)	0	(3,158,005)	(100.0%)	0
Contingent Appropriation - Ln 55	0	3,039,414	(3,039,414)	(100.0%)	0	(3,039,414)	(100.0%)	0
<b>Total Line Items</b>	<b>17,421,430</b>	<b>51,433,979</b>	<b>(31,319,047)</b>	<b>(60.9%)</b>	<b>20,114,932</b>	<b>(30,602,333)</b>	<b>(59.5%)</b>	<b>20,831,646</b>
<b>By Funding Source</b>								
General Fund	4,159,299	16,843,623	(11,851,483)	(70.4%)	4,992,140	(11,163,800)	(66.3%)	5,679,823
Federal Funds	0	17,842,187	(17,842,187)	(100.0%)	0	(17,842,187)	(100.0%)	0
Special Funds	13,262,131	16,748,169	(1,625,377)	(9.7%)	15,122,792	(1,596,346)	(9.5%)	15,151,823
<b>Total Funding Source</b>	<b>17,421,430</b>	<b>51,433,979</b>	<b>(31,319,047)</b>	<b>(60.9%)</b>	<b>20,114,932</b>	<b>(30,602,333)</b>	<b>(59.5%)</b>	<b>20,831,646</b>
<b>Total FTE</b>	<b>92.37</b>	<b>120.72</b>	<b>0.00</b>	<b>0.0%</b>	<b>120.72</b>	<b>0.00</b>	<b>0.0%</b>	<b>120.72</b>

## Statutory Authority

North Dakota Century Code Sections 54-36-03 to 54-36-09.

## Agency Description

The North Dakota Indian Affairs Commission is the liaison between the executive branch and the tribal nations of North Dakota. Duties include coordination and mediation service with tribal nations and the state and its agencies regarding interagency communication, protocol, and jurisdictional issues. Additionally, the agency works with tribal governments, their people and communities to enhance capacity in working with the state.

The agency also is responsible for the maintenance and publication of several documents, including but not limited to the, Statewide Directory of American Indian Resources, and historical and contemporary information and research about North Dakota's American Indian citizens. These materials are available in print and for download on the website.

## Major Accomplishments

1. Established and completed the 2010 North Dakota Indian Youth Leadership Academy. Forty high school students from across North Dakota participated in a five-day leadership camp. During the camp, nationally known native American

speakers came and provided sessions on wellness, spirituality, leadership, career development, values and culture.

2. Reorganized the American Indian Business Development Office with the North Dakota Department of Commerce. Completed inventory of all native American owned businesses in North Dakota.
3. Continued to create partnerships and memorandums of agreements and understanding between tribal entities and non tribal entities.
4. Continued building and fostering working relations between state government agencies and tribal agencies.
5. Updated the Resource Information Guide (formerly called the Indian Affairs Directory) which became available in the fall of 2009. The NDIAC Resource Information Guide can be viewed at: <http://www.nd.gov/indianaffairs/?id=44>.

## Executive Budget Recommendation

- Provides an additional \$20,000 funding from the general fund for the North Dakota Indian Youth Leadership Academy, for a program total of \$60,000. Funding will allow more participants to attend the one-week school and provide funding to conduct the school annually.
- Provides \$100,000 for suicide prevention and education for American Indian youth.
- Recommends remaining budget as requested.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

316 Indian Affairs Commission

Bill#: HB1005

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Indian Affairs Administration	541,899	702,585	(6,646)	(0.9%)	695,939	145,293	20.7%	847,878
<b>Total Major Programs</b>	<b>541,899</b>	<b>702,585</b>	<b>(6,646)</b>	<b>(0.9%)</b>	<b>695,939</b>	<b>145,293</b>	<b>20.7%</b>	<b>847,878</b>
<b>By Line Item</b>								
Salaries and Wages	460,736	558,080	11,354	2.0%	569,434	43,293	7.8%	601,373
Operating Expenses	81,163	126,505	0	0.0%	126,505	120,000	94.9%	246,505
Federal Stimulus Funds-2009	0	18,000	(18,000)	(100.0%)	0	(18,000)	(100.0%)	0
<b>Total Line Items</b>	<b>541,899</b>	<b>702,585</b>	<b>(6,646)</b>	<b>(0.9%)</b>	<b>695,939</b>	<b>145,293</b>	<b>20.7%</b>	<b>847,878</b>
<b>By Funding Source</b>								
General Fund	541,899	684,585	11,354	1.7%	695,939	163,293	23.9%	847,878
Federal Funds	0	18,000	(18,000)	(100.0%)	0	(18,000)	(100.0%)	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>541,899</b>	<b>702,585</b>	<b>(6,646)</b>	<b>(0.9%)</b>	<b>695,939</b>	<b>145,293</b>	<b>20.7%</b>	<b>847,878</b>
<b>Total FTE</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>4.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>4.00</b>

## Statutory Authority

North Dakota Century Code Chapters 37-14 and 37-18.

## Agency Description

The North Dakota Department of Veterans Affairs (NDDVA) has the responsibility of ensuring the state's nearly 61,365 veterans and their dependents not only know about the state and federal benefits to which they are entitled for having served their country, but also assist them in obtaining such benefits.

The department is responsible for the collection, filing, safeguarding and maintaining of North Dakota Veterans DD214 and DD215 discharge documents. The department safeguards these records in fireproof locking cabinets and provides certified and true copies to the veterans upon request.

The department is responsible for assisting counties with training of 50 County Veterans Service Officers (CVSOs) who service 53 counties, and are appointed by their respective County Commissions, as well as assisting in the training of Tribal Service Officers from three tribes. The department provides training through a minimum of two training seminars each year to keep the CVSOs as current as possible on issues, topics and programs available to and affecting veterans as well as providing initial and continued one-on-one training with the CVSOs either in the NDDVA office or the CVSO's own office.

The department accepts and carries through to completion veterans claims for entitlement from the United States Department of Veterans Affairs (VA) and acts as power of attorney in these claims; counsels veterans on employment and entrepreneurial programs and regulations, educational (high school through graduate level) programs, disability benefits, medical (both physical and mental) care entitlement, nursing home assistance, death benefits, and other related veterans activities. The department is responsible for enforcing the state's veterans preference law.

A Veterans Aid Loan Program, Transportation Program, and Hardship Medical Grant Program are all administered by the department.

The department is responsible for distributing information relating to veterans, veterans programs and veterans issues to the state veteran's population, interested parties and the general public through the use of email, news media, CVSOs, veterans organizations and US mail.

The department, working under the supervision of the Administrative Committee on Veterans Affairs, also monitors legislation and assists others in acquiring information.

## Major Accomplishments

1. Provided two accreditation conferences for County Veteran Service Officers (CVSOs) and Tribal Veteran Service Officers (RVSOs). These two training events combined provided accreditation opportunities with all veteran service organizations with offices and staff at the Fargo Veterans Affairs Regional Office (VARO), to include American Legion, AMVETS, DAV, VFW. This training also allowed accreditation with Veteran Service organizations such as TREA, MOPH and VVA. This is the first time North Dakota CVSOs have had accreditation training provided to them.
2. Archived over 7,500 DD214s into electronic data base for safe keeping and easy access.
3. Adopted a veterans claims program which will allow NDDVA and CVSOs to maintain, track, process and submit claims to the federal VA electronically. This program is years ahead of the federal VA's goal to be paperless. CVSOs do not need to purchase software or programs, but can pay a user fee and receive access to the program.
4. The women veterans coordinator has established women's veteran support groups around the state, provided brochures, website information and mailer information.
5. Improved its website over the past two years to provide more information and up to date contacts for the CVSOs and veterans of North Dakota.
6. Was involved in legislative changes and updates which resulted in new Gold Star license plates for families of our fallen war heroes, and improved veterans preference laws.
7. Provided three small group instruction training events to try out a different style of training, found to be very effective and the CVSOs are enthused about it.
8. Researched and developed a new training program to be implemented in the fall of 2010 and spring of 2011.

## Executive Budget Recommendation

- Provides \$22,000 temporary salaries for the Discharge Project. The funding will continue the conversion of veterans records to electronic format.
- Approves funding of \$15,593 to purchase website software. Software will allow the agency to update the website and provide County Veteran Service Officers (CVSOs) with remote access to veterans information to assist with benefit applications.
- Recommends \$30,000 to allow the agency to arrange for training of County Veteran Service Officers (CVSOs) on emerging issues such as post traumatic stress disorder (PTSD) and traumatic brain injury (TBI).

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

321 Department of Veterans Affairs

Bill#: HB1007

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Veterans Affairs Administration	862,500	1,040,837	(14,751)	(1.4%)	1,026,086	96,382	9.3%	1,137,219
<b>Total Major Programs</b>	<b>862,500</b>	<b>1,040,837</b>	<b>(14,751)</b>	<b>(1.4%)</b>	<b>1,026,086</b>	<b>96,382</b>	<b>9.3%</b>	<b>1,137,219</b>
<b>By Line Item</b>								
Technology Project Carry	0	9,350	(9,350)	(100.0%)	0	(9,350)	(100.0%)	0
Veterans' Affairs Administration	862,500	1,031,487	(5,401)	(0.5%)	1,026,086	105,732	10.3%	1,137,219
<b>Total Line Items</b>	<b>862,500</b>	<b>1,040,837</b>	<b>(14,751)</b>	<b>(1.4%)</b>	<b>1,026,086</b>	<b>96,382</b>	<b>9.3%</b>	<b>1,137,219</b>
<b>By Funding Source</b>								
General Fund	862,500	1,040,837	(14,751)	(1.4%)	1,026,086	96,382	9.3%	1,137,219
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>862,500</b>	<b>1,040,837</b>	<b>(14,751)</b>	<b>(1.4%)</b>	<b>1,026,086</b>	<b>96,382</b>	<b>9.3%</b>	<b>1,137,219</b>
<b>Total FTE</b>	<b>7.00</b>	<b>7.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>7.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>7.00</b>

## Statutory Authority

North Dakota Century Code Chapters 6-09.16, 6-09.6, 12.1-01, 14-08.1, 14-09, 14-10, 14-12.2, 14-13, 14-15, 14-15.1, 14-17, 14-19, 19-03.1, 23-02.1, 23-17.1, 25-01, 25-01.1, 25-01.2, 25-02, 25-03.1, 25-03.2, 25-03.3, 25-04, 25-10, 25-11, 25-16, 25-16.1, 25-17, 26.1-36, 26.1-45, 27-20, 27-21, 28-21, 34-15, 50-01, 50-01.1, 50-01.2, 50-03, 50-06, 50-06.1, 50-06.2, 50-06.3, 50-06.4, 50-06.5, 50-08.1, 50-09, 50-10, 50-10.1, 50-10.2, 50-11, 50-11.1, 50-11.2, 50-11.3, 50-12, 50-19, 50-24.1, 50-24.3, 50-24.4, 50-24.5, 50-25.1, 50-25.2, 50-27, 50-28, 50-29, 50-30, 54-38, 54-44.8, and 57-15.

## Agency Description

DHS is an umbrella agency headed by an executive director appointed by the Governor. The executive director utilizes a management team known as the Cabinet, which includes a representative of the following areas: the eight Regional Human Services Centers, the Institutions, Program and Policy programs, Economic Assistance programs, Medical Services, and Administrative Support Services. The appropriation bill itself consists of three major areas consisting of Managerial Support, Program/Policy Management and Field Services.

Managerial Support includes Fiscal Administration, Human Resources, Information Technology Services, Legal Advisory Unit, and Public Information.

Program/Policy Management is comprised of seven major programs: Economic Assistance Policy (including TANF, Food Stamps, Low Income Heating Assistance Program, Child Care Assistance), Medical Services (including Nursing Homes, all Medicaid waiver services along with Home and Community Based Services), Child Support Enforcement, Aging Services (Older Americans Act programs), Children and Family Services, Mental Health/Substance Abuse (including the Decision Support Services function for the agency) Vocational Rehabilitation (including Disability Determination Services) and the Developmental Disabilities Division. North Dakota's assistance programs are supervised by the state but are directed and administered by the 53 county social service boards. Additionally, many aging and children's services are provided through County Social Service Boards.

Field Services is comprised of eight Human Service Centers located in each of the Governor's designated planning regions providing direct delivery of services to individuals and families, the State Hospital located in Jamestown and the Developmental Center at Westwood Park located in Grafton. The Human Service Centers provide a comprehensive array of outpatient clinical and community services including vocational rehabilitation, mental health services, developmental disabilities services, social services, addiction counseling, and emergency and outreach services. The centers provide supervision and direction to county agencies delivering social services. The State Hospital is a component of the treatment continuum providing treatment for mental illness and substance abuse. The Developmental Center is an educational and training facility for persons with developmental disabilities.

## Major Accomplishments

1. Provided HUD-funded 8-plex in Williston to house for people recovering from serious mental illness
2. Implemented North Dakota's Money Follows the Person initiative and will work to transition voluntary program participants from nursing homes and developmental disability facilities into home and community-based settings.
3. Awarded Healthy Steps outreach contract that will focus on outreach ensuring all families with eligible children are aware of the coverage.
4. Signed Program of All-inclusive Care for the Elderly (PACE) contract.
5. Expanded Geropsych Services at the Sheyenne Care Center in Valley City.
6. Concluded the department's first Leadership Program designed to give department leaders the opportunity to better understand DHS services.
7. Integrated the Regional Child Support Enforcement Units into the North Dakota Department of Human Services.
8. Implemented a cooling assistance program for low-income households with medical needs.
9. Started a new disease management program for recipients with chronic conditions.
10. Received national recognition from the Council of State Governments for the PRIDE, the Parental Responsibility Initiative for the Development of Employment program.
11. Received the federal Office of Child Support Enforcement Commissioner's Innovation award for the PRIDE program.
12. Received a one-year award from the federal government to implement a certified peer support program statewide to benefit mental health consumers.
13. Honored for excellence in best practices in working with American Indian Sovereign Nations by the North Dakota Head Start-State Collaboration Office.
14. Received a three-year accreditation from the Joint Commission on the Accreditation of Hospital Organizations for the North Dakota State Hospital.
15. Initiated the Medicaid Buy-In for Children with Disabilities Coverage in April 2010.
16. Received approval from the Centers for Medicare and Medicaid Services (CMS) for North Dakota's Medicaid waiver for medically fragile children.
17. Awarded a two-year \$146,000 Emergency Room Diversion Grant.
18. Established a contract with the Grand Forks jail to provide telemedicine services to inmates at the NEHSC.
19. Awarded the 2008 Outstanding Program Award and the Outstanding Manager Award for the National Child Support Enforcement Association (NCSEA) for North Dakota's child support enforcement program.
20. Led the nation in the federal Interstate Case Reconciliation program for child support enforcement.
21. Received CMS approval for North Dakota's request to expand eligibility for the Healthy Steps State Children's Health Insurance Program (SCHIP) to 150 percent of federal poverty.

22. Disseminated information to North Dakotans age 50-65 about planning ahead for their future care needs through an "Own Your Future" federal and state partnership campaign.
23. Awarded the Telephone Recovery Support Services contract to Rehab Services, Inc. to assist individuals in sustaining their recovery from substance use disorders.

### **Executive Budget Recommendation**

- Provides \$3.4 million funding to hospitals for uncompensated care when serving Department of Human Services mental health clients.
  - Includes \$1.4 million from the general fund for additional beds in a crisis stabilization unit for the seriously mental ill.
  - Provides \$939,159 from the general fund for contract services for chemical dependency residential services. Included are services for social detox and crisis mental health.
  - Recommends funding of \$309,128 to expand the residential adult crisis bed capacity.
- Provides inflationary increases to providers of 3.0 percent each year of the biennium with \$54.3 million of which \$25.5 million is from the general fund.
  - Includes 7.00 FTE for Health Care Reform requirements to expand the Medicaid Program and implement various federal regulations.
  - Adds \$10,000 for a grant to the Silver Haired Assembly.
  - Recommends \$1.8 million for capital projects at the State Hospital, to include Joint Commission requirements of testing fire/smoke dampers and replacement of an emergency generator.
  - Enhances the funding to senior service providers by \$300,000 to assist with the costs of providing meals to the elderly.
  - Adds \$104.9 million from the general fund due to the Federal Medical Assistance Percentages (FMAP) decreasing to 55.4 percent.
  - Replaces ARRA federal funding with \$69.3 million from the general fund.
  - Maintains program services authorized by the 2009 Legislature at a cost of \$74.2 million from the general fund.

# REQUEST/RECOMMENDATION COMPARISON SUMMARY

325 Department of Human Services

Bill#: SB2012

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Management	73,568,724	91,493,651	(13,306,934)	(14.5%)	78,186,717	(12,433,777)	(13.6%)	79,059,874
Program and Policy	1,490,155,058	1,970,521,131	234,603,329	11.9%	2,205,124,460	271,429,098	13.8%	2,241,950,229
Human Service Centers	124,511,041	146,717,139	4,457,279	3.0%	151,174,418	18,015,219	12.3%	164,732,358
State Hospital-Traditional	52,979,477	60,050,338	(2,200,242)	(3.7%)	57,850,096	2,157,947	3.6%	62,208,285
State Hospital-Secure Services	10,695,850	10,480,123	230,955	2.2%	10,711,078	784,792	7.5%	11,264,915
Developmental Center	47,781,268	54,102,340	(4,570,434)	(8.4%)	49,531,906	(2,293,093)	(4.2%)	51,809,247
<b>Total Major Programs</b>	<b>1,799,691,418</b>	<b>2,333,364,722</b>	<b>219,213,953</b>	<b>9.4%</b>	<b>2,552,578,675</b>	<b>277,660,186</b>	<b>11.9%</b>	<b>2,611,024,908</b>
<b>By Line Item</b>								
Salaries and Wages	49,381,356	59,416,844	3,444,213	5.8%	62,861,057	7,442,703	12.5%	66,859,547
Operating Expenses	127,556,018	124,195,067	28,028,604	22.6%	152,223,671	29,063,434	23.4%	153,258,501
Capital Assets	2,202,030	1,206,747	(1,068,347)	(88.5%)	138,400	(1,068,347)	(88.5%)	138,400
Capital Assets Carryover	0	30,234,275	(30,234,275)	(100.0%)	0	(30,234,275)	(100.0%)	0
Grants	337,198,306	483,066,261	(610,637)	(0.1%)	482,455,624	3,949,776	0.8%	487,016,037
Human Service Centers / Institutions	234,165,582	270,150,215	(882,717)	(0.3%)	269,267,498	19,864,590	7.4%	290,014,805
Grants-Medical Assistance	1,049,188,126	1,365,095,313	220,537,112	16.2%	1,585,632,425	248,642,305	18.2%	1,613,737,618
<b>Total Line Items</b>	<b>1,799,691,418</b>	<b>2,333,364,722</b>	<b>219,213,953</b>	<b>9.4%</b>	<b>2,552,578,675</b>	<b>277,660,186</b>	<b>11.9%</b>	<b>2,611,024,908</b>
<b>By Funding Source</b>								
General Fund	538,921,324	654,611,574	244,129,222	37.3%	898,740,796	272,752,084	41.7%	927,363,658
Federal Funds	1,161,974,724	1,560,552,211	(20,212,161)	(1.3%)	1,540,340,050	8,805,392	0.6%	1,569,357,603
Special Funds	98,795,370	118,200,937	(4,703,108)	(4.0%)	113,497,829	(3,897,290)	(3.3%)	114,303,647
<b>Total Funding Source</b>	<b>1,799,691,418</b>	<b>2,333,364,722</b>	<b>219,213,953</b>	<b>9.4%</b>	<b>2,552,578,675</b>	<b>277,660,186</b>	<b>11.9%</b>	<b>2,611,024,908</b>
<b>Total FTE</b>	<b>2,223.38</b>	<b>2,216.88</b>	<b>(27.53)</b>	<b>(1.2%)</b>	<b>2,189.35</b>	<b>(20.53)</b>	<b>(0.9%)</b>	<b>2,196.35</b>



## Statutory Authority

North Dakota Centruy Code Chapter 25-01.3.

## Agency Description

The Protection and Advocacy Project (P&A) is governed by a seven-member board with appointments being made by Legislative Council, the Governor, the Mental Health Association in North Dakota, the Arc of North Dakota, and an entity selected by the committee.

Current federal programs include the: 1) Developmental Disabilities Advocacy Program; 2) Mental Health Advocacy Program; 3) Protection and Advocacy for Individual Rights; 4) Assistive Technology Advocacy Program; 5) Protection and Advocacy for Beneficiaries of Social Security; 6) Traumatic Brain Injury Advocacy Program; and 7) the Help American Vote Act.

P&A investigates allegations of abuse, neglect and exploitation of individuals with disabilities. P&A works collaboratively with the Vulnerable Adult Protective Services Program, Child Protective Services, and the Long-Term Care Ombudsman Program. P&A engages in proactive activities such as education and training, self advocacy support, and representation on various state and local committees and task forces.

## Major Accomplishments

1. Implemented a centralized intake process for new referrals and reports in August 2009. This has lead to greater consistency in the application of federal eligibility and case selection criteria. P&A is able to be more immediately responsive to requests for services since someone is always available to receive calls. Central intake staff provides the bulk of information and referral services. As a result, regional disabilities advocates have more time and resources to devote to advocacy and protective services. This also works well in conjunction with P&A's after-hours on-call service.
2. Worked collaboratively and effectively with the Developmental Disabilities (DD) Division of the Department of Human Services, as well as DD service providers, to implement statewide 'serious events' reporting as required of the state by CMS. This is seen as an important quality assurance component for the service delivery system for people with developmental disabilities.
3. Played a key role in development and promotion of the 6th Annual AT Expo in Fargo. This is an annual conference that provides a public forum/educational opportunity for increased awareness of assistive technology and its role in making the community more accessible in learning, home, and work environments. The 2009 AT Expo had the highest attendance numbers to date – there were over 500 participants, and 58 AT device or service vendors.
4. Along with the North Dakota Center for Persons with Disabilities and the state DD Council, P&A was the subject of a federal monitoring by the Administration on DD in May 2009. Collaboratively known as the North Dakota Developmental

Disabilities Network (NDDDN), the three agencies worked effectively to educate the visiting team about North Dakota through an electronic pre-site visit in February of the same year. The Monitoring and Technical Assistance Review System (MTARS) went well for P&A. While there were some recommendations, no compliance issues were found and a number of compliments and strengths were noted.

5. Organized Legislative Working Committees (LWCs) across the state during the 2009 Legislative Session. The LWC is considered "the pipeline" for people with disabilities, family members, and advocates to network and to receive information about disability-related legislation. The groups met weekly during the Session. Facilitators reviewed new bills introduced, the status of pending bills, and upcoming hearing schedules. Participants were encouraged to express their individual experiences and views to legislators and received support and assistance, upon request, with contacting their individual legislators or with preparing testimony. P&A played a significant role in organizing the groups as well as with information dissemination.
6. Tracked 179 bills during the 2009 session that had a potential impact on individuals with disabilities and their families. These included bills related to: North Dakota Department of Human Services funding and services, traumatic brain injury, the State Developmental Center and State Hospital, tax credits and exemptions, housing; dementia, transition-aged youth, veterans services, educational services (K-12), accessibility, health care, discrimination, legal services, professional licensure, privacy, voting, long-term care, dental services, transportation, prescriptions, service animals, and mental health commitments. Ninety e-mails were sent out during the session with this information. Initially 41 individuals were on the distribution list but the number quickly grew to a total of 184, many of whom passed the information on to their membership or other organizations. The 'Legislative Grid' (table of the tracked bills) included "hot links" to internet postings of bills, amendments, engrossments, and fiscal notes. Information was also provided to help individuals understand the Legislative process and how to advocate in a variety of ways. This project is especially valuable to individuals who do not reside in Bismarck. They received up-to-date information one to three times/week, including notes from hearings of special interest. As a result, self-advocates from outlying communities came to Bismarck to testify during 'public comment' on the Department of Human Services budget. They advocated for areas of particular concern to them such as funding for Mental Health Peer Support, Extended Services, and salary increases for developmental disabilities service provider staff. There was also support for new initiatives including traumatic brain injury services and a task force for autism spectrum disorder.

## Executive Budget Recommendation

- Recommends budget as requested.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

360 Protection and Advocacy

Bill#: SB2014

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Protection and Advocacy Program	3,628,139	4,713,318	205,999	4.4%	4,919,317	425,935	9.0%	5,139,253
<b>Total Major Programs</b>	<b>3,628,139</b>	<b>4,713,318</b>	<b>205,999</b>	<b>4.4%</b>	<b>4,919,317</b>	<b>425,935</b>	<b>9.0%</b>	<b>5,139,253</b>
<b>By Line Item</b>								
Protection and Advocacy Services	3,628,139	4,713,318	205,999	4.4%	4,919,317	425,935	9.0%	5,139,253
<b>Total Line Items</b>	<b>3,628,139</b>	<b>4,713,318</b>	<b>205,999</b>	<b>4.4%</b>	<b>4,919,317</b>	<b>425,935</b>	<b>9.0%</b>	<b>5,139,253</b>
<b>By Funding Source</b>								
General Fund	929,107	1,725,815	74,614	4.3%	1,800,429	294,550	17.1%	2,020,365
Federal Funds	2,699,032	2,987,503	131,385	4.4%	3,118,888	131,385	4.4%	3,118,888
Special Funds	0	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>3,628,139</b>	<b>4,713,318</b>	<b>205,999</b>	<b>4.4%</b>	<b>4,919,317</b>	<b>425,935</b>	<b>9.0%</b>	<b>5,139,253</b>
<b>Total FTE</b>	<b>27.50</b>	<b>28.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>28.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>28.50</b>

**Statutory Authority**

North Dakota Century Code Chapters 52-01 through 52-11.

**Agency Description**

Job Service North Dakota (JSND) is responsible for administering many state and federal employment programs including the state and federal unemployment insurance program, providing labor market information, delivering workforce training and reemployment programs and providing specific services to targeted workforce sectors.

**Major Accomplishments**

1. Partnered in the development of the North Dakota Workforce Development and Training Strategic Plan. This plan is intended to be a catalyst for strategic state agency, partner and stakeholder education, workforce development and workforce training efforts by providing common direction, strategic areas of emphasis, and priorities for making decisions regarding the use of limited federal, state and local resources. JSND's agency budget aligns with the direction and flow of the plan.
2. Received the US Department of Labor (USDOL) Unemployment Insurance (UI) State Performance Excellence Awards. These awards are given to the top performers nationwide in key areas of state UI operations. In 2009, the JSND UI program was the recipient of multiple national awards, including first place for outstanding program performance in the following categories:
  - It was the fourth year in a row JSND had won the Timely and High Quality Appeals award.
  - Timely and high-quality appeals decisions;
  - Timely, proper, and high quality eligibility decisions and benefits payments.
  - High quality tax operations.
3. Received the Pinnacle Award, recognizing the highest achievement in performance nationwide, across all categories.
4. Maintained North Dakota's career website, jobsnd.com, which continues to be the tool of choice for connecting job seekers with employers. Jobsnd.com receives on average over 100,000 visits per week, the majority of which are job seekers. It is estimated that over 95 percent of the jobs available in North Dakota are captured and listed on jobsnd.com. A great deal of this success is due to enhanced online labor exchange services, including a feature referred to as job spidering.
5. Assisted job seekers and employers by providing the best and most current labor market information in the state through the Labor Market Information (LMI)

- Center. Of particular mention is the Quarterly Census of Employment and Wages (QCEW), which provides detailed employment and wage information.
6. Continued to search for new and innovative ways to modernize JSND technology systems. With regard to UI, North Dakota is currently participating in the AWIN consortium (Arizona, Wyoming, Idaho and North Dakota), which is a group of states that have joined together to develop a common UI and Tax Benefit system. Other accomplishments in the Information Technology (IT) area include mainframe replacement (completion date November 7, 2010), extended benefits, appeals UI/EASY enhancements, Virtual One Stop system (VOS) upgrade, and legislative changes for employer reporting.
  7. Provided financial assistance for training workers through Workforce 20/20, to help employers offset the cost of upgrading workforce skills. For the program year ended June 30, 2010, JSND provided training to 809 individuals.
  8. Received \$5.1 million of funding under the American Recovery and Reinvestment Act of 2009 (ARRA) for WIA Adult, Dislocated Worker (DWR), and Youth Training and Work Experience programs. Seventy-seven percent of this funding was spent on training and work experience for these three groups in the following areas:
    - Adult: 180 Participants in Training; 44 different occupations;
    - DWR: 108 Participants in Training; 41 different occupations;
    - Youth: 81 Participants in Training; 34 different Occupations; and
    - Youth Work Experience: 648 Participants in Work Experience, 114 different occupations.

**Executive Budget Recommendation**

- Provides \$1.5 million in one-time federal ARRA carryover funding for administering the unemployment insurance program.
- Increases federal fund authority by \$6.9 million for the continuing development of the unemployment insurance system modernization project, which is being conducted as part of a consortium with Arizona, Wyoming, and Idaho.
- Authorizes \$1.0 million in federal fund authority for the agency's portion of the state-wide project to build a comprehensive education and workforce longitudinal data system.
- Provides \$300,000 from the general fund to continue the job spidering online employment search tool.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

380 Job Service North Dakota  
Biennium: 2011-2013

Bill#: HB1016

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Job Service	48,176,764	71,859,463	(4,552,923)	(6.3%)	67,306,540	137,235	0.2%	71,996,698
<b>Total Major Programs</b>	<b>48,176,764</b>	<b>71,859,463</b>	<b>(4,552,923)</b>	<b>(6.3%)</b>	<b>67,306,540</b>	<b>137,235</b>	<b>0.2%</b>	<b>71,996,698</b>
<b>By Line Item</b>								
Salaries and Wages	28,787,713	35,968,336	(2,543,263)	(7.1%)	33,425,073	(697,752)	(1.9%)	35,270,584
Operating Expenses	11,083,987	11,224,804	1,137,866	10.1%	12,362,670	2,473,866	22.0%	13,698,670
Capital Assets	11,920	20,000	0	0.0%	20,000	0	0.0%	20,000
Grants Benefits and Claims	6,997,693	8,438,220	(861,936)	(10.2%)	7,576,284	(861,936)	(10.2%)	7,576,284
Work Force 2000	1,259,326	1,512,491	10,022	0.7%	1,522,513	18,669	1.2%	1,531,160
Reed Act - Unemployment	36,125	5,515,586	6,884,414	124.8%	12,400,000	6,884,414	124.8%	12,400,000
Federal Stimulus Funds 2009	0	9,180,026	(9,180,026)	(100.0%)	0	(7,680,026)	(83.7%)	1,500,000
<b>Total Line Items</b>	<b>48,176,764</b>	<b>71,859,463</b>	<b>(4,552,923)</b>	<b>(6.3%)</b>	<b>67,306,540</b>	<b>137,235</b>	<b>0.2%</b>	<b>71,996,698</b>
<b>By Funding Source</b>								
General Fund	1,508,294	1,567,532	1,590	0.1%	1,569,122	312,360	19.9%	1,879,892
Federal Funds	46,276,089	68,775,153	(3,539,487)	(5.1%)	65,235,666	824,929	1.2%	69,600,082
Special Funds	392,381	1,516,778	(1,015,026)	(66.9%)	501,752	(1,000,054)	(65.9%)	516,724
<b>Total Funding Source</b>	<b>48,176,764</b>	<b>71,859,463</b>	<b>(4,552,923)</b>	<b>(6.3%)</b>	<b>67,306,540</b>	<b>137,235</b>	<b>0.2%</b>	<b>71,996,698</b>
<b>Total FTE</b>	<b>308.00</b>	<b>284.05</b>	<b>(22.29)</b>	<b>(7.8%)</b>	<b>261.76</b>	<b>(22.29)</b>	<b>(7.8%)</b>	<b>261.76</b>

**Statutory Authority**

North Dakota Century Code Title 26.1.

**Agency Description**

The North Dakota Insurance Department is a state regulatory agency headed by the Insurance Commissioner. The department is made up of seven main divisions: Legal and Enforcement, Property and Casualty, Life and Health, Consumer Assistance, Examinations and Company Licensing, Agent Licensing, Administration and Special Funds. The department employs 45.50 full-time staff members. All fees and fines paid by companies or agents are deposited into the insurance regulatory trust fund, from which the money to operate the office is appropriated by the North Dakota Legislative Assembly.

**Major Accomplishments**

1. Completed conversion to new web-based case management called State Based Systems (SBS) for consumer assistance, inquiry, complaints, enforcement, fraud, company licensing and producer licensing.
2. Provided consumer relief of \$954,617 through the consumer assistance hotline calls.
3. Provided \$12.9 million in consumer relief through the State Health Insurance Counseling (SHIC) program and Prescription Connection.
4. Closed out 539 agent and company complaints resulting in \$1.9 million in consumer relief.
5. Published online consumer education information about the Patient Protection and Affordable Care Act, including an implementation timeline, a glossary and frequently-asked questions.
6. Redesigned the department's website to simplify navigation and usability. The website's code was also updated to minimize hacking risk.
7. Introduced a new logo featuring a shield icon, emphasizing its mission of consumer protection.
8. Conducted a ground-breaking health insurance study across the state, called Choosing Healthplans All Together (CHAT).
9. Created a television public service announcement to reach consumers having trouble in the donut hole.
10. Received recognition as the SHIC program was named number one in the nation for 2008 and 2009 by the Centers for Medicare and Medicaid Services (CMS). The ranking is based on performance criteria.

11. Developed two free SHIC consumer education events, one focusing on Medicare/turning 65 and the other focusing on long-term care insurance.
12. Rolled out new computer equipment and peripherals to staff.
13. Investigated 62 insurance fraud cases and 24 enforcement cases.
14. Completed the placement of catastrophic (reinsurance) for fire and tornado fund policyholders.
15. Provided low-cost insurance through the fire and tornado fund to approximately 1,082 state entities and political subdivisions.
16. Completed rulemaking in 18 chapters of North Dakota Administrative Code to adopt changes that improve regulation of insurers.
17. Implemented statute changes in the renewal process for insurance producer licenses in accordance with national uniformity standards.
18. Collected additional renewal fees of \$1.7 million based on a special project to identify unreported retaliatory fees.
19. Implemented a risk-focused surveillance approach in conducting financial examinations to improve ongoing monitoring of the financial condition of insurers.
20. Completed 15 market analyses per year to identify general market disruptions and specific market conduct problems before they harm consumers.
21. Collected and deposited into the general fund, \$65.0 million of premium tax and transferred \$7.3 million from the insurance regulatory trust fund to the general fund.

**Executive Budget Recommendation**

- Continues grants to fire districts at \$6.2 million from the insurance tax distribution fund.
- Continues grants to the North Dakota Firefighters Association at \$790,000, \$620,000 from the insurance tax distribution fund and \$170,000 from the fire and tornado fund.
- Provides \$2.5 million, \$2.0 million from federal funds and \$500,000 from the insurance regulatory trust fund, for enhanced insurance premium rate review activities relating to health care reform. Included is the authority for 5.00 additional FTE and one temporary position, along with related operating and approximately \$1.0 million for contracted consultant services.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

401 Office of the Insurance Commissioner

Bill#: SB2010

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Grants To Local Fire Departments	6,320,000	6,820,000	0	0.0%	6,820,000	0	0.0%	6,820,000
Regulatory and Administration	7,094,749	8,896,800	(145,541)	(1.6%)	8,751,259	2,720,348	30.6%	11,617,148
<b>Total Major Programs</b>	<b>13,414,749</b>	<b>15,716,800</b>	<b>(145,541)</b>	<b>(0.9%)</b>	<b>15,571,259</b>	<b>2,720,348</b>	<b>17.3%</b>	<b>18,437,148</b>
<b>By Line Item</b>								
Salaries and Wages	4,910,006	6,468,536	29,459	0.5%	6,497,995	1,209,059	18.7%	7,677,595
Operating Expenses	2,014,743	2,063,264	0	0.0%	2,063,264	1,636,289	79.3%	3,699,553
Capital Assets	0	170,000	(150,000)	(88.2%)	20,000	(100,000)	(58.8%)	70,000
Technology Project Carryover	0	25,000	(25,000)	(100.0%)	0	(25,000)	(100.0%)	0
Grants to Fire Districts	6,490,000	6,990,000	0	0.0%	6,990,000	0	0.0%	6,990,000
<b>Total Line Items</b>	<b>13,414,749</b>	<b>15,716,800</b>	<b>(145,541)</b>	<b>(0.9%)</b>	<b>15,571,259</b>	<b>2,720,348</b>	<b>17.3%</b>	<b>18,437,148</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	497,256	636,296	176,453	27.7%	812,749	2,225,417	349.7%	2,861,713
Special Funds	12,917,493	15,080,504	(321,994)	(2.1%)	14,758,510	494,931	3.3%	15,575,435
<b>Total Funding Source</b>	<b>13,414,749</b>	<b>15,716,800</b>	<b>(145,541)</b>	<b>(0.9%)</b>	<b>15,571,259</b>	<b>2,720,348</b>	<b>17.3%</b>	<b>18,437,148</b>
<b>Total FTE</b>	<b>46.50</b>	<b>45.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>45.50</b>	<b>5.00</b>	<b>11.0%</b>	<b>50.50</b>

**Statutory Authority**

North Dakota Century Code 4-36, 6-09.4, 17-05, 23-29-07.6, 38-08, 38-08.1, 38-12, 38-14.1, 38-15, 38-19, 38-22, 49-24, 54-17, 54-17.2, 54-17.3, 54-17.6, 54-17.7, 54-17-34, 54-17-38, 54-63 and 57-61-01.5.

**Agency Description**

The Industrial Commission (IC) budget is comprised of three agencies including the Administrative Office, the Public Finance Authority (PFA), and the Department of Mineral Resources (DMR), which includes the Oil and Gas Division (OGD) and the Geological Survey (GS).

The Administrative Office coordinates the activities of the agencies overseen by the IC. The office is the contracting office for the Lignite, Oil and Gas, and Renewable Energy Research Programs. Funding for the Renewable Energy Program is a line item in this budget. This office is the primary contact for the Building Authority.

The DMR consists of the GS and OGD. The DMR is the primary source of information regarding the geology of ND and is responsible for regulating all facets of petroleum production through enforcement of statutes, rules and regulations of the IC with regards to permitting of wells, establishing well spacing for producing reservoirs, inspection of facilities, approving enhanced oil recovery operations, ensuring proper plugging and site reclamation of all wells, and conducting hearings on oil and gas matters in a manner that will be most beneficial to the producer, royalty owner and all citizens of the state. The DMR maintains the state's core and sample library in Grand Forks, coordinates the State Fossil Collection, and disseminates geological information via the internet, maps, publications, presentations, tours and field trips. The DMR has statutory regulatory responsibilities for subsurface minerals, underground injection, carbon dioxide underground storage, oil well cores and samples, coal exploration drilling, geothermal drilling and paleontological resources.

The PFA provides market and below market loans to political subdivisions through the purchase and holding of eligible securities and provides financial services in connection with the administration and management of the State Revolving Fund Program as the financial agent for the State Health Department.

**Major Accomplishments**

1. Helped coordinate the activities of the Pipeline Authority during an unprecedented level of activity.
2. Provided information on current pipeline construction activities through newsletters, webinars and presentations.
3. Developed criteria for analyzing transmission projects seeking financing by the issuance of Transmission Authority bonds.

4. Published 79 articles, maps and reports on ND geology including the Bakken and Three Forks Formations; issued 188 geothermal, coal exploration and subsurface mineral permits; completed a new fossil exhibit at the Cowboy Hall of Fame; reboxed 2,800 core boxes and 15,000 sample boxes; lifted more than 3,870 tons of rock core in the core and sample library; field tested 2,044 observation wells in 30 counties for shallow gas (methane) and participated in four public fossil digs each summer.
5. Dealt with an increasing workload with the state experiencing record oil and gas production of over 321,000 barrels of oil per day, the highest level of drilling rig activity with the issuance of 1,014 well permits and a record setting number of cases heard (1,598) with orders issued and 21 seismic projects permitted. Completed an assessment of the oil potential of the Three Forks Formation in North Dakota. Enhanced royalty owner access. Co-sponsored the 2010 Williston Basin Petroleum Conference & Expo in Bismarck that drew a record setting 2,700 attendees.

**Executive Budget Recommendation**

- Funds 2.00 FTE and related operating costs that were a part of a contingent appropriation subsequently approved by the Emergency Commission during the 2009-11 biennium with \$319,219 from the general fund.
- Provides \$255,819 from the general fund for market salary adjustments targeted for recruitment and retention of geologist and engineer positions.
- Authorizes 1.00 FTE and \$192,393 from the general fund for a petroleum engineer field inspector and related operating expenses.
- Authorizes \$808,311 from the general fund for 6.00 FTE engineering technician field inspectors, to be hired incrementally throughout the biennium, and related operating costs.
- Provides \$179,593 from the general fund for 1.00 FTE engineering technician measurement specialist and related operating expenses.
- Authorizes \$118,503 from the general fund for 1.00 FTE production analyst and related operating expenses.
- Provides \$212,739 from the general fund for 1.00 FTE geologist and related operating costs for the subsurface minerals program.
- Transfers \$3.0 million in one-time dollars from the general fund to the renewable energy development fund to continue renewable energy research, development, and education programs.
- Provides \$115,000 in one-time general fund dollars to complete various studies related to the oil and gas industry that were started in the 2009-11 biennium.
- Provides \$62,400 in one-time dollars from the general fund to prepare fossil specimens for transfer to a new lab in the expanded Heritage Center.
- Allows \$158,317 from the general fund for operating expense inflationary adjustments.

# REQUEST/RECOMMENDATION COMPARISON SUMMARY

405 Industrial Commission  
Biennium: 2011-2013

Bill#: HB1014

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	40,555,073	51,278,498	(5,498,710)	(10.7%)	45,779,788	(2,479,861)	(4.8%)	48,798,637
Office of Mineral Resources	8,844,017	11,644,707	(619,490)	(5.3%)	11,025,217	2,536,406	21.8%	14,181,113
Public Finance Authority	341,474	670,033	(39,109)	(5.8%)	630,924	(16,006)	(2.4%)	654,027
<b>Total Major Programs</b>	<b>49,740,564</b>	<b>63,593,238</b>	<b>(6,157,309)</b>	<b>(9.7%)</b>	<b>57,435,929</b>	<b>40,539</b>	<b>0.1%</b>	<b>63,633,777</b>
<b>By Line Item</b>								
Salaries and Wages	7,383,240	10,015,497	(503,931)	(5.0%)	9,511,566	1,829,110	18.3%	11,844,607
Operating Expenses	1,898,259	2,715,576	(101,639)	(3.7%)	2,613,937	763,168	28.1%	3,478,744
Capital Assets	255,544	49,000	(49,000)	(100.0%)	0	(49,000)	(100.0%)	0
Grants	8,654,871	19,971,300	0	0.0%	19,971,300	0	0.0%	19,971,300
Grants-Fossil Excavation	250,000	0	0	0.0%	0	0	0.0%	0
Bond Payments	28,268,350	27,441,865	(2,102,739)	(7.7%)	25,339,126	(2,102,739)	(7.7%)	25,339,126
State Facility Lignite Proj	0	400,000	(400,000)	(100.0%)	0	(400,000)	(100.0%)	0
Biomass Incentive Research	30,300	0	0	0.0%	0	0	0.0%	0
Renewable Energy Dev	3,000,000	3,000,000	(3,000,000)	(100.0%)	0	0	0.0%	3,000,000
<b>Total Line Items</b>	<b>49,740,564</b>	<b>63,593,238</b>	<b>(6,157,309)</b>	<b>(9.7%)</b>	<b>57,435,929</b>	<b>40,539</b>	<b>0.1%</b>	<b>63,633,777</b>
<b>By Funding Source</b>								
General Fund	11,547,565	14,275,254	(3,513,522)	(24.6%)	10,761,732	2,642,374	18.5%	16,917,628
Federal Funds	266,250	254,246	9,239	3.6%	263,485	9,239	3.6%	263,485
Special Funds	37,926,749	49,063,738	(2,653,026)	(5.4%)	46,410,712	(2,611,074)	(5.3%)	46,452,664
<b>Total Funding Source</b>	<b>49,740,564</b>	<b>63,593,238</b>	<b>(6,157,309)</b>	<b>(9.7%)</b>	<b>57,435,929</b>	<b>40,539</b>	<b>0.1%</b>	<b>63,633,777</b>
<b>Total FTE</b>	<b>55.37</b>	<b>61.06</b>	<b>(1.00)</b>	<b>(1.6%)</b>	<b>60.06</b>	<b>12.00</b>	<b>19.7%</b>	<b>73.06</b>



**Statutory Authority**

North Dakota Century Code Chapters 14-02.4, 14-02.5, 34-05, 34-06, 34-06.1, 34-07, 34-12, 34-13, 34-14, and Sections 34-01-20 and 34-08-14.

**Agency Description**

The Department of Labor is responsible for administering statutory provisions relating to labor standards, wages and hours, child labor, labor-management relations, and human rights issues.

The Department is responsible for improving working and living conditions of employees and advance the opportunities for employment; foster, promote, and develop the welfare of wage earners and industries in the state; promote cooperative relations between employers and employees; cooperate with other governmental agencies to encourage the development of new and existing industries; represent the state in dealings with the U.S. Department of Labor, with the federal mediation and conciliation service, and the U.S. veteran's administration with regard to job training programs; acquire and provide information on subjects connected with labor, relations between employers and employees, hours of labor, and working conditions; encourage and assist in the adoption of practical methods of vocational training, retraining, and vocational guidance.

The Department of Labor is also responsible for receiving and investigating complaints of discrimination; adopting rules necessary to implement the chapters; fostering prevention of discrimination through education; emphasizing conciliation

to resolve complaints; publishing, in even-numbered years, a written report recommending legislative or other action to carry out the purposes of the chapters; and conducting studies relating to the nature and extent of discriminatory practices in the state.

**Major Accomplishments**

1. Maintained a stabilized caseload in all areas.
2. Provided human rights related training for agency staff.
3. Attended training and policy conferences sponsored by the Equal Opportunity Commission and the Department of Housing and Urban Development each year.
4. Attended training at the National Fair Housing Training Academy.
5. Televised a public service announcement regarding housing discrimination to help educate the public and create awareness of the Human Rights Division.
6. Updated agency brochures and began the process of redesigning the department's website.
7. Promulgated administrative rules for the Human Rights Act and the Housing Discrimination Act.
8. Provided numerous educational presentations across the state.

**Executive Budget Recommendation**

- Recommends the base budget as submitted by the agency.
- Provides general and federal fund authority to support the current FTE level and operations of the agency.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

406 Office of the Labor Commissioner

Bill#: SB2007

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Office of Labor Commissioner	1,514,956	1,834,334	42,259	2.3%	1,876,593	130,302	7.1%	1,964,636
<b>Total Major Programs</b>	<b>1,514,956</b>	<b>1,834,334</b>	<b>42,259</b>	<b>2.3%</b>	<b>1,876,593</b>	<b>130,302</b>	<b>7.1%</b>	<b>1,964,636</b>
<b>By Line Item</b>								
Salaries and Wages	1,227,432	1,532,004	28,295	1.8%	1,560,299	116,338	7.6%	1,648,342
Operating Expenses	287,524	302,330	13,964	4.6%	316,294	13,964	4.6%	316,294
<b>Total Line Items</b>	<b>1,514,956</b>	<b>1,834,334</b>	<b>42,259</b>	<b>2.3%</b>	<b>1,876,593</b>	<b>130,302</b>	<b>7.1%</b>	<b>1,964,636</b>
<b>By Funding Source</b>								
General Fund	1,116,324	1,421,583	30,500	2.1%	1,452,083	118,542	8.3%	1,540,125
Federal Funds	398,632	412,751	11,759	2.8%	424,510	11,760	2.8%	424,511
Special Funds	0	0	0	0.0%	0	0	0.0%	0
<b>Total Funding Source</b>	<b>1,514,956</b>	<b>1,834,334</b>	<b>42,259</b>	<b>2.3%</b>	<b>1,876,593</b>	<b>130,302</b>	<b>7.1%</b>	<b>1,964,636</b>
<b>Total FTE</b>	<b>11.00</b>	<b>12.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>12.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>12.00</b>

**Statutory Authority**

ND Constitution Article V, Sections 2 and 5; Article XII, Section 13; North Dakota Century Code Chapters 19-01, 24-01, 24-09, 36-05, 38-14.1, 38-14.2, 38-18, 40-05, 40-33, 40-34, 51-05.1, 54-06, 54-44.8, 57-61; Title 49 (except Chapter 49-16), Title 60 (except Chapter 60-01) and Title 64.

**Agency Description**

The Public Service Commission is a constitutional agency with varying degrees of statutory authority over electric and gas utilities, telecommunication companies, energy generation plant and transmission line siting, railroads, grain elevators, auctioneers and auction clerks, weighing and measuring devices, pipeline safety and coal mine reclamation. The Commission is comprised of three Commissioners who are elected on a state-wide basis to staggered six year terms.

**Major Accomplishments**

1. Processed 1,843 cases, approximately two-thirds of which were closed within 60 days.
2. Secured \$766,350 in American Recovery and Reinvestment Act (ARRA) funds to hire full-time positions to assist the public utilities division.
3. Processed electric rate increase applications for both Otter Tail Power Company and Montana-Dakota Utilities Company.
4. Began tracking renewable and recycled energy production to comply with North Dakota's energy renewable objective of 10 percent by 2015.
5. Approved the recovery of Otter Tail Power Company's wind farms.
6. Permitted an additional 5,438 acres for surface coal mining and reclamation operations during the 2007-09 biennium.
7. Granted eight final bond release applications for 3,423 acres.
8. Located and filled underground mine voids beneath roads and near homes east of Williston.
9. Backfilled and eliminated steep surface mine highwalls south of Columbus and west of Hazen.
10. Filled dangerous sink holes from pre-reclamation law mines at numerous locations in western North Dakota.
11. Tested 22,209 weighing and measuring devices.

12. Completed 232 grain warehouse and 33 roving grain buyer inspections, and 76 capacity calculation visits for new construction and added storage sites.
13. Approved 280 grain warehouse capacity increase requests and 152 grain warehouse capacity decrease requests.
14. Granted 44 grain warehouse or facility-based grain buyer requests to discontinue business.
15. Issued 43 new grain warehouse or facility-based grain buyer licenses.
16. Renewed approximately 800 grain warehouse or facility-based grain buyer licenses and approximately 140 roving grain buyer licenses.
17. Issued 794 auctioneer licenses and 454 auction clerk and bank clerk licenses.
18. Involved in five grain warehouse or grain buyer insolvencies.
19. Reached the six million dollar cap in the credit-sale contract indemnity fund.
20. Administered Qwest's Performance Assurance Plan fund for collecting funds from the Qwest Corp. when it fails to meet certain performance standards. The funds are then used to conduct audits of the reported results.
21. Continued participation in a new regional regulatory organization known as the Organization of Midwest States (OMS) Independent System Operator States.
22. Worked through the OMS with 14 other Midwestern state regulatory agencies and other stakeholders to develop a regional cost allocation proposal for new electric transmission projects that is now pending federal approval before the Federal Energy Regulatory Commission.
23. Continued participation with regional Governors and regulatory agency members of the Upper Midwest Transmission Development Initiative regarding electric transmission development issues within a five state local region consisting of ND, SD, MN, WI and IA.

**Executive Budget Recommendation**

- Provides \$658,217 in carryover federal ARRA funding to manage the increase in electricity-related regulatory activity.
- Includes a \$1.5 million increase in federal fund authority for abandoned mine reclamation.

# REQUEST/RECOMMENDATION COMPARISON SUMMARY

408 Public Service Commission

Bill#: SB2008

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	2,250,888	2,718,934	161,409	5.9%	2,880,343	287,100	10.6%	3,006,034
Testing, Licensing and Certification	1,567,175	2,776,941	(106,703)	(3.8%)	2,670,238	(40,078)	(1.4%)	2,736,863
Public Utilities	1,036,362	2,055,716	(789,330)	(38.4%)	1,266,386	(71,137)	(3.5%)	1,984,579
Reclamation Programs	5,542,273	9,553,166	1,665,365	17.4%	11,218,531	1,801,221	18.9%	11,354,387
<b>Total Major Programs</b>	<b>10,396,698</b>	<b>17,104,757</b>	<b>930,741</b>	<b>5.4%</b>	<b>18,035,498</b>	<b>1,977,106</b>	<b>11.6%</b>	<b>19,081,863</b>
<b>By Line Item</b>								
Salaries and Wages	5,504,289	6,855,961	237,965	3.5%	7,093,926	626,113	9.1%	7,482,074
Operating Expenses	1,500,344	1,944,946	27,626	1.4%	1,972,572	27,626	1.4%	1,972,572
Capital Assets	68,174	127,500	(74,500)	(58.4%)	53,000	(74,500)	(58.4%)	53,000
Grants	8,000	10,000	6,000	60.0%	16,000	6,000	60.0%	16,000
AML Contractual Services	3,315,891	6,500,000	1,500,000	23.1%	8,000,000	1,500,000	23.1%	8,000,000
Rail Rate Complaint Case	0	900,000	0	0.0%	900,000	0	0.0%	900,000
Federal Stimulus Funds 2009	0	766,350	(766,350)	(100.0%)	0	(108,133)	(14.1%)	658,217
<b>Total Line Items</b>	<b>10,396,698</b>	<b>17,104,757</b>	<b>930,741</b>	<b>5.4%</b>	<b>18,035,498</b>	<b>1,977,106</b>	<b>11.6%</b>	<b>19,081,863</b>
<b>By Funding Source</b>								
General Fund	4,467,920	5,676,165	93,389	1.6%	5,769,554	344,050	6.1%	6,020,215
Federal Funds	5,782,189	10,403,592	837,352	8.0%	11,240,944	1,633,056	15.7%	12,036,648
Special Funds	146,589	1,025,000	0	0.0%	1,025,000	0	0.0%	1,025,000
<b>Total Funding Source</b>	<b>10,396,698</b>	<b>17,104,757</b>	<b>930,741</b>	<b>5.4%</b>	<b>18,035,498</b>	<b>1,977,106</b>	<b>11.6%</b>	<b>19,081,863</b>
<b>Total FTE</b>	<b>41.00</b>	<b>43.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>43.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>43.00</b>

## Statutory Authority

North Dakota Century Code Chapters 2-05, 2-06, 54-40.5, 57-43.3.

## Agency Description

The Aeronautics Commission encourages the establishment and maintenance of airports and navigational facilities, cooperates with federal and local governments in the development and coordination of all aeronautical activities, and represents the state and industry in all matters relating to aeronautical activities.

## Major Accomplishments

1. Provided technical and financial assistance to the 89 public owned airports across the state.
2. Coordinated financial assistance through the FAA/State Capital Improvement Plan for 54 federal airports in North Dakota which belong to the National Plan of Integrated Systems (NPIAS).
3. Provided grants, through the Air Carrier Grant Program, totaling \$2.4 million and grants, through the General Aviation Grant Programs totaling \$1.8 million.
4. Provided grants to community airports to not only make runway/taxiway and pavement improvements, but to purchase snow removal equipment and buildings to provide shelter to the snow removal equipment plus other grounds repair and grooming equipment.
5. Updated the North Dakota Aviation System Plan.
6. Developed the Flight Instructor Assistance Program (FTAP) to offer to rural public use airports not served by an active flight instructor to help defray the cost of flight instructors' travel to and from their airports. This program provided a means for airports to train new pilots at their airports by defraying the costs of bringing in a flight instructor from elsewhere.
7. Continued the Air Carrier Intern Program for the eight communities that have airline service. This program provided \$4,000 to each airport that wanted to create an internship for airport management.
8. Initiated the Airport Passport Program to encourage pilots to visit all of the state's airports.

9. Initiated a program to enable high school teachers to learn aviation fundamentals in their schools.
10. Served as the Governor's coordinator of the "Real World Design Challenge" encouraging high school students to pursue careers in science, technology, engineering and math related fields.
11. Distributed the "Imagine Being A Pilot" brochure that is focused on the sixth grade age group.
12. Provided, in partnership with the air carrier airport management, marketing grants and information on many air service expansion programs in all eight airline serviced communities which increased airline boardings to all-time record numbers in each community.
13. Created the National Essential Air Service (EAS) Domestic Market Report which was disseminated to the states and was used to prepare national policy related to air service to isolated rural areas across the United States.
14. Developed a new State Aviation System Plan to evaluate airport system safety and security, ground accessibility, air access, support of state's economy and preserve airport infrastructure.
15. Coordinated nationwide broadcast of information from the Automated Weather Observation System (AWOS) that reports wind speed, current weather, ceiling and visibility to increase air flight safety.
16. Educated 89 public airport sponsors through airport inspections, training conferences, safety and security information, federal grant assurances, and community meetings.

## Executive Budget Recommendation

- Provides \$330,000 for runway rejuvenation, terminal construction, and wildlife fencing at the International Peace Garden airport, of which \$313,500 is from federal funds and \$16,500 is from special funds.
- Provides a total of \$9.0 million in airport and education grants, of which \$5.4 million is from special funds, \$3.0 million is from federal funds, and \$550,000 is from the general fund.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

412 Aeronautics Commission

Bill#: HB1006

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Regulatory and Administration	720,220	1,502,666	197,386	13.1%	1,700,052	250,022	16.6%	1,752,688
Airport Development and Maintenance	5,956,730	11,430,000	(549,000)	(4.8%)	10,881,000	(549,000)	(4.8%)	10,881,000
<b>Total Major Programs</b>	<b>6,676,950</b>	<b>12,932,666</b>	<b>(351,614)</b>	<b>(2.7%)</b>	<b>12,581,052</b>	<b>(298,978)</b>	<b>(2.3%)</b>	<b>12,633,688</b>
<b>By Line Item</b>								
Salaries and Wages	529,797	901,234	51,769	5.7%	953,003	104,405	11.6%	1,005,639
Operating Expenses	3,383,251	1,841,432	416,617	22.6%	2,258,049	416,617	22.6%	2,258,049
Capital Assets	87,866	400,000	(70,000)	(17.5%)	330,000	(70,000)	(17.5%)	330,000
Grants	2,676,036	9,790,000	(750,000)	(7.7%)	9,040,000	(750,000)	(7.7%)	9,040,000
<b>Total Line Items</b>	<b>6,676,950</b>	<b>12,932,666</b>	<b>(351,614)</b>	<b>(2.7%)</b>	<b>12,581,052</b>	<b>(298,978)</b>	<b>(2.3%)</b>	<b>12,633,688</b>
<b>By Funding Source</b>								
General Fund	550,000	550,000	0	0.0%	550,000	0	0.0%	550,000
Federal Funds	2,878,735	5,247,000	(551,000)	(10.5%)	4,696,000	(551,000)	(10.5%)	4,696,000
Special Funds	3,248,215	7,135,666	199,386	2.8%	7,335,052	252,022	3.5%	7,387,688
<b>Total Funding Source</b>	<b>6,676,950</b>	<b>12,932,666</b>	<b>(351,614)</b>	<b>(2.7%)</b>	<b>12,581,052</b>	<b>(298,978)</b>	<b>(2.3%)</b>	<b>12,633,688</b>
<b>Total FTE</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>6.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>6.00</b>

## **Statutory Authority**

North Dakota Century Code Titles 6, 7, 13 and 51.

## **Agency Description**

The Department of Financial Institutions is a self-funded regulatory agency responsible for the oversight of state banks, trust companies, building and loan associations, mutual investment corporations, mutual savings corporations, banking institutions, credit unions and other financial corporations doing business under the laws of the State of North Dakota. The Department conducts examinations to determine the soundness of the financial institutions and monitor compliance with applicable rules and regulations.

## **Major Accomplishments**

1. Retained national accreditation for the bank and credit union divisions.

2. Maintained bank and credit union examination frequency within the requirements set by statute and federal regulations.
3. Issued administrative orders to problem institutions and closely supervised these institutions to ensure corrective programs were implemented Issued an increasing number of licenses to money brokers, collection agencies, deferred presentment service providers (payday lenders), and money transmitters.
4. Revised procedures to issue licenses in a more efficient manner.
5. Continued use of EDMS to enhance office work flow.

## **Executive Budget Recommendation**

- Recommends the budget as submitted.
- Provides special fund authority to support current FTE level and operations of the agency.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

413 Dept of Financial Institutions

Bill#: HB1008

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Dept of Financial Inst	4,944,357	6,186,488	191,468	3.1%	6,377,956	475,923	7.7%	6,662,411
<b>Total Major Programs</b>	<b>4,944,357</b>	<b>6,186,488</b>	<b>191,468</b>	<b>3.1%</b>	<b>6,377,956</b>	<b>475,923</b>	<b>7.7%</b>	<b>6,662,411</b>
<b>By Line Item</b>								
Salaries and Wages	3,843,008	4,862,225	210,175	4.3%	5,072,400	494,630	10.2%	5,356,855
Operating Expenses	1,084,906	1,304,263	(18,707)	(1.4%)	1,285,556	(18,707)	(1.4%)	1,285,556
Contingency	16,443	20,000	0	0.0%	20,000	0	0.0%	20,000
<b>Total Line Items</b>	<b>4,944,357</b>	<b>6,186,488</b>	<b>191,468</b>	<b>3.1%</b>	<b>6,377,956</b>	<b>475,923</b>	<b>7.7%</b>	<b>6,662,411</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	4,944,357	6,186,488	191,468	3.1%	6,377,956	475,923	7.7%	6,662,411
<b>Total Funding Source</b>	<b>4,944,357</b>	<b>6,186,488</b>	<b>191,468</b>	<b>3.1%</b>	<b>6,377,956</b>	<b>475,923</b>	<b>7.7%</b>	<b>6,662,411</b>
<b>Total FTE</b>	<b>27.00</b>	<b>29.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>29.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>29.00</b>



## **Statutory Authority**

North Dakota Century Code Chapters 10-04, 43-10.1, 51-19, and 51-23.

## **Agency Description**

North Dakota Securities Department is a regulatory agency that serves the citizens of North Dakota by enforcing state laws, safeguarding consumers' rights and investments, resolving conflicts between investors and industry and enhancing the stability and strength of the financial markets.

Investor protection begins with registration of investment securities, sales firms and agents, franchise offerings and pre-need funeral plan sales. Fees collected are a small but significant revenue source for the State of North Dakota. The agency fosters the formation of capital by legitimate North Dakota businesses.

Investigation of fraud and misrepresentation result in money returned to North Dakota investors through rescission, recovery and restitution. Enforcement actions generate state revenues through statutory civil penalties, and consent orders and

agreements. Education programs help investors make wise investment decisions and avoid fraud and abuse.

## **Major Accomplishments**

1. Assisted 31 North Dakota companies seeking to raise \$131.8 million in capital through securities offerings.
2. Opened 53 investigations of fraud and misconduct perpetrated against North Dakota investors.
3. Returned \$583,316 to victimized North Dakota investors through restitution, rescission and disgorgement.
4. Referred three enforcement matters to State's Attorneys for criminal prosecution. Continue to assist with prosecution.
5. Hosted 15th annual Invest North Dakota Teacher Training Academy.

## **Executive Budget Recommendation**

- Recommends the budget as submitted.
- Provides general and special fund authority to support current FTE level and operations of the agency.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

414 Securities Department  
 Biennium: 2011-2013

Bill#: SB2011

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Investor Protection	1,674,425	2,115,561	29,503	1.4%	2,145,064	110,858	5.2%	2,226,419
<b>Total Major Programs</b>	<b>1,674,425</b>	<b>2,115,561</b>	<b>29,503</b>	<b>1.4%</b>	<b>2,145,064</b>	<b>110,858</b>	<b>5.2%</b>	<b>2,226,419</b>
<b>By Line Item</b>								
Salaries and Wages	1,233,759	1,409,120	29,503	2.1%	1,438,623	110,858	7.9%	1,519,978
Operating Expenses	440,666	706,441	0	0.0%	706,441	0	0.0%	706,441
<b>Total Line Items</b>	<b>1,674,425</b>	<b>2,115,561</b>	<b>29,503</b>	<b>1.4%</b>	<b>2,145,064</b>	<b>110,858</b>	<b>5.2%</b>	<b>2,226,419</b>
<b>By Funding Source</b>								
General Fund	1,461,427	1,798,362	29,503	1.6%	1,827,865	110,858	6.2%	1,909,220
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	212,998	317,199	0	0.0%	317,199	0	0.0%	317,199
<b>Total Funding Source</b>	<b>1,674,425</b>	<b>2,115,561</b>	<b>29,503</b>	<b>1.4%</b>	<b>2,145,064</b>	<b>110,858</b>	<b>5.2%</b>	<b>2,226,419</b>
<b>Total FTE</b>	<b>9.00</b>	<b>9.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>9.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>9.00</b>

**Statutory Authority**

North Dakota Century Code Chapter 6-09.

**Agency Description**

The Bank of North Dakota serves as the development bank for agriculture, commerce, and industry in North Dakota. The strategic objectives of the Bank include the finance, expansion and diversification of the state's economy and jobs; maintaining the capital strength and financial integrity of the Bank; generating a consistent financial return to the state of North Dakota; and delivering first class customer service.

**Major Accomplishments**

1. Surpassed the 2008 loan portfolio by 3.6 percent, closing 2009 at \$2.700 billion. BND's loan portfolio concentrates on four main loan program areas: agriculture, commercial, residential, and student loans. Overall, loans totaled \$2.713 billion after \$95.0 million in new loan growth for the year 2009.
2. Participated in 268 North Dakota business and industrial projects in 2009. Spurred economic development by funding or renewing \$472.0 million of commercial participations with financial institution partners in the \$1.039 billion commercial loan portfolio. Despite this activity, the commercial portfolio decreased as a result of loan repurchases and reduced need.
3. Exhibited a strong housing market in North Dakota with many homeowners taking advantage of refinancing opportunities in a low interest rate environment. This and a challenging market environment for new loan volume led to an overall reduction in the residential loan portfolio, decreasing by 7.0 percent to \$475.0 million. In 2010, BND established a \$10.0 million program called the Rural Housing Loan Program. This program was designed to assist rural ND banks with the loss of FHA/VA approved lenders. Additionally, BND has been approved to purchase USDA Guaranteed residential loans.

4. Increased student loan volume in 2009 due to legislation that contributed to the reduction in the number of lenders willing to participate in student loans. Strong demand for the Dakota Education Alternative Loan (DEAL) led to a 38.0 percent increase in DEAL disbursements and helped fuel an overall 20.0 percent growth to BND's total student loan portfolio. BND's student loan portfolio ended 2009 at \$932.0 million.
5. Maintained a stable agriculture loan portfolio in 2009 ending the year at \$268.0 million.
6. Increased net earnings \$1.0 million to \$58.0 million, 1.8 percent over 2008. BND's performance for 2009 reflected its slower growth in loans and increased contributions to loan loss reserve. BND's return on average equity was 23.8 percent, which reflects the state's return on its investment in BND. Total assets grew to \$3.960 billion, 12.6 percent over 2008.
7. Awarded the College Access Grant. The Grant is \$1.5 million annually for up to five years and will provide for education and outreach services for those pursuing higher education.

**Executive Budget Recommendation**

- Includes \$8.0 million from the general fund for the PACE programs - \$6.0 million PACE, \$1.0 million Agriculture PACE, and \$1.0 million Biofuels PACE.
- Enhances the Beginning Farmer Loan program with \$1.4 million from the general fund.
- Provides \$2.2 million in special fund authority to implement a direct student loan servicing system.
- Authorizes \$3.0 million in federal fund authority to provide education and outreach services for those pursuing higher education.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

471 Bank of North Dakota

Bill#: HB1014

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Bank of North Dakota Operations	51,994,420	55,417,274	(922,122)	(1.7%)	54,495,152	835,881	1.5%	56,253,155
<b>Total Major Programs</b>	<b>51,994,420</b>	<b>55,417,274</b>	<b>(922,122)</b>	<b>(1.7%)</b>	<b>54,495,152</b>	<b>835,881</b>	<b>1.5%</b>	<b>56,253,155</b>
<b>By Line Item</b>								
Capital Assets	6,853,622	1,455,000	(189,000)	(13.0%)	1,266,000	(189,000)	(13.0%)	1,266,000
PACE Fund	8,000,000	8,000,000	(2,000,000)	(25.0%)	6,000,000	(2,000,000)	(25.0%)	6,000,000
Agriculture PACE Prog.	1,400,000	2,400,000	(1,400,000)	(58.3%)	1,000,000	(1,400,000)	(58.3%)	1,000,000
Beginning Farmer Prog.	368,564	950,000	50,000	5.3%	1,000,000	450,000	47.4%	1,400,000
Biofuels PACE	4,200,000	700,000	300,000	42.9%	1,000,000	300,000	42.9%	1,000,000
BND Operations	31,172,234	41,912,274	2,316,878	5.5%	44,229,152	3,674,881	8.8%	45,587,155
<b>Total Line Items</b>	<b>51,994,420</b>	<b>55,417,274</b>	<b>(922,122)</b>	<b>(1.7%)</b>	<b>54,495,152</b>	<b>835,881</b>	<b>1.5%</b>	<b>56,253,155</b>
<b>By Funding Source</b>								
General Fund	13,600,000	11,100,000	(2,100,000)	(18.9%)	9,000,000	(1,700,000)	(15.3%)	9,400,000
Federal Funds	0	0	3,000,000	0.0%	3,000,000	3,032,831	0.0%	3,032,831
Special Funds	38,394,420	44,317,274	(1,822,122)	(4.1%)	42,495,152	(496,950)	(1.1%)	43,820,324
<b>Total Funding Source</b>	<b>51,994,420</b>	<b>55,417,274</b>	<b>(922,122)</b>	<b>(1.7%)</b>	<b>54,495,152</b>	<b>835,881</b>	<b>1.5%</b>	<b>56,253,155</b>
<b>Total FTE</b>	<b>176.50</b>	<b>176.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>176.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>176.50</b>

## **Statutory Authority**

North Dakota Century Code Chapter 54-17.

## **Agency Description**

North Dakota Housing Finance Agency is a public financial institution established to develop and administer affordable housing finance and assistance programs for eligible parties.

## **Major Accomplishments**

1. Funded more than \$2.300 billion (34,593) home loans.

2. Administered rental assistance for (3,661) affordable apartment units.
3. Assisted in the development of (6,081) Low Income Housing Tax Credit (LIHTC) rental units.

## **Executive Budget Recommendation**

- Recommends the budget as submitted by the agency.
- Provides special and federal fund authority to support the current FTE level and operations of the agency.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

473 ND Housing Finance Agency

Bill#: HB1014

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
ND Housing Finance Agency	35,914,349	78,119,343	(39,877,939)	(51.0%)	38,241,404	(39,529,297)	(50.6%)	38,590,046
<b>Total Major Programs</b>	<b>35,914,349</b>	<b>78,119,343</b>	<b>(39,877,939)</b>	<b>(51.0%)</b>	<b>38,241,404</b>	<b>(39,529,297)</b>	<b>(50.6%)</b>	<b>38,590,046</b>
<b>By Line Item</b>								
Salaries and Wages	4,639,155	6,061,828	105,807	1.7%	6,167,635	454,449	7.5%	6,516,277
Operating Expenses	5,696,690	8,677,581	(3,562,732)	(41.1%)	5,114,849	(3,562,732)	(41.1%)	5,114,849
Grants	25,478,510	32,919,360	(6,060,440)	(18.4%)	26,858,920	(6,060,440)	(18.4%)	26,858,920
HFA Contingency	99,994	100,000	0	0.0%	100,000	0	0.0%	100,000
Federal Stimulus Funds 2009	0	30,360,574	(30,360,574)	(100.0%)	0	(30,360,574)	(100.0%)	0
<b>Total Line Items</b>	<b>35,914,349</b>	<b>78,119,343</b>	<b>(39,877,939)</b>	<b>(51.0%)</b>	<b>38,241,404</b>	<b>(39,529,297)</b>	<b>(50.6%)</b>	<b>38,590,046</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	24,193,072	60,879,934	(36,131,014)	(59.3%)	24,748,920	(36,131,014)	(59.3%)	24,748,920
Special Funds	11,721,277	17,239,409	(3,746,925)	(21.7%)	13,492,484	(3,398,283)	(19.7%)	13,841,126
<b>Total Funding Source</b>	<b>35,914,349</b>	<b>78,119,343</b>	<b>(39,877,939)</b>	<b>(51.0%)</b>	<b>38,241,404</b>	<b>(39,529,297)</b>	<b>(50.6%)</b>	<b>38,590,046</b>
<b>Total FTE</b>	<b>43.00</b>	<b>46.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>46.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>46.00</b>

## **Statutory Authority**

North Dakota Century Code Chapter 54-18.

## **Agency Description**

The North Dakota State Mill & Elevator Association started operations in 1922 and serves as a foundation for value-added economic development in the state, promotes the export of North Dakota wheat and returns most of its annual profits to the state's general fund. The Mill is located in Grand Forks.

## **Major Accomplishments**

1. Achieved sales of 10.9 million hundredweight in fiscal year 2010.
2. Purchased and ground more than 23.0 million bushels of spring wheat and durum in fiscal year 2010.
3. Achieved record profits of \$13.2 million in fiscal year 2010.

## **Executive Budget Recommendation**

- Recommends a \$46.7 million budget funded entirely from mill profits.
- Recommends an additional 2.00 FTE rail car checker positions to staff a third shift in order to ensure adequate number of rail cars available to keep up with increased production.
- Authorizes an additional 1.00 FTE sales representative to promote continued sales growth.
- Recommends an additional 1.00 FTE lab technician to meet increasing workload due to increased production.
- Continues funding of agriculture promotion expenses through a special line item.
- Authorizes \$400,000 for operational contingencies.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

475 ND Mill and Elevator Association

Bill#: HB1014

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Flour Mill and Grain Terminal Operations	32,548,983	40,057,242	5,874,956	14.7%	45,932,198	6,684,179	16.7%	46,741,421
<b>Total Major Programs</b>	<b>32,548,983</b>	<b>40,057,242</b>	<b>5,874,956</b>	<b>14.7%</b>	<b>45,932,198</b>	<b>6,684,179</b>	<b>16.7%</b>	<b>46,741,421</b>
<b>By Line Item</b>								
Salaries and Wages	15,943,202	22,599,324	2,903,069	12.8%	25,502,393	3,712,292	16.4%	26,311,616
Operating Expenses	16,508,559	16,982,918	2,896,887	17.1%	19,879,805	2,896,887	17.1%	19,879,805
Agriculture Promotion	97,222	150,000	0	0.0%	150,000	0	0.0%	150,000
Contingency	0	325,000	75,000	23.1%	400,000	75,000	23.1%	400,000
<b>Total Line Items</b>	<b>32,548,983</b>	<b>40,057,242</b>	<b>5,874,956</b>	<b>14.7%</b>	<b>45,932,198</b>	<b>6,684,179</b>	<b>16.7%</b>	<b>46,741,421</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	32,548,983	40,057,242	5,874,956	14.7%	45,932,198	6,684,179	16.7%	46,741,421
<b>Total Funding Source</b>	<b>32,548,983</b>	<b>40,057,242</b>	<b>5,874,956</b>	<b>14.7%</b>	<b>45,932,198</b>	<b>6,684,179</b>	<b>16.7%</b>	<b>46,741,421</b>
<b>Total FTE</b>	<b>131.00</b>	<b>131.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>131.00</b>	<b>4.00</b>	<b>3.1%</b>	<b>135.00</b>



## Statutory Authority

North Dakota Century Code Title 65.

## Agency Description

Workforce Safety & Insurance (WSI) was established in 1919 as an exclusive state fund for workers compensation insurance. Employers operating within the state are required to secure workers compensation insurance through WSI, a state agency. Employers are not allowed to purchase this insurance through a private insurance carrier and cannot self-insure for workers compensation purposes. Claims for occupational injury and disease are filed with WSI and adjudicated by in-house agency claims analysts. WSI services approximately 20,000 employers with a covered workforce of approximately 340,000 workers. WSI processes approximately 20,000 claims per year.

## Major Accomplishments

1. Declared a 50.0 percent dividend credit in June 2010 as surplus levels exceeded the statutory limit.
2. Continued to enhance benefit levels in recent legislative sessions. North Dakota's benefit structure compares very favorably to other jurisdictions.
3. Retained stable premium rates, which continue to be among the lowest in the nation.

4. Continued to rank in the high satisfaction category for injured worker and employer customer satisfaction.
5. Experienced declining injury rates and reduced overall costs due to Investments in workplace safety.
6. Achieved a less adversarial system with the number of disputes at record lows.
7. Retained an experienced, knowledgeable, and talented staff with a good balance of leadership and technical ability that resulted in low staff turnover of approximately 2.50 percent.

## Executive Budget Recommendation

- Recommends a \$58.4 millionn budget funded entirely from special funds.
- Provides \$97,451 in special fund authority for a pharmacy technician utilizing existing vacant authorized FTE.
- Provides \$466,250 in special fund authority for a full-building back-up generator.
- Authorizes \$3.0 million from special funds to complete an integrated worker's compensation system.
- Provides \$3.5 million from special funds for data warehousing and web portal information technology projects.
- Authorizes \$1.0 million from special funds for post-implementation enhancements to the integrated worker's compensation system.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

485 Workforce Safety and Insurance  
Biennium: 2011-2013

Bill#: SB2021

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Executive and Other Services	6,108,022	7,671,334	513,651	6.7%	8,184,985	852,219	11.1%	8,523,553
Administrative Services	15,551,828	24,056,162	(3,462,649)	(14.4%)	20,593,513	(3,388,540)	(14.1%)	20,667,622
Injury Services	15,002,368	17,286,176	2,591,310	15.0%	19,877,486	3,680,050	21.3%	20,966,226
Employer Services	6,188,266	7,863,933	(1,708)	-0.0%	7,862,225	391,959	5.0%	8,255,892
<b>Total Major Programs</b>	<b>42,850,484</b>	<b>56,877,605</b>	<b>(359,396)</b>	<b>(0.6%)</b>	<b>56,518,209</b>	<b>1,535,688</b>	<b>2.7%</b>	<b>58,413,293</b>
<b>By Line Item</b>								
Workforce Safety Operations	42,850,484	56,877,605	(359,396)	(0.6%)	56,518,209	1,535,688	2.7%	58,413,293
<b>Total Line Items</b>	<b>42,850,484</b>	<b>56,877,605</b>	<b>(359,396)</b>	<b>(0.6%)</b>	<b>56,518,209</b>	<b>1,535,688</b>	<b>2.7%</b>	<b>58,413,293</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	42,850,484	56,877,605	(359,396)	(0.6%)	56,518,209	1,535,688	2.7%	58,413,293
<b>Total Funding Source</b>	<b>42,850,484</b>	<b>56,877,605</b>	<b>(359,396)</b>	<b>(0.6%)</b>	<b>56,518,209</b>	<b>1,535,688</b>	<b>2.7%</b>	<b>58,413,293</b>
<b>Total FTE</b>	<b>237.14</b>	<b>247.14</b>	<b>0.00</b>	<b>0.0%</b>	<b>247.14</b>	<b>0.00</b>	<b>0.0%</b>	<b>247.14</b>

## Statutory Authority

North Dakota Century Code Title 39, Sections 2-05-14, 11-19-19, 11-19.1-06, 20.1-01-04, 20.1-13-14, 27-04-09, 29-06-02 and 44-08-20, and Chapter 28-32.

## Agency Description

The primary duty of the ND Highway Patrol (NDHP) is to keep the motoring public safe as they travel the state's 70,000 square miles. This is accomplished through law enforcement and service including: implementation of public education programs to reduce crashes and encourage safe driving practices; enforcement of laws to protect the highway system including size and weight requirements; and inspection of vehicles for safety equipment including school buses. The NDHP provides security and protection for the Governor, the Governor's immediate family, the State Capitol including the Supreme Court, the Legislative Assembly and other elected government officials. The Patrol oversees the operation, maintenance and administration of the Law Enforcement Training Academy, which provides basic and advanced training for all law enforcement officers in North Dakota.

## Major Accomplishments

1. Improved facilities for some of the regional offices through updated lease arrangements.
2. Implemented a new computer-aided dispatch (CAD) and mobile data communications (MDC) system in March 2010, in collaboration with the emergency services division of state radio. CAD allows dispatchers to handle calls for service as efficiently as possible while the MDC component allows data transfer and mapping capabilities between State Radio and the MDCs in the patrol vehicles.
3. Enhanced the E-permits system and updated the agency website. Twelve different permits are now available online including oversize/overweight permits. The NDHP website was updated to include a new section covering frequently

asked questions specific to motor carrier. The NDHP also worked in conjunction with the Department of Transportation to provide online temporary registrations for nonresidents who are gainfully employed in North Dakota.

4. Developed a plan for meeting Core Commercial Vehicle Information System Network (CVISN) compliance and deploying Core CVISN components.
5. Provided troopers with specialized training, which enhanced their ability to detect indicators of criminal activity. The NDHP's K-9 program played an important role by increasing the success rate of our interdiction efforts and is being increased to nine teams. The NDHP has one aircraft that is used to provide air support for special enforcement programs and to assist in search operations. The aircraft is equipped with specialized equipment that allows day and nighttime operation capabilities.
6. Awarded international accreditation status for another three-year period on August 1, 2009. The NDHP has been accredited since 1989.
7. Increased the number of first line supervisors to provide the supervision necessary to coach, observe, and assist young officers and groom them into quality troopers that will provide the selection pool for tomorrow's supervisors.

## Executive Budget Recommendation

- Provides one-time funding of \$4.1 million, of which \$3.6 million is from the general fund, for the construction of an emergency vehicle operations course and an indoor weapons training range, for the Law Enforcement Training Academy.
- Authorizes 3.00 FTE motor carrier officer positions to increase weight enforcement in western North Dakota.
- Provides one-time funding of \$1.2 million, of which \$1.1 million is from the general fund, to replace out-dated analog radio equipment with digital repeaters for patrol vehicles.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

504 Highway Patrol  
Biennium: 2011-2013

Bill#: HB1011

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	2,472,475	2,980,419	31,760	1.1%	3,012,179	179,423	6.0%	3,159,842
Field Operations	33,872,512	37,752,354	185,212	0.5%	37,937,566	3,787,603	10.0%	41,539,957
Law Enforcement Training Academy	1,376,487	1,518,942	18,611	1.2%	1,537,553	4,173,546	274.8%	5,692,488
<b>Total Major Programs</b>	<b>37,721,474</b>	<b>42,251,715</b>	<b>235,583</b>	<b>0.6%</b>	<b>42,487,298</b>	<b>8,140,572</b>	<b>19.3%</b>	<b>50,392,287</b>
<b>By Line Item</b>								
Deferred Maintenance	0	100,000	(100,000)	(100.0%)	0	(100,000)	(100.0%)	0
Administration	2,472,475	2,980,419	31,760	1.1%	3,012,179	179,423	6.0%	3,159,842
Field Operations	33,872,512	37,652,354	285,212	0.8%	37,937,566	3,887,603	10.3%	41,539,957
Law Enforcement Training Academy	1,376,487	1,518,942	18,611	1.2%	1,537,553	4,173,546	274.8%	5,692,488
<b>Total Line Items</b>	<b>37,721,474</b>	<b>42,251,715</b>	<b>235,583</b>	<b>0.6%</b>	<b>42,487,298</b>	<b>8,140,572</b>	<b>19.3%</b>	<b>50,392,287</b>
<b>By Funding Source</b>								
General Fund	27,608,090	31,357,985	172,508	0.6%	31,530,493	6,933,898	22.1%	38,291,883
Federal Funds	5,879,170	6,343,005	0	0.0%	6,343,005	156,558	2.5%	6,499,563
Special Funds	4,234,214	4,550,725	63,075	1.4%	4,613,800	1,050,116	23.1%	5,600,841
<b>Total Funding Source</b>	<b>37,721,474</b>	<b>42,251,715</b>	<b>235,583</b>	<b>0.6%</b>	<b>42,487,298</b>	<b>8,140,572</b>	<b>19.3%</b>	<b>50,392,287</b>
<b>Total FTE</b>	<b>193.00</b>	<b>194.00</b>	<b>(3.00)</b>	<b>(1.5%)</b>	<b>191.00</b>	<b>3.00</b>	<b>1.5%</b>	<b>197.00</b>

**Statutory Authority**

North Dakota Century Code Chapters 12-21, 12-44.1, 12-46, 12-47, 12-48, 12-48.1, 12-51, 12-52, 12-55, 12-59, 54-23.3 and 54-23.4.

**Agency Description**

The Department of Corrections and Rehabilitation (DOCR) is responsible for the care and custody of both adult and juvenile offenders. Adult offenders are sentenced to the DOCR by the state's district courts. Juvenile offenders who are determined to be unruly and delinquent are committed to the DOCR by the state's juvenile courts. The DOCR is structured into three major program areas: Central Office, Division of Adult Services, and Division of Juvenile Services.

The Central Office provides for the executive leadership of the DOCR and also provides for departmental management in the areas of human resources, training, fiscal management, information technology, research, plant services and medical services.

The Division of Adult Services (DAS) operates the North Dakota State Penitentiary (NDSP), the James River Correctional Center (JRCC) and the Missouri River Correctional Center (MRCC). The DAS provides for the care and custody of female inmates through a contractual relationship with the Dakota Women's Correctional and Rehabilitation Center (DWCRC). The DAS also has 12 regional offices located statewide. Through these offices, parole and probation officers supervise adult offenders who are sentenced to probation by the district courts or who are released on parole by the ND Parole Board. In addition, the DAS manages community-based programs that help divert offenders from prison and that assist offenders after release from incarceration. The DAS is also responsible for the operation of Roughrider Industries, for the management of victim compensation programs, and for providing administrative support to the North Dakota Parole Board and the North Dakota Pardon Advisory Board.

The Division of Juvenile Services (DJS) operates the North Dakota Youth Correctional Center and eight regional community-based services offices located statewide. The Community Services staff provide comprehensive case management as well as community-based correctional services to youth who are

placed across the continuum of care. Community Services, in cooperation with the Division of Child and Family Services, North Dakota Association of Counties, and the Department of Public Instruction, provides an array of placement options and services for troubled adolescents.

**Major Accomplishments**

1. Prevented unnatural deaths or suicides in DOCR facilities.
2. Prevented escapes from DOCR institutions.
3. Continued collaborative efforts to advance the Transition from Prison to Community (TPC) model both within the DOCR and with key stakeholders.
4. Implemented two major IT systems: EMR (Electronic Medical Record) and Commissary/Inmate Trust and Banking System.
5. Expanded the Read Right reading program into adult institutions (NDSP, JRCC and DWCRC).
6. Designed interactive video education curriculum for use in adult institutions.
7. Implemented a vocational education welding program at NDSP.
8. Assumed commissary operations at NDSP, MRCC, JRCC and DWCRC by RRI.
9. Organized and hosted the Reentry Summit in October 2009.
10. Assisted in implementation of the Statewide Automated Victim Information Notification System (SAVIN).
11. Assisted with the development of offender re-entry programs in the communities of Grand Forks and Devils Lake.
12. Implemented the Inmate/Canine Assistance Program (ICAP) at JRCC.
13. Formed North Dakota's State Council for the Interstate Commission for Juveniles.
14. Designed and implemented a cohesive mental health program for DJS youth.
15. Redesigned Marmot School curriculum.

**Executive Budget Recommendation**

- Authorizes 66.00 FTE related to the operation of the expanded penitentiary.
- Provides \$462,800 for major equipment purchases.
- Provides \$617,968 for capital projects.
- Provides \$984,740 for various extraordinary repair projects.
- Provides \$23.5 million for contracted treatment, transition programming, and inmate housing.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

530 Dept of Corrections and Rehabilitation

Bill#: HB1015

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Juvenile Services	22,078,363	26,484,661	(105,398)	(0.4%)	26,379,263	1,099,910	4.2%	27,584,571
Adult Services	126,937,255	215,269,796	(64,917,344)	(30.2%)	150,352,452	(50,743,944)	(23.6%)	164,525,852
<b>Total Major Programs</b>	<b>149,015,618</b>	<b>241,754,457</b>	<b>(65,022,742)</b>	<b>(26.9%)</b>	<b>176,731,715</b>	<b>(49,644,034)</b>	<b>(20.5%)</b>	<b>192,110,423</b>
<b>By Line Item</b>								
Federal Stimulus Funds - 2009	0	1,039,856	(1,039,856)	(100.0%)	0	(1,039,856)	(100.0%)	0
Adult Services	126,937,255	214,229,940	(63,877,488)	(29.8%)	150,352,452	(49,704,088)	(23.2%)	164,525,852
Juvenile Services	22,078,363	26,484,661	(105,398)	(0.4%)	26,379,263	1,099,910	4.2%	27,584,571
<b>Total Line Items</b>	<b>149,015,618</b>	<b>241,754,457</b>	<b>(65,022,742)</b>	<b>(26.9%)</b>	<b>176,731,715</b>	<b>(49,644,034)</b>	<b>(20.5%)</b>	<b>192,110,423</b>
<b>By Funding Source</b>								
General Fund	128,371,975	168,081,931	(21,361,968)	(12.7%)	146,719,963	(6,477,658)	(3.9%)	161,604,273
Federal Funds	7,493,417	8,852,157	(602,688)	(6.8%)	8,249,469	(602,689)	(6.8%)	8,249,468
Special Funds	13,150,226	64,820,369	(43,058,086)	(66.4%)	21,762,283	(42,563,687)	(65.7%)	22,256,682
<b>Total Funding Source</b>	<b>149,015,618</b>	<b>241,754,457</b>	<b>(65,022,742)</b>	<b>(26.9%)</b>	<b>176,731,715</b>	<b>(49,644,034)</b>	<b>(20.5%)</b>	<b>192,110,423</b>
<b>Total FTE</b>	<b>711.29</b>	<b>735.29</b>	<b>0.00</b>	<b>0.0%</b>	<b>735.29</b>	<b>67.00</b>	<b>9.1%</b>	<b>802.29</b>

**Statutory Authority**

North Dakota Century Code Chapter 37.

**Agency Description**

The Office of Adjutant General includes both the North Dakota National Guard and the Department of Emergency Services.

The North Dakota National Guard is a community-based defense force made up of quality North Dakota citizens, trained and available to protect the vital interests of our state and nation.

The Department of Emergency Services has two divisions, the Homeland Security Division and the Division of State Radio. Together, the divisions provide the organizational base for emergency preparedness, response, and recovery operations for the state, 54 local emergency management organizations, and four tribal emergency management organizations.

**Major Accomplishments**

1. Conducted flood fighting efforts across North Dakota for more than 100 days between March and June 2009. Over 2,400 ND National Guard Soldiers and Airmen provided support along the Red River on the eastern edge of North Dakota, the Souris river basin, the Sheyenne river basin, and the Missouri River.
2. Provided security forces at Minot Air Force Base (MAFB) in a first-of-its-kind joint venture between the Air National Guard and the active duty Air Forces. MAFB's primary mission is providing security for nuclear weapons.
3. Continued operating remotely piloted vehicles (Predator) in Fargo, ND, supporting the Department of Defense efforts in the Global War on Terrorism (GWOT).
4. Deployed Happy Hooligan airmen to Amenia, Qatar, Japan, Kuwait, Iraq and Ghana.
5. Continued the Kyrgyzstan State Partnership Program with the African nation of Ghana.
6. Dedicated the Memorial to the Fallen in the Global War on Terrorism on September 11, 2009.
7. Mobilized soldiers to Iraq, Afghanistan, Djibouti, Kosovo and Bosnia-Herzegovina.
8. Participated in a humanitarian mission in Haiti in May 2010.
9. Dedicated the 164th Regional Training Institute (RTI), Camp Grafton Training Center, in Devils Lake in August 2010. The 100 percent federally-funded RTI contains nearly 185,000 square feet and cost \$30.7 million. Additional phases are anticipated to begin construction in 2017.
10. Conducted 154 classes and trained 2,128 National Guard, U.S. Army Reserve and U.S. Army Soldiers at the RTI in 2009.
11. Responded to the largest flood emergency on record in the state in 2009.

12. Responded to four additional Presidential Emergency Declarations in 2010 resulting in damage estimates of around \$80.0 million.
13. Completed the procurement and implementation of a computer aided dispatch (CAD) program in State Radio that improves officer safety and interoperability.
14. Added a new State Radio tower, improving communications in the northeastern area (Wales) of the state.
15. Coordinated a state radio system gap study and alternatives to constructing new state radio towers.

**Executive Budget Recommendation**

- Recommends \$2.3 million from the general fund to purchase and maintain equipment needed to close state radio tower communication gaps throughout the state.
- Authorizes \$1.1 million from the general fund to upgrade the State Radio Central Electronics Bank (CEB) that controls dispatchers' access to the radio towers.
- Provides \$400,000 from the general fund and \$500,000 in federal fund authority to complete the statewide seamless base map project.
- Provides \$356,000 from the general fund to maintain the computer aided dispatch (CAD) system implemented in 2010.
- Approves \$385,381 from the general fund for extraordinary repairs of state-supported buildings.
- Enhances the general fund base budget to \$905,000, an increase of \$265,000, for maintenance and repair of the 41 state-supported National Guard facilities throughout the state.
- Recommends \$235,000 from the general fund to upgrade the state message switch hardware that has reached its maximum processing capability.
- Approves \$166,000 from the general fund for insurance and utilities costs for the Regional Training Institute, Camp Grafton Readiness Center addition, and Operations Center East.
- Provides \$150,000 from the general fund to establish a military service center in eastern North Dakota.
- Authorizes 4.00 FTE and \$596,875, of which \$149,218 is from the general fund, for regional emergency management coordinators currently filled by temporary positions.
- Adds \$307,282, of which \$76,822 is from the general fund, and 1.00 FTE to enhance the maintenance of the Regional Training Institute (RTI) at Camp Grafton in Devils Lake.
- Provides \$15,000 from the general fund for a maintenance contract on the Forward Looking Infrared (FLIR) system purchased with Emergency Commission approval in the 2009-11 biennium.
- Authorizes 5.00 FTE for 100.0 percent federally-funded firefighters at Hector Field necessary to provide adequate safety and readiness coverage for all shifts.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

540 Office of the Adjutant General

Bill#: SB2016

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
National Guard	76,172,779	101,041,904	(21,914,854)	(21.7%)	79,127,050	(18,882,863)	(18.7%)	82,159,041
Dept of Emergency Services	78,486,668	297,183,353	(151,411,669)	(50.9%)	145,771,684	(145,478,891)	(49.0%)	151,704,462
<b>Total Major Programs</b>	<b>154,659,447</b>	<b>398,225,257</b>	<b>(173,326,523)</b>	<b>(43.5%)</b>	<b>224,898,734</b>	<b>(164,361,754)</b>	<b>(41.3%)</b>	<b>233,863,503</b>
<b>By Line Item</b>								
Salaries and Wages	11,815,050	15,109,754	113,676	0.8%	15,223,430	1,407,876	9.3%	16,517,630
Operating Expenses	9,553,617	12,527,357	(50,874)	(0.4%)	12,476,483	871,126	7.0%	13,398,483
Capital Assets	2,487,022	2,241,017	315,701	14.1%	2,556,718	701,082	31.3%	2,942,099
Construction Carryover	11,272,099	10,373,471	(10,373,471)	(100.0%)	0	(10,373,471)	(100.0%)	0
Grants	40,836,018	129,197,564	(57,328,279)	(44.4%)	71,869,285	(57,328,279)	(44.4%)	71,869,285
2009 Flood Disaster	24,332,019	144,164,317	(91,241,309)	(63.3%)	52,923,008	(91,241,309)	(63.3%)	52,923,008
Civil Air Patrol	158,264	222,836	1,306	0.6%	224,142	20,517	9.2%	243,353
Radio Communications	69,692	3,745,000	(3,745,000)	(100.0%)	0	590,000	15.8%	4,335,000
Tuition Fees	1,940,258	2,407,500	0	0.0%	2,407,500	0	0.0%	2,407,500
Air Guard Contract	7,010,078	9,560,482	507,447	5.3%	10,067,929	1,428,841	14.9%	10,989,323
Army Guard Contract	44,571,195	60,077,645	(4,855,629)	(8.1%)	55,222,016	(3,966,888)	(6.6%)	56,110,757
National Guard Disaster Response	0	2,981,175	(2,981,175)	(100.0%)	0	(2,981,175)	(100.0%)	0
Reintegration Program	250,172	1,377,409	0	0.0%	1,377,409	172,740	12.5%	1,550,149
ND Veterans Cemetary	330,782	489,141	61,673	12.6%	550,814	87,775	17.9%	576,916
Federal Stimulus Funds 2009	33,181	3,750,589	(3,750,589)	(100.0%)	0	(3,750,589)	(100.0%)	0
Reintegration Program 0709	0	0	0	0.0%	0	0	0.0%	0
<b>Total Line Items</b>	<b>154,659,447</b>	<b>398,225,257</b>	<b>(173,326,523)</b>	<b>(43.5%)</b>	<b>224,898,734</b>	<b>(164,361,754)</b>	<b>(41.3%)</b>	<b>233,863,503</b>
<b>By Funding Source</b>								
General Fund	34,485,355	36,217,089	(12,674,917)	(35.0%)	23,542,172	(6,557,964)	(18.1%)	29,659,125
Federal Funds	111,614,328	311,233,746	(125,185,615)	(40.2%)	186,048,131	(122,397,923)	(39.3%)	188,835,823
Special Funds	8,559,764	50,774,422	(35,465,991)	(69.9%)	15,308,431	(35,405,867)	(69.7%)	15,368,555
<b>Total Funding Source</b>	<b>154,659,447</b>	<b>398,225,257</b>	<b>(173,326,523)</b>	<b>(43.5%)</b>	<b>224,898,734</b>	<b>(164,361,754)</b>	<b>(41.3%)</b>	<b>233,863,503</b>
<b>Total FTE</b>	<b>232.00</b>	<b>232.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>232.00</b>	<b>10.00</b>	<b>4.3%</b>	<b>242.00</b>



**Statutory Authority**

North Dakota Century Code Chapters 4-14.1 and 10-30.5, 54-34.3, 54-34.4, 54-44.5, 54-60, 54-62.

**Agency Description**

The North Dakota Department of Commerce has four divisions: Community Services, Economic Development & Finance, Tourism and Workforce Development that work together to expand the economy of North Dakota, support community development and provide services to low income people.

Our challenge is to make North Dakota a better place to live, work, do business, and play, for all of the people that choose to make North Dakota their home.

**Major Accomplishments**

1. Developed 15 new primary sector projects during the 2007-09 biennium.
2. Developed nine new primary sector projects during the first year of the 2009-11 biennium.
3. Brought \$204.0 million new dollars from visitor expenditures into North Dakota in 2007 through the Division of Tourism's media advertising at a cost \$1.7 million, resulting in a 123:1 return on investment.
4. Achieved positive revenue per available hotel room in 2009, up by 5.8 percent (national average -16.7 percent). North Dakota was the only state in the nation to achieve this revenue level.
5. Measured strong increases in National and State Park visitation, airline boardings and lodging tax collected. North Dakota State University research indicated Tourism's contribution to the state's economy grew 2.1 percent with \$4.130 billion spent by visitors in 2008. This moves the tourism industry to the third strongest contributor behind Agriculture (\$8.16) and Oil (\$5.49).
6. Led effort to improve North Dakota's statewide energy policy through Empower ND Commission.
7. Led efforts in growth of and accountability for the Centers of Excellence program.
8. Led efforts to attract, retain and expand workforce through state-based job fairs, Operation Intern, Career Awareness and strategic workforce policy development.

9. Developed a strategic operations plan for Commerce, which focuses the department on two internal and two external areas, namely: business, community and industry development; workforce and volunteer attraction, retention and expansion; employee satisfaction, contributions and growth; and operations.
10. Led efforts to assist out-of-state job seekers in relocation to North Dakota. Direct impact of 184 individuals and families relocated from July 2008 - July 2010, and indirect impact of 6,620 individuals in calendar year 2009.
11. Administered Operation Intern program to connect North Dakota students with North Dakota careers via internship placements. As of July 2010, nearly 40 students have secured full-time employment with a North Dakota company following their internship experience.
12. Led enhancement of the state's image through national and international media placements. Since 2003, assisted or directly pitched over 475 stories with a positive tone including front page or primetime coverage with the Wall Street Journal, New York Times, Bloomberg, NBC Nightly News, The Economist, People and Newsweek magazines and more.

**Executive Budget Recommendation**

- Creates a new Office of Energy Development and authorizes \$600,000 from the general fund and 2.00 new FTE.
- Appropriates \$150,000 from the general fund for grants to individuals who obtain a child development associate credential.
- Enhances the childcare facility grant and loan programs with \$920,338 from the general fund.
- Includes \$125,000 from the general fund to develop a statewide marketing effort surrounding the Work Keys program.
- Invests \$20.0 million from the general fund for Centers of Excellence in research, infrastructure, entrepreneurship, and workforce.
- Increases the American Indian Business Office by \$100,000 from the general fund to enhance services available to Native American owned businesses.
- Recommends \$100,000 from the general fund to continue support of existing Jobs for America's Graduates (JAG) programs.
- Provides \$489,000 from the general fund to enhance the North Dakota Trade Office operations.

# REQUEST/RECOMMENDATION COMPARISON SUMMARY

601 Department of Commerce

Bill#: HB1018

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Commerce Administration	8,043,888	10,205,420	(288,051)	(2.8%)	9,917,369	425,805	4.2%	10,631,225
Innovation and Strategic Initiatives	684,363	21,976,641	(19,911,095)	(90.6%)	2,065,546	(6,888,027)	(31.3%)	15,088,614
North Dakota Tourism	8,821,385	11,569,674	(2,083,407)	(18.0%)	9,486,267	(1,996,728)	(17.3%)	9,572,946
ND Workforce Development	2,942,056	3,768,852	(742,426)	(19.7%)	3,026,426	1,681,144	44.6%	5,449,996
Economic Development and Finance	7,991,915	8,374,714	(1,996,858)	(23.8%)	6,377,856	(1,444,341)	(17.2%)	6,930,373
Division of Community Services	38,949,350	143,148,487	(81,875,523)	(57.2%)	61,272,964	(56,716,901)	(39.6%)	86,431,586
Division of Energy	0	0	0	0.0%	0	619,691	0.0%	619,691
<b>Total Major Programs</b>	<b>67,432,957</b>	<b>199,043,788</b>	<b>(106,897,360)</b>	<b>(53.7%)</b>	<b>92,146,428</b>	<b>(64,319,357)</b>	<b>(32.3%)</b>	<b>134,724,431</b>
<b>By Line Item</b>								
Salaries and Wages	8,474,767	10,020,840	275,040	2.7%	10,295,880	851,139	8.5%	10,871,979
Operating Expenses	12,653,184	14,498,572	(621,922)	(4.3%)	13,876,650	(390,312)	(2.7%)	14,108,260
Capital Assets	24,765	25,000	45,018	180.1%	70,018	45,018	180.1%	70,018
Grants	37,174,079	74,011,058	(14,033,064)	(19.0%)	59,977,994	(13,383,064)	(18.1%)	60,627,994
ND Development Fund	3,000,000	1,299,700	(1,299,700)	(100.0%)	0	(899,700)	(69.2%)	400,000
Discretionary Grants	1,491,369	1,463,282	(535,200)	(36.6%)	928,082	(535,200)	(36.6%)	928,082
Workforce Enhancement Fund	0	1,000,000	(1,000,000)	(100.0%)	0	1,000,000	100.0%	2,000,000
Economic Develop Initiatives	921,578	186,846	0	0.0%	186,846	0	0.0%	186,846
Agric. Products Util. Comm. (APUC)	2,043,215	3,433,953	(709,039)	(20.6%)	2,724,914	(694,186)	(20.2%)	2,739,767
Centers of Excellence Grants	0	19,500,000	(19,500,000)	(100.0%)	0	(6,500,000)	(33.3%)	13,000,000
North Dakota Trade Office	1,500,000	2,064,000	0	0.0%	2,064,000	489,000	23.7%	2,553,000
Partner Programs	100,000	2,022,044	0	0.0%	2,022,044	100,000	4.9%	2,122,044
Equine Processing Study	0	50,000	(50,000)	(100.0%)	0	(50,000)	(100.0%)	0
Federal Stimulus Funds - 2009	0	69,468,493	(69,468,493)	(100.0%)	0	(44,971,743)	(64.7%)	24,496,750
Economic Development Grants	50,000	0	0	0.0%	0	0	0.0%	0
Division of Energy	0	0	0	0.0%	0	619,691	100.0%	619,691
<b>Total Line Items</b>	<b>67,432,957</b>	<b>199,043,788</b>	<b>(106,897,360)</b>	<b>(53.7%)</b>	<b>92,146,428</b>	<b>(64,319,357)</b>	<b>(32.3%)</b>	<b>134,724,431</b>
<b>By Funding Source</b>								
General Fund	26,950,620	59,470,541	(31,320,991)	(52.7%)	28,149,550	(13,381,047)	(22.5%)	46,089,494
Federal Funds	35,208,484	130,258,489	(74,984,626)	(57.6%)	55,273,863	(50,389,887)	(38.7%)	79,868,602
Special Funds	5,273,853	9,314,758	(591,743)	(6.4%)	8,723,015	(548,423)	(5.9%)	8,766,335
<b>Total Funding Source</b>	<b>67,432,957</b>	<b>199,043,788</b>	<b>(106,897,360)</b>	<b>(53.7%)</b>	<b>92,146,428</b>	<b>(64,319,357)</b>	<b>(32.3%)</b>	<b>134,724,431</b>
<b>Total FTE</b>	<b>66.00</b>	<b>68.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>68.00</b>	<b>2.25</b>	<b>3.3%</b>	<b>70.25</b>

**Statutory Authority**

North Dakota Century Code Chapters 4-01, 4-05.1, 4-09, 4-12.2, 4-3.1, 4-13.2, 4-14, 4-14.1, 4-14.2, 4-21.1, 4-27, 4-28, 4-30, 4-32, 4-33, 4-35, 4-35.1, 4-37, 4-38, 4-39, 4-40, 4-41, 4.1-14, 4.1-47, 6-09.10, 19-13.1, 19-14, 19-18, 19-20.1, 19-20.2, 36-01, 36-04, 36-05, 36-05.1, 36-07, 36-14, 36-14.1, 36-15, 36-21.1, 36-24, 36.25, 61.31 and 63-01.1.

**Agency Description**

The commissioner is statutorily responsible for enforcing laws and regulations pertaining to pesticides, livestock sales, dairy production, noxious weed control, plant export certification and beekeeping. The commissioner is also responsible for the registration of pesticides, fertilizers, animal feeds and veterinary medicines; the administration of fair and timely mediation services to farmers and ranchers; the collection and elimination of unusable pesticides; the promotion and marketing of North Dakota products; and the administration of a state meat inspection program. The responsibilities have expanded to include a leadership role in the formation of policies affecting the state's agricultural industries; the advocacy of the needs and concerns of farmers and ranchers on state and national levels; and the distribution of information concerning agricultural issues to the Governor, legislature and the general public. The agriculture commissioner works collaboratively with the Board of Animal Health to protect the health of domestic animals and nontraditional livestock of the state.

**Major Accomplishments**

1. Reorganized the Agriculture Department into six divisions: administration; pesticides, feed and fertilizer; plant protection; business development; state veterinarian; and livestock services.
2. Chaired the first-ever annual joint meeting of the state's commodity groups. The agenda included presentations by the department's business development staff on the current situation for North Dakota agricultural exports and on the department's 2010 plans for trade shows and trade missions.
3. Requested and obtained a university study to help North Dakota farmers, ranchers and farm organizations better understand the economic impact and other possible effects of proposed federal legislation establishing a "cap and trade" system for greenhouse gases.
4. Called and chaired first meeting of the Advisory Committee on Sustainable Agriculture to provide ideas and advice on developing a sustainable agriculture certification program and on the marketing and packaging of certified products.
5. Helped draft and pass "Meat the Need" at National Association of State Departments of Agriculture to help U.S. pork and dairy producers.
6. Collected more than 100 tons of unusable pesticides – a near record – for transport out of North Dakota through Project Safe Send. More than 500 people

brought in a total of 205,021 pounds, compared to last year's record of 215,521 pounds.

7. Conducted the Commissioner's Pesticide Forum, bringing together stakeholders, interested individuals and government to discuss pest management and pesticide issues.
8. Called on the U.S. Army Corps of Engineers to give greater emphasis to controlling noxious weeds along the shores of Lake Oahe.
9. Issued warnings about increasing infestations of absinthe wormwood and the appearance of a new invasive weed – halogeton.
10. Declared yellow toadflax a noxious weed and removed yellow starthistle and field bindweed from the state's noxious weed list.
11. Developed and implemented a new weed seed-free forage program.
12. Oversaw successful investigation of a bovine TB case in southwestern North Dakota. Case is now closed, and the state's TB-free status remains intact.
13. Launched the Hunger-Free North Dakota Garden Project with a 2010 goal to grow and distribute a half million pounds of fresh food to needy individuals and communities with limited sources of fresh produce.
14. Developed a grant program for qualifying wineries to promote and develop the state's growing wine industry.

**Executive Budget Recommendation**

- Approves \$288,347 from the general fund for 1.00 FTE and related operating expenses for the sustainable agriculture program.
- Replaces federal funds with \$77,679 from the general fund to maintain one administrative support position in the Board of Animal Health.
- Recommends additional general fund support for the Board of Animal Health of \$71,168, in lieu of additional Game and Fish funds.
- Authorizes \$67,005 from the general fund for a 0.50 FTE Pride of Dakota specialist to increase business development and marketing services to the member companies.
- Provides \$64,996 from the general fund to maintain the reserve corps veterinarian program that was previously funded with federal dollars.
- Adds \$50,000 from the general fund to contracted research of the transportation trends, policies, and rates impacting North Dakota's agriculture industry.
- Provides \$27,140 from the general fund for a part-time seasonal employee to assist with complaint investigation and colony inspections related to colony collapse disorder.
- Authorizes \$26,240 from the general fund to support the emerald ash borer and nursery inspection programs.
- Reduces the base budget for rent by \$20,000 from the general fund to align with actual costs.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

602 Department of Agriculture  
Biennium: 2011-2013

Bill#: SB2009

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administrative Services	3,289,783	3,702,425	(176,592)	(4.8%)	3,525,833	(60,004)	(1.6%)	3,642,421
Plant Industries	2,571,764	3,649,277	(226,479)	(6.2%)	3,422,798	(106,270)	(2.9%)	3,543,007
Livestock Development	4,410,684	6,075,470	180,698	3.0%	6,256,168	431,196	7.1%	6,506,666
Business Development	1,329,684	2,081,630	664,892	31.9%	2,746,522	1,113,117	53.5%	3,194,747
State Veterinarian	1,815,988	2,808,825	(982,940)	(35.0%)	1,825,885	(859,773)	(30.6%)	1,949,052
Pesticide, Feed and Fertilizer	2,398,864	3,411,222	(308,570)	(9.0%)	3,102,652	(216,458)	(6.3%)	3,194,764
<b>Total Major Programs</b>	<b>15,816,767</b>	<b>21,728,849</b>	<b>(848,991)</b>	<b>(3.9%)</b>	<b>20,879,858</b>	<b>301,808</b>	<b>1.4%</b>	<b>22,030,657</b>
<b>By Line Item</b>								
Salaries and Wages	6,500,292	8,733,196	(231,412)	(2.6%)	8,501,784	569,982	6.5%	9,303,178
Operating Expenses	3,977,800	6,094,603	227,358	3.7%	6,321,961	453,596	7.4%	6,548,199
Capital Assets	11,878	5,000	12,000	240.0%	17,000	12,000	240.0%	17,000
Grants	2,407,998	2,969,825	126,003	4.2%	3,095,828	126,003	4.2%	3,095,828
Board of Animal Health	1,815,988	2,808,825	(982,940)	(35.0%)	1,825,885	(859,773)	(30.6%)	1,949,052
Wildlife Services	1,079,000	1,067,400	0	0.0%	1,067,400	0	0.0%	1,067,400
Crop Harmonization Board	23,811	50,000	0	0.0%	50,000	0	0.0%	50,000
<b>Total Line Items</b>	<b>15,816,767</b>	<b>21,728,849</b>	<b>(848,991)</b>	<b>(3.9%)</b>	<b>20,879,858</b>	<b>301,808</b>	<b>1.4%</b>	<b>22,030,657</b>
<b>By Funding Source</b>								
General Fund	5,797,657	7,547,383	(143,264)	(1.9%)	7,404,119	837,351	11.1%	8,384,734
Federal Funds	5,452,738	8,232,357	(849,056)	(10.3%)	7,383,301	(752,860)	(9.1%)	7,479,497
Special Funds	4,566,372	5,949,109	143,329	2.4%	6,092,438	217,317	3.7%	6,166,426
<b>Total Funding Source</b>	<b>15,816,767</b>	<b>21,728,849</b>	<b>(848,991)</b>	<b>(3.9%)</b>	<b>20,879,858</b>	<b>301,808</b>	<b>1.4%</b>	<b>22,030,657</b>
<b>Total FTE</b>	<b>67.50</b>	<b>74.50</b>	<b>(1.00)</b>	<b>(1.3%)</b>	<b>73.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>74.50</b>

## **Statutory Authority**

North Dakota Century Code Chapters 4-09, 4-10, 4-11, 4-25, 4-26 and 4-42.

## **Agency Description**

The North Dakota State Seed Department (NDSSD) provides services to the North Dakota agricultural industry and concentrates its activities in enforcement of seed laws, certification, promotion and marketing of field seeds and potatoes. A nine-member Seed Commission, that represents the agricultural industries using the department services, serves as the board of directors. This board establishes policy, approves major program changes recommended by administration, appoints a manager and approves budgets. The department employs 30 full-time and 40-50 temporary and part-time staff in Fargo, a regional office in Grafton, and throughout the state on a seasonal basis. The NDSSD is a self-funded agency with revenues generated by service fees.

The department operates four primary programs as part of its role in North Dakota agriculture. The four major programs are the Seed Regulatory Program, Potato Program, Field Seeds Program, and the Laboratory Services Program.

## **Major Accomplishments**

1. Maintained financial stability during the past decade, despite adverse circumstances in the agriculture economy.
2. Completed, and annually reviewed, a strategic planning process that will guide agency program development.

3. Introduced web-based information systems in a secure online form designed to provide inspection results to producers and seed companies quickly and reliably. An online application for services is being integrated.
4. Expanded laboratory test services in response to industry demands, including those related to specific Genetic Modification events and crop diseases common to this region.
5. Experienced expansion in production and sale of nuclear seed stocks developed in tissue culture and greenhouse facilities.
6. Received accreditation and licensing to issue phytosanitary certificates in potato program, in cooperation with the North Dakota Department of Agriculture designated authority for Animal and Plant Health Inspection Service (APHIS) phyto issues.
7. Initiated the integration of key components of International Standards Organization (ISO) quality programs in the Field Seed, Regulatory and Laboratory Services programs. Potato programs are currently under development.
8. Implemented Good Handling Practices/Good Agriculture Practices audit services through cooperative agreement with US Department of Agriculture-Agricultural Marketing Service primarily on commercial potato farms throughout North Dakota.

## **Executive Budget Recommendation**

- Provides \$160,000 special fund authority to complete a seed application software conversion.
- Includes \$200,000 special fund authority for potential contingencies.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

616 State Seed Department  
Biennium: 2011-2013

Bill#: HB1022

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	397,274	888,500	(157,808)	(17.8%)	730,692	(157,808)	(17.8%)	730,692
Seed Regulatory Program	425,677	600,424	0	0.0%	600,424	19,932	3.3%	620,356
Potato Program	1,607,822	2,122,914	0	0.0%	2,122,914	82,428	3.9%	2,205,342
Field Seeds	1,231,765	1,752,542	0	0.0%	1,752,542	43,422	2.5%	1,795,964
Lab Services	1,101,795	1,463,115	15,000	1.0%	1,478,115	78,542	5.4%	1,541,657
<b>Total Major Programs</b>	<b>4,764,333</b>	<b>6,827,495</b>	<b>(142,808)</b>	<b>(2.1%)</b>	<b>6,684,687</b>	<b>66,516</b>	<b>1.0%</b>	<b>6,894,011</b>
<b>By Line Item</b>								
Seed Operations	4,764,333	6,827,495	(142,808)	(2.1%)	6,684,687	66,516	1.0%	6,894,011
<b>Total Line Items</b>	<b>4,764,333</b>	<b>6,827,495</b>	<b>(142,808)</b>	<b>(2.1%)</b>	<b>6,684,687</b>	<b>66,516</b>	<b>1.0%</b>	<b>6,894,011</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	4,764,333	6,827,495	(142,808)	(2.1%)	6,684,687	66,516	1.0%	6,894,011
<b>Total Funding Source</b>	<b>4,764,333</b>	<b>6,827,495</b>	<b>(142,808)</b>	<b>(2.1%)</b>	<b>6,684,687</b>	<b>66,516</b>	<b>1.0%</b>	<b>6,894,011</b>
<b>Total FTE</b>	<b>30.00</b>	<b>30.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>30.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>30.00</b>

## Statutory Authority

North Dakota Century Code Chapter 54-53.

## Agency Description

The Upper Great Plains Transportation Institute was created by the North Dakota Legislative Assembly in 1967 as part of North Dakota State University to foster a better understanding of the role of transportation in the economy. The Institute allows North Dakota firms to more effectively compete by providing businesses, private sector organizations, and government agencies with the knowledge, information, and the intellectual capital necessary to make better business decisions and develop sound public policy. Additionally, the Institute explores ways to employ cutting edge communication and sensing technology to enhance the mobility of freight and people. The Institute's vision is to excel as one of the premier university transportation centers in the United States.

## Major Accomplishments

1. Evaluated truck configuration involved in moving the annual North Dakota and Minnesota sugar beet harvest, resulting in a \$2.3 million savings to shippers and about \$5.8 million in pavement maintenance.
2. Provided the engineering analysis for concrete pavement reconstruction design changes that resulted in a construction savings of \$150,000 per mile.
3. Provided research for the development of an asphalt ride quality specification for new construction, resulting in smoother, longer-lasting facilities.
4. Managed a student design staff that developed construction plans for \$25.0 million to \$50.0 million of construction projects per year.
5. Provided undergraduate civil engineering and information technology students with experience that results in multiple job offers and opportunities after graduation.
6. Conducted high speed roughness surveys of the state's commercial and general aviation airports.
7. Collaborated with local road agencies to conduct traffic safety evaluations on county roads to identify and prioritize safety improvements.
8. Furnished 33 transportation training sessions to more than 1,427 workers in state, local, tribal and private agencies for more than 7,275 participant hours in 2009.

9. Provided training programs to help agencies meet federal requirements. Recent initiatives include work zone safety and traffic control in work zones and new reflectivity requirements for traffic control signs.
10. Offered 94 graduate-level transportation-related courses during 2008-09.
11. Entered an agreement with the departments of transportation in Montana, Wyoming, South Dakota and North Dakota to provide workforce development for those agencies.
12. Helped establish a nationwide cooperative effort to provide a Transportation Leadership Graduate Certificate Program.
13. Sponsored conferences on transportation policy and regulation, food and agricultural transportation, asset management, pavement and bridge management, and rural road safety.
14. Developed high-quality software in use by federal and state commercial safety specialists nationwide.
15. Continued to assist the Federal Motor Carrier Safety Administration (FMCSA) and state personnel in their partnership with the U.S. Customs and Border Protection to give inspectors the ability to identify and contain unsafe commercial motor vehicles and drivers before they reach our nation's roads.
16. Improved the quality of driver identification data collected for commercial vehicle roadside inspection and crash reports.
17. Conducted research which provided the basis for an emergency evacuation plan that was prepared, but never implemented, during 2009 flooding in Fargo. The research, using Fargo as a case study, provides a template for small- and medium-sized cities across the country that want to develop evacuation plans.
18. Helped organize a new student organization at NDSU, the Association of Transportation and Logistics, that focuses on examining solutions to transportation challenges based on logistics technology.

## Executive Budget Recommendation

- Authorized a \$289,218 increase from the general fund for core administrative expenses of the agency.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

627 Upper Great Plains Transportation Inst.

Bill#: HB1020

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Core Program	14,595,793	26,326,992	(2,329,352)	(8.8%)	23,997,640	(2,257,031)	(8.6%)	24,069,961
<b>Total Major Programs</b>	<b>14,595,793</b>	<b>26,326,992</b>	<b>(2,329,352)</b>	<b>(8.8%)</b>	<b>23,997,640</b>	<b>(2,257,031)</b>	<b>(8.6%)</b>	<b>24,069,961</b>
<b>By Line Item</b>								
Transportation Institute	14,595,793	26,326,992	(2,329,352)	(8.8%)	23,997,640	(2,257,031)	(8.6%)	24,069,961
<b>Total Line Items</b>	<b>14,595,793</b>	<b>26,326,992</b>	<b>(2,329,352)</b>	<b>(8.8%)</b>	<b>23,997,640</b>	<b>(2,257,031)</b>	<b>(8.6%)</b>	<b>24,069,961</b>
<b>By Funding Source</b>								
General Fund	1,216,966	1,589,793	289,218	18.2%	1,879,011	329,835	20.7%	1,919,628
Federal Funds	12,637,493	20,091,797	(2,526,414)	(12.6%)	17,565,383	(2,426,284)	(12.1%)	17,665,513
Special Funds	741,334	4,645,402	(92,156)	(2.0%)	4,553,246	(160,582)	(3.5%)	4,484,820
<b>Total Funding Source</b>	<b>14,595,793</b>	<b>26,326,992</b>	<b>(2,329,352)</b>	<b>(8.8%)</b>	<b>23,997,640</b>	<b>(2,257,031)</b>	<b>(8.6%)</b>	<b>24,069,961</b>
<b>Total FTE</b>	<b>51.95</b>	<b>52.30</b>	<b>(0.65)</b>	<b>(1.2%)</b>	<b>51.65</b>	<b>0.00</b>	<b>0.0%</b>	<b>52.30</b>



**Statutory Authority**

North Dakota Century Code Chapter 4-05.1.

**Agency Description**

Dickinson Research Extension Center (DREC)

The NDSU Dickinson Research Extension Center has an established record of service to the people in the 13-county region south and west of the Missouri River. The DREC operates 4,916 acres of owned land within the region as well as annual land leases needed to accommodate ongoing projects. The land base provides opportunities for a broad perspective in evaluating various agricultural systems that can serve as engines for economic development. This is a continuation of what has taken place for over 100 years. Currently, the DREC assists agricultural producers in solving production problems with agronomy, animal science and range science, while integrating new developments. Five major areas are served: agronomy, beef management, bio-security, range management, and sustainable agricultural practices. Faculty and staff are committed to engaging people of the region and to the identification of current economic opportunities, while sustaining natural resources for future generations as directed by the mission statement and Advisory Board. Research data and producer ideas are continually considered so the DREC can leverage the latest knowledge to best benefit the people of North Dakota.

Central Grasslands Research Extension Center (CGREC)

The CGREC conducts research for the Coteau region of North Dakota, an area bounded by the Missouri River on the west and the James River on the east and extends from Divide and Burke counties in northwestern North Dakota in a southeasterly direction through Dickey County. CGREC is located between two counties which rank in the top 10 counties for the production of livestock and forages. The area served by CGREC contains 5.0 million acres (44 percent) of the state's rangeland where 42 percent of the state's livestock is raised on 38 percent of the state's farms.

Research objectives must increase the range-carrying capacity of native range emphasizing conservation and preservation, stabilize grass production to compensate for the vagaries of the weather and precipitation as it influences forage production in the dryland agriculture, identify the impact of different management systems upon beef production in the central region and explore the increased use of crop residues and byproducts for the maintenance of the cow herd. CGREC's primary focus is management of grassland acreage which occupies about one-third of the agricultural land in the state and aims to improve production and increase returns to cattle producers.

Hettinger Research Extension Center (HREC)

The HREC is a semi-arid site located in southwest North Dakota, providing the most southerly NDSU location in the non-glaciated portion of North Dakota as a site for its agronomy research program. The HREC also is located at the center of the North Dakota sheep industry, the focus of one of its animal research programs, and in an area of rapidly growing livestock feeding ventures, another focus of animal research at the HREC. Additionally, the HREC is located in a region where much of the land base is in the Conservation Reserve Program, which has resulted in additional research evaluating potential changes in the CRP program and how these changes may affect upland native and game bird populations. A new research program evaluating low-cost rangeland monitoring strategies on U.S. Forest Service lands and wildlife/livestock interactions has resulted in a significant increase in the quantity of rangeland research conducted at the HREC throughout the western Dakotas. Research at HREC involves the disciplines of animal science, range science, wildlife science, agronomy, and agri-business and applied economics. Collaboration is with Main Station scientists, Branch Station scientists, U.S. Forest Service, grazing associations, university scientists from WY, SD, and MT, and USDA research entities in these research disciplines to improve productivity of livestock, grazing, and cropping systems, and to improve economic development of the region.

Langdon Research Extension Center (LREC)

The Langdon Research Extension Center (LREC) is located one mile east of Langdon on US highway five. The agricultural land base at the station consists of 389 owned acres and an additional 320 acres under lease agreement. The LREC serves a nine-county region located in northeast North Dakota and has North Dakota's highest precipitation rates, coolest temperatures, and richest productive soils. The climate creates high levels of diverse crop production and recurring disease problems.

The LREC has a strong tradition of assisting the region's producers to meet agricultural production challenges throughout the course of its existence. In 1993, the LREC redirected much of its research programming to focus on the significant increase of disease and insect pressure associated with its climate. This redirected applied research programming has provided producers with proven cultural practices and advances in chemical applications that minimize disease and insect pressures in all regions of North Dakota.

Since 2001, the LREC has significantly enhanced its overall agricultural research programming with the addition of a crop protection scientist, a director that also serves the region with an emphasis in rural economic/community development, increased foundation seed stocks program and a farm business management instructor. In addition, a full service agricultural based learning center was constructed in 2004 that greatly enhances outreach and extension efforts delivered to the regions agricultural industry. Finally, additional programming has been created that is working to employ LREC resources as an engine for rural

community and economic development in partnership with the region's economic developers.

### North Central Research Extension Center (NCREC)

The NCREC was established in 1945 and is located one mile south of Minot on Highway 83. The 1,200-acre center specializes in crop research and extension education activities and foundation seed production. Approximately 1,500 owned, rented, and contracted acres are planted for foundation seed production each year. The NCREC evaluates conventional and new crops for production in the region and explores weed management and cropping systems to improve the economic potential of crop production in the north central region. The NCREC is a leader in North Dakota on production and disease research of canola, pea, lentil, and chickpea crops, in addition to the conventional crops of hard red spring and durum wheat, barley, flax, sunflower, and oats. The NCREC works closely with business and economic development leaders in the region to improve the economic vitality of north central North Dakota.

### Williston Research Extension Center (WREC)

The Williston Research Extension Center, established in 1907 and relocated to the present site in 1954, is an 800-acre rain-fed farm located in northwest North Dakota near the city of Williston. In 2001, an additional 160 acres were purchased in the Nesson Valley and an irrigated research and development project was established. WREC research studies are conducted on crop variety evaluation, herbicide performance and other cultural management research, cropping systems and soil and water conservation practices. The main dryland crops are spring wheat and durum. Barley, oats, safflower, pea, lentil, chickpea, canola, flax, alfalfa and other alternative crops are also grown as cash crops or for livestock feed.

WREC research is intended to increase the producer's net profit, support crop diversification and encourage more intensive cropping and irrigation development. Research on soil and crop management systems for sprinkler irrigation, on alternative irrigated high value and value-added crops and on western malting barley programs are conducted for the MonDak region, in cooperation with the Montana State University Eastern Agricultural Research Center (MSU EARC), Sidney. WREC also conducts variety development research on safflower, winter wheat, and durum and variety evaluations in cooperation with MSU and NDSU Main Station scientists. WREC produces and supplies foundation seed to area farmers of new and old varieties adapted to the region. Formal cooperation between the NDSU WREC and the MSU EARC was established in January 1994, with a single director responsible to coordinate, broaden, and enhance research programs, and educational delivery systems for the MonDak region.

### Carrington Research Extension Center (CREC)

The Carrington Research Extension Center was established in 1960. CREC operates on a land base of around 1,700 acres and has infrastructure to irrigate about 260 acres with center-pivot systems and 120 acres by surface methods. The balance of the acreage is managed as traditional dryland and is utilized primarily for dryland field crop research activities.

The research effort at CREC focuses on these general program areas: traditional crop variety evaluation, crop production and management, plant disease management, alternative crop development, cropping systems, irrigation, integration of crop and livestock production, intensive cow/calf production, beef cattle feeding, feedlot management, livestock waste and nutrient management, foundation seedstocks production, and development of new agricultural enterprises. Through these efforts, the CREC research program has gained a national reputation for its involvement in agriculturally-based economic development and study of a wide range of crops and cropping systems.

CREC maintains a strong Extension program as five extension specialists base their educational programming from the center. The extension program emphasis areas addressed by these specialists include: agronomy, plant pathology, irrigation, livestock, and livestock waste - nutrient management.

### Major Accomplishments

#### Dickinson Research Extension Center (DREC)

1. Continued work in five major areas: agronomy, beef management, bio-security, range management, and sustainable agricultural practices.
2. Submitted a new beef systems project with a soil health component for review with the full support of the DREC advisory board. The project will research the potential advantages of integrated crop and beef cattle agro-ecosystems that maximize the use of livestock harvesting.
3. Collaborated with NDSU breeders to evaluate new lines of small grains and peas under conventional management at several locations.
4. Documented the state of the industry in regard to animal identification and the relatively low success rate for trace forward (only one out of five animals) as part of the CREC biosecurity project.

#### Central Grasslands Research Extension Center (CGREC)

1. Obtained funding for a forage agronomy program in 2009. Hired forage agronomist and reached full implementation of the program in the summer of 2010.
2. Awarded a grant to coordinate and develop a biomass for ethanol study at six sites across North Dakota.
3. Developed a whole ranch management system and range monitoring program.
4. Completed a two-year investigation (funded in part by Sweetpro) on the use of ethanol by-products in first-calf heifer and steer finishing rations.

5. Initiated a new cooperative research study with Main Station scientists evaluating swath grazing of three forage species on beef cow performance.
6. Cooperated on a research study on vaccine interference with Main Station scientists and the Pfizer Company.

## Hettinger Research Extension Center (HREC)

1. Distributed foundation seed produced at NDSU research centers, making new varieties available to southwest North Dakota producers.
2. Conducted crop trials and pesticide trials as well as off-station variety testing at Regent, Scranton, New Leipzig, Selfridge, Reeder, Glen Ullin, Bison, Ralph, and Mandan.
3. Evaluated new varieties and technologies for growing drought tolerant corn and wheat.
4. Initiated a new research project, "Habitat Factors for Sharp-tailed Grouse on the Grand River National Grasslands," with the USDA-Forest Service.
5. Conducted two producer ram tests each year.
6. Initiated a research project, which will evaluate land transfer patterns in the Northern Great Plains across the past 20 years.

## Langdon Research Extension Center (LREC)

1. Provided dependable research results concerning crop production issues that impact the region's producers.
2. Formed strong research partnerships with chemical, seed and other companies that provide inputs to the region's producers.
3. Added \$300,000 in grant research projects in 2009.
4. Developed new partnerships and continue to pursue value added opportunities with local economic development groups.
5. Hosted approximately 300 educational sessions serving over 5,000 citizens during 2009 in the Vic Sturlaugson Learning Center.
6. Increased fusarium headblight disease research by constructing new uniform scab nurseries for the hard red spring, durum and winter wheat breeding programs.

## North Central Research Extension Center (NCREC)

1. Produced, conditioned and distributed foundation seed of newer varieties including Pinnacle and Rasmusson barley; Dylan and Troy chickpea; Barlow, Faller, Brick, and RB07 hard red spring wheat; Souris oat; and Tioga durum.
2. Conducted a unique long-term crop rotation study which has demonstrated that crop sequence will affect Sclerotinia and blackleg diseases levels in canola.
3. Researched new crop protection products for minor crops such as sunflower, safflower, dry pea, lentil, chickpea, canola, mustard, flax, and triticale.

4. Researched new products for controlling noxious weeds in non-cropland areas.
5. Conducted residue trials with the USDA IR-4 that will lead to registration of new pesticides for controlling weeds and insects in canola, sunflower, flax, dry bean, dry pea, lentil, wheat, barley, and millet.
6. Increased all the highest oil, high-yielding canola lines in the United States for the oilseed development project Center of Excellence for AgBiotechnology.

## Williston Research Extension Center (WREC)

1. Evaluated the performance and adaptation of new and established crop cultivars and crop cultural practices to improve productivity of agricultural products and reduce inputs.
2. Conducted research and demonstration projects on potatoes, malting barley, safflower and durum and winter wheat variety developments, safflower weed control, pulse crop production and variety selection, horticultural crops, sprinkler irrigation, water and crop management.
3. Conducted bioenergy crop research on barley for ethanol and biomass production from switchgrass and other perennial herbaceous crops.
4. Utilized a 160-acre irrigated site in the Nesson Valley Irrigation District for an irrigated research and development project on sustainable irrigated cropping systems to increase irrigation profitability and support food processing industries in North Dakota.

## Carrington Research Extension Center (CREC)

1. Established research and demonstration studies at three on-farm sites to determine crop tolerance to saline soils.
2. Initiated a study of cow/calf production systems.
3. Served as lead department for the establishment of regional sugarbeet trials to determine sugarbeet productivity and viability as a feedstock for biofuel production.
4. Implemented 12 different misting systems covering 10 acres to successfully investigate genetic resistance and fungicide efficacy toward disease management in wheat, sunflower, soybean, dry bean, canola, and field pea.
5. Collaborated with the HREC's beef research programs to evaluate mitigation of high sulfur levels of distiller grains in feedlot diets.
6. Expanded research to evaluate the use of cover crops within cropping systems.

## Executive Budget Recommendation

- Recommends \$940,000 from the general fund for research regarding enhancing soil productivity and land management practices.
- Enhances the branch research center revolving equipment fund by \$100,000 from the general fund, bringing the total budget to \$500,000 per biennium.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

628 Branch Research Centers  
Biennium: 2011-2013

Bill#: HB1020

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Dickinson Research Center	4,687,438	6,287,580	44,391	0.7%	6,331,971	(699,018)	(11.1%)	5,588,562
Central Grasslands Research Center	1,984,332	2,560,602	265,791	10.4%	2,826,393	305,245	11.9%	2,865,847
Hettinger Research Center	2,883,164	2,995,155	356,091	11.9%	3,351,246	378,020	12.6%	3,373,175
Langdon Research Center	2,039,293	2,091,572	401,158	19.2%	2,492,730	287,235	13.7%	2,378,807
North Central Research Center	4,252,469	3,973,952	480,650	12.1%	4,454,602	305,869	7.7%	4,279,821
Williston Research Center	2,381,834	2,922,183	562,660	19.3%	3,484,843	277,906	9.5%	3,200,089
Carrington Research Center	5,584,398	6,727,962	752,158	11.2%	7,480,120	398,526	5.9%	7,126,488
<b>Total Major Programs</b>	<b>23,812,928</b>	<b>27,559,006</b>	<b>2,862,899</b>	<b>10.4%</b>	<b>30,421,905</b>	<b>1,253,783</b>	<b>4.5%</b>	<b>28,812,789</b>
<b>By Line Item</b>								
Dickinson Research Center	4,687,438	6,287,580	44,391	0.7%	6,331,971	(699,018)	(11.1%)	5,588,562
Central Grasslands Research Center	1,984,332	2,560,602	265,791	10.4%	2,826,393	305,245	11.9%	2,865,847
Hettinger Research Center	2,883,164	2,995,155	356,091	11.9%	3,351,246	378,020	12.6%	3,373,175
Langdon Research Center	2,039,293	2,091,572	401,158	19.2%	2,492,730	287,235	13.7%	2,378,807
North Central Research Center	4,252,469	3,973,952	480,650	12.1%	4,454,602	305,869	7.7%	4,279,821
Williston Research Center	2,381,834	2,922,183	562,660	19.3%	3,484,843	277,906	9.5%	3,200,089
Carrington Research Center	5,584,398	6,727,962	752,158	11.2%	7,480,120	398,526	5.9%	7,126,488
<b>Total Line Items</b>	<b>23,812,928</b>	<b>27,559,006</b>	<b>2,862,899</b>	<b>10.4%</b>	<b>30,421,905</b>	<b>1,253,783</b>	<b>4.5%</b>	<b>28,812,789</b>
<b>By Funding Source</b>								
General Fund	11,401,845	12,367,190	3,287,897	26.6%	15,655,087	1,568,018	12.7%	13,935,208
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	12,411,083	15,191,816	(424,998)	(2.8%)	14,766,818	(314,235)	(2.1%)	14,877,581
<b>Total Funding Source</b>	<b>23,812,928</b>	<b>27,559,006</b>	<b>2,862,899</b>	<b>10.4%</b>	<b>30,421,905</b>	<b>1,253,783</b>	<b>4.5%</b>	<b>28,812,789</b>
<b>Total FTE</b>	<b>95.56</b>	<b>95.49</b>	<b>18.00</b>	<b>18.9%</b>	<b>113.49</b>	<b>0.00</b>	<b>0.0%</b>	<b>95.49</b>

**Statutory Authority**

North Dakota Century Code Chapter 4-08.

**Agency Description**

The North Dakota State University (NDSU) Extension Service is part of a nationwide, university-based educational system that provides research-based educational programs to citizens in all 53 counties and four American Indian reservations in North Dakota. Programs focus on selected needs and issues affecting the state’s agriculture, youth, families, communities and natural resources. The staff is located at state, area and local/county offices. The NDSU Extension Service combines funding from federal, state, county and grant sources to specifically address local concerns.

**Major Accomplishments**

1. Received excellent or good ratings from 83.0 percent of North Dakota residents surveyed in a 2008 national Extension survey.
2. Conducted educational workshops with corn industry leaders, Extension agents and producers on proper methods to grade discolored corn and drying methods to reduce the amount of discoloration.
3. Continued to coordinate surveys, predict and generate risk maps, provide recommendations and provide training to manage key crop pests like fusarium head blight and wheat streak mosaic virus through the IPM program.
4. Improved confidence in developing or improving an existing estate plan for their family farm/ranch in 138 participants through a farm estate/transition planning pilot program held in 2010 over interactive video
5. Provided risk management education to 900 North Dakota farm/ranch women through the Annie's Project.
6. Educated more than 400 people through workshops in the past year on the topics of wind energy financing and regulation, energy efficiency and wind turbine leases.
7. Engaged more than 350 North Dakota families to participate in the country's largest trial program to select superior vegetable varieties, including asparagus, beans and zucchini.
8. Utilized the Horizons program to help 42 small North Dakota communities combat poverty, population loss and economic decline. The program also helped communities gain child-care facilities, affordable housing, cell phone service, community gardens and farmers markets, and food pantries.

9. Certified 2,700 commercial and 4,500 private pesticide applicators annually through the NDSU Extension Pesticide Program.
10. Helped 73 North Dakotans from 32 counties develop skills to become effective leaders and obtain the tools to overcome challenges facing rural North Dakota through the Rural Leadership North Dakota program.
11. Delivered the Junior Master Gardener program in 24 counties with an estimated 1,190 participants.
12. Involved 23,455 North Dakota youth in educational programs during the 2009 programming year. This includes 6,345 youth enrolled in organized clubs.
13. Made over 590,000 face-to-face educational contacts in North Dakota during the 2009 programming year.
14. Continued to provide educational programs and resources on parenting and family issues through regional Parent Resource Centers.
15. Continued to assist in expanding the state's livestock industry through research and education.
16. Provided nutrition education to limited-resource families in the state. Every dollar invested in nutrition education in North Dakota reduces limited-resource families’ health-care costs by \$8.82.
17. Collaborated with NDSU Bison Athletics to build awareness about the importance of making more healthful food choices and getting physically active through the “Eat Smart. Play Hard.” statewide campaign.

**Executive Budget Recommendation**

- Approves an additional \$450,000 from the general fund for technician salary support.
- Provides \$690,000 from the general fund for soil health and land management.
- Recommends \$250,000 from the general fund for proactive livestock stewardship education.
- Appropriates an increase of \$50,000 from the general fund for technical assistance grants to soil conservation districts.
- Authorizes \$830,000 from the general fund to expand the Gearing Up for Kindergarten program to a statewide scope. \$500,000 is directed to programming sessions, while \$330,000 will support administrative and organizational costs of the expansion.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

630 NDSU Extension Service  
Biennium: 2011-2013

Bill#: HB1020

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
COOP Extension Service	41,152,828	47,929,289	5,638,874	11.8%	53,568,163	815,165	1.7%	48,744,454
<b>Total Major Programs</b>	<b>41,152,828</b>	<b>47,929,289</b>	<b>5,638,874</b>	<b>11.8%</b>	<b>53,568,163</b>	<b>815,165</b>	<b>1.7%</b>	<b>48,744,454</b>
<b>By Line Item</b>								
NDSU Extension Service	40,415,028	47,091,489	5,488,874	11.7%	52,580,363	765,165	1.6%	47,856,654
Soil Conservation Committee	737,800	837,800	150,000	17.9%	987,800	50,000	6.0%	887,800
<b>Total Line Items</b>	<b>41,152,828</b>	<b>47,929,289</b>	<b>5,638,874</b>	<b>11.8%</b>	<b>53,568,163</b>	<b>815,165</b>	<b>1.7%</b>	<b>48,744,454</b>
<b>By Funding Source</b>								
General Fund	18,512,190	22,000,412	7,158,357	32.5%	29,158,769	3,615,232	16.4%	25,615,644
Federal Funds	5,850,596	7,142,393	(110,625)	(1.5%)	7,031,768	(408,664)	(5.7%)	6,733,729
Special Funds	16,790,042	18,786,484	(1,408,858)	(7.5%)	17,377,626	(2,391,403)	(12.7%)	16,395,081
<b>Total Funding Source</b>	<b>41,152,828</b>	<b>47,929,289</b>	<b>5,638,874</b>	<b>11.8%</b>	<b>53,568,163</b>	<b>815,165</b>	<b>1.7%</b>	<b>48,744,454</b>
<b>Total FTE</b>	<b>266.33</b>	<b>255.75</b>	<b>13.00</b>	<b>5.1%</b>	<b>268.75</b>	<b>0.00</b>	<b>0.0%</b>	<b>255.75</b>

**Statutory Authority**

North Dakota Century Code Chapter 4-14.2.

**Agency Description**

The Northern Crops Institute (NCI) is a cooperative effort between North Dakota, Minnesota, Montana and South Dakota to support the promotion and market development of crops grown in this four-state region. NCI is an international meeting and learning center that brings together customers, commodity traders, technical experts, agricultural producers, and food and industrial processors for education, discussion and technical services. NCI provides technical and marketing assistance through specialized training courses and technical services that facilitate domestic and international market development and expanded sales of northern grown crops. Representatives from more than 127 countries have visited NCI since its inception. It is located on the campus of North Dakota State University.

**Major Accomplishments**

1. Contributed to state's economy through marketing activities for agricultural crops (increase and maintain crop sales) and by bringing many course participants and processors to North Dakota (hotels, meals, shopping, etc).
2. Contributed to market development and global awareness of North Dakota and four-state regional crop quality and availability.
3. Hosted and promoted regional agriculture to visitors, short course participants and lecturers from over 50 countries.
4. Educated over 400 participants of short courses and trade teams, and hundreds more through domestic and international outreach programs.
5. Offered courses in partnership with U.S. Wheat Associates, American Soybean Association, U.S. Grains Council, US Dry Bean Council, American Pulse Association, USA Dry Pea and Lentil Association, American Society for Brewing Chemists, Association of Oil Chemists Society, USDA/FAS Cochran Program, USDA Federal Grain Inspection Service (FGIS), Minneapolis Grain Exchange, NDSU Extension Service, ND Grain Dealers, Midwest Shippers Association, and many commodity check-off organizations.

6. Continued strong annual enrollments in grain procurement management courses.
7. Provided customized courses for regional and multi-national companies.
8. Continued strong enrollment in pasta technology courses.
9. Conducted feed production programs for domestic and international animal feed manufacturers.
10. Conducted courses on the use of Distillers Dried Grains with Solubles (DDGS) to domestic and international animal feed nutritionists.
11. Developed and conducted courses for the use of soy, whole wheat, legumes, flax and canola in food products, and the use of DDGS and soybean products in aquaculture feeds.
12. Provided lectures and demonstrations for NDSU, SDSU and other regional universities.
13. Developed and offered specialized courses/workshops upon request.
14. Hosted and provided lectures for international trade teams regularly.
15. Produced complete feeds, concentrates, supplements and custom premixes for use in animal research. Feed production for FY 2010 was 1,450 tons, mostly for NDSU Experiment Station and Research and Extension Centers. Feed for main station experimental livestock research is manufactured at NCI feed production center.
16. Provided technical expertise in crop quality and utilization in locations around the world.
17. Held leadership roles in many national/international professional organizations including the American Association of Cereal Chemists International, Wheat Quality Council, Association of Operative Millers, American Feed Industry Association, Analytical Oil Chemists Society, and Institute for Food Technologists.

**Executive Budget Recommendation**

- Provides \$199,362 from the general fund for the existing feed production center manager position currently funded with special funds.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

638 Northern Crops Institute  
 Biennium: 2011-2013

Bill#: HB1020

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Farm Product Development, Mktg. and Util	2,516,094	3,037,486	474,672	15.6%	3,512,158	309,821	10.2%	3,347,307
<b>Total Major Programs</b>	<b>2,516,094</b>	<b>3,037,486</b>	<b>474,672</b>	<b>15.6%</b>	<b>3,512,158</b>	<b>309,821</b>	<b>10.2%</b>	<b>3,347,307</b>
<b>By Line Item</b>								
Northern Crops Institute	2,516,094	3,037,486	474,672	15.6%	3,512,158	309,821	10.2%	3,347,307
<b>Total Line Items</b>	<b>2,516,094</b>	<b>3,037,486</b>	<b>474,672</b>	<b>15.6%</b>	<b>3,512,158</b>	<b>309,821</b>	<b>10.2%</b>	<b>3,347,307</b>
<b>By Funding Source</b>								
General Fund	1,150,818	1,439,221	272,752	19.0%	1,711,973	253,361	17.6%	1,692,582
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,365,276	1,598,265	201,920	12.6%	1,800,185	56,460	3.5%	1,654,725
<b>Total Funding Source</b>	<b>2,516,094</b>	<b>3,037,486</b>	<b>474,672</b>	<b>15.6%</b>	<b>3,512,158</b>	<b>309,821</b>	<b>10.2%</b>	<b>3,347,307</b>
<b>Total FTE</b>	<b>10.20</b>	<b>11.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>11.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>11.00</b>



**Statutory Authority**

ND Constitution Article XIX; North Dakota Century Code Chapter 4-05.1.

**Agency Description**

The North Dakota State University Main Research Station is located on the campus of the North Dakota State University of Agriculture and Applied Science. The station is the administrative location of the North Dakota Agricultural Experiment Station. The station conducts research and coordinates all research activities of the Agricultural Experiment Station. The purpose of the research is the development and dissemination of technology important to the production and utilization of food, feed, fiber, and fuel from crop and livestock enterprises. The research provides for an enhancement of economic development, quality of life, sustainability of production, and protection of the environment. The Main Research Station keeps detailed records of all activities and publishes the information that will be of value to the residents of this state.

**Major Accomplishments**

1. Continued breeding, disease and insect tests, fertility tests, responses to weed pressure, determination of desirable agronomic processing and products, and economic impacts for 14 major crops and several new crops.
2. Released hard red spring wheat (HRSW) cultivars that have improved diseases resistance and agronomic/quality traits that contribute substantially to the economic development of the state and income of wheat growers and industry while meeting the export market requirements. In its first year of full-scale production, the HRSW cultivar Faller was grown on over 17 percent of the acreage in North Dakota, a phenomenal rate of acceptance. Faller was the most widely used HRSW cultivar in Minnesota as well.
3. The NDAES also released "Mott", a HRS wheat cultivar that possesses the solid stem trait which reduces yield losses due to wheat stem sawfly infestation, which is particularly important to western North Dakota.
4. ND901CL, a line with natural resistance to a specific herbicide, and Barlow were released for use in the state and region.
5. Released Dakota Trailblazer, a dual purpose potato cultivar and first NDSU-developed variety for chipping.

6. Released the durum cultivar Tioga, which is ideally suited to central and western North Dakota.
7. Developed, maintained, and improved disease forecasting systems that are important tools for managing important diseases on several crops such as wheat, barley, sugarbeet, potato, and canola.
8. Reduced leafy spurge infestation from its peak of 1.5 million acres to 850,000 acres by 2009, the lowest amount since 1971.
9. Studied ways to increase the understanding of the effect of gestational events upon the long-term health and viability of the offspring. This effort is an international effort by NDAES scientists and scientists at animal research centers in Europe.
10. Determined that plant-root development and soil development is enhanced with managed grazing. Managed grazing enhances several soil properties, most notably soil infiltration.
11. Identified ways to manage grazing and farm land to maximize income of livestock and crops, while maintaining high populations of upland game, an important revenue generator for landowners in many areas of the state.

**Executive Budget Recommendation**

- Appropriates \$7.0 million from the general fund and \$2.5 million special fund authority to complete construction of the research greenhouse complex.
- Enhances the budget for greenhouse utilities by \$173,622, for a total general fund budget of \$653,622.
- Provides \$470,000 from the general fund for research to enhance soil productivity and land management practices.
- Establishes the main station equipment fund at \$450,000 from the general fund, an increase of \$100,000.
- Allocates \$410,000 from the general fund to increase scientist operating funds to \$10,000 per scientist year.
- Recommends \$720,000 from the general fund for graduate research stipends.
- Approves \$550,000 from the general fund for additional main station office support.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

640 NDSU Main Research Center

Bill#: HB1020

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Agricultural Research	80,205,209	114,657,502	234,263	0.2%	114,891,765	(16,759,931)	(14.6%)	97,897,571
<b>Total Major Programs</b>	<b>80,205,209</b>	<b>114,657,502</b>	<b>234,263</b>	<b>0.2%</b>	<b>114,891,765</b>	<b>(16,759,931)</b>	<b>(14.6%)</b>	<b>97,897,571</b>
<b>By Line Item</b>								
Deferred Maintenance	0	450,000	(450,000)	(100.0%)	0	(450,000)	(100.0%)	0
Main Research Center	80,205,209	113,257,502	1,634,263	1.4%	114,891,765	(15,359,931)	(13.6%)	97,897,571
Grape & Wine Prog Comm	0	250,000	(250,000)	(100.0%)	0	(250,000)	(100.0%)	0
Federal Stimulus Funds 2009	0	700,000	(700,000)	(100.0%)	0	(700,000)	(100.0%)	0
<b>Total Line Items</b>	<b>80,205,209</b>	<b>114,657,502</b>	<b>234,263</b>	<b>0.2%</b>	<b>114,891,765</b>	<b>(16,759,931)</b>	<b>(14.6%)</b>	<b>97,897,571</b>
<b>By Funding Source</b>								
General Fund	38,391,709	65,977,139	4,931,900	7.5%	70,909,039	(12,053,143)	(18.3%)	53,923,996
Federal Funds	6,081,375	6,270,075	(700,000)	(11.2%)	5,570,075	(923,659)	(14.7%)	5,346,416
Special Funds	35,732,125	42,410,288	(3,997,637)	(9.4%)	38,412,651	(3,783,129)	(8.9%)	38,627,159
<b>Total Funding Source</b>	<b>80,205,209</b>	<b>114,657,502</b>	<b>234,263</b>	<b>0.2%</b>	<b>114,891,765</b>	<b>(16,759,931)</b>	<b>(14.6%)</b>	<b>97,897,571</b>
<b>Total FTE</b>	<b>347.39</b>	<b>329.26</b>	<b>35.00</b>	<b>10.6%</b>	<b>364.26</b>	<b>0.00</b>	<b>0.0%</b>	<b>329.26</b>

## **Statutory Authority**

North Dakota Century Code Chapter 4-05.1.

## **Agency Description**

The Agronomy Seed Farm (ASF) is a 590 acre farm located near Casselton, which has been a part of the North Dakota Agriculture Experiment Station (NDAES) since it was gifted to the state in 1950. It was the result of a fund drive conducted by the North Dakota Crop Improvement Association, which solicited farmers, seed companies and many others throughout the state to help establish a farm whose main purpose is to increase seed of new varieties as they are developed by the plant breeding and supporting departments of the NDAES. The ASF also propagates seed of older but still desirable varieties for the seedsmen of the area.

## **Major Accomplishments**

1. Produced 40,000 to 50,000 bushels of seed for availability to the seed industry annually.
2. Conditioned 40,000 to 50,000 bushels of seed for availability to the seed industry annually.

## **Executive Budget Recommendation**

- Approves the budget as requested.
- Maintains current staffing levels and funding sources.
- Includes \$301,000 for necessary equipment purchases.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

649 Agronomy Seed Farm

Bill#: HB1020

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Agricultural Research	1,135,202	1,275,238	144,643	11.3%	1,419,881	159,930	12.5%	1,435,168
<b>Total Major Programs</b>	<b>1,135,202</b>	<b>1,275,238</b>	<b>144,643</b>	<b>11.3%</b>	<b>1,419,881</b>	<b>159,930</b>	<b>12.5%</b>	<b>1,435,168</b>
<b>By Line Item</b>								
Agronomy Seed Farm	1,135,202	1,275,238	144,643	11.3%	1,419,881	159,930	12.5%	1,435,168
<b>Total Line Items</b>	<b>1,135,202</b>	<b>1,275,238</b>	<b>144,643</b>	<b>11.3%</b>	<b>1,419,881</b>	<b>159,930</b>	<b>12.5%</b>	<b>1,435,168</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,135,202	1,275,238	144,643	11.3%	1,419,881	159,930	12.5%	1,435,168
<b>Total Funding Source</b>	<b>1,135,202</b>	<b>1,275,238</b>	<b>144,643</b>	<b>11.3%</b>	<b>1,419,881</b>	<b>159,930</b>	<b>12.5%</b>	<b>1,435,168</b>
<b>Total FTE</b>	<b>3.00</b>	<b>3.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>3.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>3.00</b>

**Statutory Authority**

North Dakota Century Code Chapter 4-02.1.

**Agency Description**

The North Dakota State Fair Association produces the State Fair for North Dakota. This nine day event includes the production of horse shows, 4H State Championship competitions, FFA State Championship competitions, several junior stock shows, and open class competitions for hundreds of categories. The annual budget for the State Fair and All Seasons Arena complex approaches \$6.6 million.

State Fair provides the facilities, administration, staffing judges, equipment, prizes and recognition for those who bring nearly 41,000 entries from every community in North Dakota.

The Association provides educational and entertaining exhibits along with special attractions that bring North Dakotan's together to celebrate their heritage and lifestyle each year.

**Major Accomplishments**

1. Generated revenues to operate facilities through admissions, rents, and gifts from friends.
2. Solicited \$20.0 million in capital construction from non-state revenues for capital improvements.
3. Generated revenue of \$8.7 million for capital improvements from admissions and rents.
4. Received international awards for excellence in the fair agricultural program.
5. Hosted 41,763 competitive entries from 4H, FFA, & open class in 2009. Seventy percent of these entries are from North Dakotans under the age of 21.
6. Received entries from nearly every community in North Dakota.
7. Recognized state wide, regionally and nationally as a great attraction and The Show Place of North Dakota.

**Executive Budget Recommendation**

- Provides an inflationary increase for exhibitor premiums of \$32,850 from the general fund.
- Maintains \$210,000 base funding for the general fund portion of bond payments.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

665 ND State Fair  
Biennium: 2011-2013

Bill#: HB1009

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
State Support	1,167,150	18,697,150	(18,000,000)	(96.3%)	697,150	(17,967,150)	(96.1%)	730,000
<b>Total Major Programs</b>	<b>1,167,150</b>	<b>18,697,150</b>	<b>(18,000,000)</b>	<b>(96.3%)</b>	<b>697,150</b>	<b>(17,967,150)</b>	<b>(96.1%)</b>	<b>730,000</b>
<b>By Line Item</b>								
Capital Assets	725,000	18,210,000	(18,000,000)	(98.8%)	210,000	(18,000,000)	(98.8%)	210,000
Premiums	442,150	487,150	0	0.0%	487,150	32,850	6.7%	520,000
<b>Total Line Items</b>	<b>1,167,150</b>	<b>18,697,150</b>	<b>(18,000,000)</b>	<b>(96.3%)</b>	<b>697,150</b>	<b>(17,967,150)</b>	<b>(96.1%)</b>	<b>730,000</b>
<b>By Funding Source</b>								
General Fund	1,167,150	15,697,150	(15,000,000)	(95.6%)	697,150	(14,967,150)	(95.3%)	730,000
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	3,000,000	(3,000,000)	(100.0%)	0	(3,000,000)	(100.0%)	0
<b>Total Funding Source</b>	<b>1,167,150</b>	<b>18,697,150</b>	<b>(18,000,000)</b>	<b>(96.3%)</b>	<b>697,150</b>	<b>(17,967,150)</b>	<b>(96.1%)</b>	<b>730,000</b>
<b>Total FTE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>

## Statutory Authority

North Dakota Century Code 53-06.2-01 to 53-06.2-16.

## Agency Description

The North Dakota Racing Commission is the regulatory agency in charge of regulating live, simulcast racing, and account deposit wagering in North Dakota. The Commission administers four special funds for the benefit of the horse racing industry in North Dakota. The commission is made up of five members appointed by the Governor and has an office staff of a Director and an administrative staff officer.

## Major Accomplishments

1. Regulated the live, simulcast, account deposit wagering industry in North Dakota.
2. Promoted live horse racing.
3. Assisted in resolving debt problems at the North Dakota Horse Park in Fargo.
4. Responded to issues related to live horse racing and account deposit wagering.
5. Redrafted proposed rule changes to accommodate account deposit wagering issues, regulations affecting live racing, and updated totalizator regulations.
6. Executed the duties required by the North Dakota Century Code.

7. Approved and licensed live racing via licenses provided to tracks, associations, owners, trainers and jockeys.
8. Approved and licensed all simulcast racing, including tote providers, service providers, charitable sites, and simulcast employees.
9. Monitored live and simulcast racing by hiring and providing veterinarians, stewards and other personnel required to assure compliance with the Administrative Code.
10. Administered the promotion fund monies to promote live and simulcast racing and provided oversight to insure compliance with promotion awards.
11. Approved and disbursed the purse fund grants to live race tracks to promote live racing.
12. Contracted an independent contractor to administer the North Dakota Breeders' Fund Horse Registry.
13. Contracted with an independent accounting agency to provide oversight, evaluate and review over all pari-mutuel activities.

## Executive Budget Recommendation

- Recommends base budget as requested by agency.
- Provides general and special fund authority to support current FTE level and operations of the agency.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

670 ND Horse Racing Commission

Bill#: HB1024

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Horse Racing Administration	420,455	400,000	31,041	7.8%	431,041	47,501	11.9%	447,501
<b>Total Major Programs</b>	<b>420,455</b>	<b>400,000</b>	<b>31,041</b>	<b>7.8%</b>	<b>431,041</b>	<b>47,501</b>	<b>11.9%</b>	<b>447,501</b>
<b>By Line Item</b>								
Racing Commission	420,455	400,000	31,041	7.8%	431,041	47,501	11.9%	447,501
<b>Total Line Items</b>	<b>420,455</b>	<b>400,000</b>	<b>31,041</b>	<b>7.8%</b>	<b>431,041</b>	<b>47,501</b>	<b>11.9%</b>	<b>447,501</b>
<b>By Funding Source</b>								
General Fund	120,674	295,000	6,041	2.0%	301,041	22,501	7.6%	317,501
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	299,781	105,000	25,000	23.8%	130,000	25,000	23.8%	130,000
<b>Total Funding Source</b>	<b>420,455</b>	<b>400,000</b>	<b>31,041</b>	<b>7.8%</b>	<b>431,041</b>	<b>47,501</b>	<b>11.9%</b>	<b>447,501</b>
<b>Total FTE</b>	<b>2.00</b>	<b>2.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>2.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>2.00</b>



## Statutory Authority

North Dakota Century Code Chapters 55-01, 55-02, 55-03, 55-05, 55-06, 55-09, 55-10, 55-11, and 55-12.

## Agency Description

The State Historical Society of North Dakota is responsible for identifying, preserving, interpreting, and promoting the heritage of North Dakota and its people. The agency was founded in 1895 and accomplishes its mission through five divisions, as follows:

- Support Services Division provides support and coordination for all functions of the agency through budgeting, accounting, purchasing, human resource management, inventory control, concession sales, communications services, building and site security, and general supervision.
- Communication and Education Division is responsible for agency publications and the development of educational programs and curriculum.
- Museum Division presents the history of North Dakota through planning, fabrication and installation of exhibits, including traveling exhibits and those located in the Heritage Center in Bismarck, Pembina State Museum and Historic Sites.
- State Archives preserves and makes accessible to the public records of North Dakota government; makes available the collections of books, microfilm, newspapers, maps, photographs, manuscripts, and other two-dimensional historical materials to both staff and public through reference services and programs of preservation.
- Historic Preservation Division services include evaluating architectural and archaeological properties, providing assistance to historic property owners, nominating properties to the National Register of Historic Places and State Historic Sites Registry, administering the Preservation Tax Credit Program, reviewing the impact of federally-related projects on historic properties, and providing information about historic preservation and restoration. This division also provides for the management, maintenance, repair and operation of all Historical Society land and buildings other than the North Dakota Heritage Center.

## Major Accomplishments

1. Completed installing compact shelving on the second and third floor of the State Archives Addition to the North Dakota Heritage Center.
2. Completed the construction documents for the North Dakota Heritage Center Expansion.
3. Completed maintenance and repair work on the Ronald Reagan Minuteman Missile State Historic Site located in Cooperstown North Dakota and opened the site the public on July 13, 2009.

4. Expanded and enhanced the Society's web site to better promote the Society and provide the public with additional access to the state's collections.
5. Worked with the state's Information Technology Division to perform a high level business analysis to identify current and long term technology issues.
6. Continued to work with other states and NDSU on the ContentDM project which provides access to photographs and other items than can be digitized.
7. Continued to develop exhibits, interpretative and educational programs for the public.
8. Expanded the Cultural Heritage Grant program to help support county and local historical society programs.
9. Relocated the blockhouse at Fort Abercrombie State Historic Site. The blockhouse was moved because it was endangered by erosion of the riverbank.
10. New temporary exhibits called "How Does Your Garden Grow" and "A Considered View" were installed in the North Dakota Heritage Center.
11. Installed a new orientation exhibit at the Ronald Reagan Minuteman Missile State Historic Site.
12. Installed the "Lincoln's Legacy In North Dakota" exhibit at the Pembina State Museum.
13. Installed the "Emigrants from the Empires" exhibit at the Missouri-Yellowstone Confluence Interpretive Center.

## Executive Budget Recommendation

- Provides 1.00 FTE exhibit specialist for the second year of the biennium to manage the expanded exhibit space resulting for the Heritage Center expansion.
- Provides \$59,800 for temporary security staff to be used to ensure the security of sensitive collections areas during construction of the Heritage Center expansion.
- Provides \$23,284 for replacement value insurance coverage for certain historical structures.
- Provides \$174,000 to increase the average salary of seasonal temporary staff from \$8.50 per hour to \$10.50 per hour by the end of the 2011-13 biennium.
- Provides \$145,410 to conduct a detailed business analysis of the agency's IT needs.
- Provides \$75,000 for enhanced marketing of historic sites and the expanded Heritage Center.
- Provides \$1.0 million, \$350,000 from the general fund and \$650,000 from federal funds, to provide bank stabilization at Fort Abercrombie historic site.
- Provides \$306,000 for extraordinary repairs at historic sites.
- Provides \$90,000 for exhibit development at various historic sites.
- Provides \$50,000 for planning and promotion of the states 125th anniversary celebration in 2014.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

701 Historical Society  
Biennium: 2011-2013

Bill#: SB2018

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Support Services	2,917,680	2,916,770	14,714	0.5%	2,931,484	394,761	13.5%	3,311,531
Museum	1,217,039	1,331,855	613	0.0%	1,332,468	189,408	14.2%	1,521,263
Communication and Education	321,998	1,018,395	(50,062)	(4.9%)	968,333	119,754	11.8%	1,138,149
SA & HRL	1,309,413	1,578,516	15,427	1.0%	1,593,943	97,363	6.2%	1,675,879
Historic Sites	7,256,435	59,240,258	(55,343,077)	(93.4%)	3,897,181	(53,970,615)	(91.1%)	5,269,643
Historic Preservation Division	1,825,428	3,437,915	174,096	5.1%	3,612,011	265,334	7.7%	3,703,249
<b>Total Major Programs</b>	<b>14,847,993</b>	<b>69,523,709</b>	<b>(55,188,289)</b>	<b>(79.4%)</b>	<b>14,335,420</b>	<b>(52,903,995)</b>	<b>(76.1%)</b>	<b>16,619,714</b>
<b>By Line Item</b>								
Salaries and Wages	6,877,595	8,696,675	147,685	1.7%	8,844,360	889,985	10.2%	9,586,660
Operating Expenses	1,974,275	2,361,760	(70,428)	(3.0%)	2,291,332	326,566	13.8%	2,688,326
Capital Assets	2,227,472	3,896,212	(2,205,476)	(56.6%)	1,690,736	(1,060,476)	(27.2%)	2,835,736
Capital Construction Carryover	3,002,595	646,570	(646,570)	(100.0%)	0	(646,570)	(100.0%)	0
Heritage Center Addition	0	51,700,000	(51,700,000)	(100.0%)	0	(51,700,000)	(100.0%)	0
Grants	408,307	1,028,500	(28,500)	(2.8%)	1,000,000	(28,500)	(2.8%)	1,000,000
Cultural Heritage Grants	345,443	504,500	0	0.0%	504,500	0	0.0%	504,500
Yellowstone-Missouri-Ft Union Comm	4,492	4,492	0	0.0%	4,492	0	0.0%	4,492
Federal Stimulus Funds - 2009	0	685,000	(685,000)	(100.0%)	0	(685,000)	(100.0%)	0
Snow Angel Project	7,814	0	0	0.0%	0	0	0.0%	0
<b>Total Line Items</b>	<b>14,847,993</b>	<b>69,523,709</b>	<b>(55,188,289)</b>	<b>(79.4%)</b>	<b>14,335,420</b>	<b>(52,903,995)</b>	<b>(76.1%)</b>	<b>16,619,714</b>
<b>By Funding Source</b>								
General Fund	10,170,851	52,977,194	(41,492,887)	(78.3%)	11,484,307	(39,907,893)	(75.3%)	13,069,301
Federal Funds	2,339,261	4,412,436	(1,561,323)	(35.4%)	2,851,113	(862,023)	(19.5%)	3,550,413
Special Funds	2,337,881	12,134,079	(12,134,079)	(100.0%)	0	(12,134,079)	(100.0%)	0
<b>Total Funding Source</b>	<b>14,847,993</b>	<b>69,523,709</b>	<b>(55,188,289)</b>	<b>(79.4%)</b>	<b>14,335,420</b>	<b>(52,903,995)</b>	<b>(76.1%)</b>	<b>16,619,714</b>
<b>Total FTE</b>	<b>60.00</b>	<b>62.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>62.00</b>	<b>1.00</b>	<b>1.6%</b>	<b>63.00</b>

## **Statutory Authority**

North Dakota Century Code 54-54.

## **Agency Description**

The North Dakota Council on the Arts (NDCA) was established by state statute in 1967. Its board is comprised of nine citizens appointed by the Governor to serve five-year terms. The First Lady is an ex-officio member of the board. The purpose of the Council is to establish policies, programs, and partnerships to encourage the study and presentation of the performing and fine arts and to encourage public interest in the cultural heritage of our state. The Council functions as a community partner and a catalyst for artists and organizations. The Council regrants National Endowment for the Arts funds and state appropriated funds to North Dakota communities, schools, individuals, and organizations through its various grant programs. It offers educational opportunities and technical advice, collects and disseminates arts information, and acts as the state's foremost arts advocate.

## **Major Accomplishments**

1. Converted all but one grant program to an online application and submission process, leading to greater efficiency and savings for both NDCA staff and their grantees.
2. Created a mentoring network and classroom training program for teaching artists and educators. The program is now serving as a model for other states and is widely acclaimed.

3. Partnered with Prairie Public Broadcasting on numerous documentaries and special programs featuring North Dakota artists.
4. Added two more communities in the Art for Life program. This consortium now involves three art councils and two cultural organizations in Jamestown, Pekin, Langdon, New Town, and New Rockford. They partner with their community's nursing home or long-term care facility bringing arts activities to the residents.
5. Published a book "Sundogs and Sunflowers: Folklore and Folk Art of the Northern Great Plains." This book is a ground-breaking compilation covering more than thirty years, 1977-2010, and celebrates the proud folk heritage of the region.
6. Assisted in the statewide implementation of CulturePulse.org, an online promotional tool for arts and cultural organizations, as well as individual artists.

## **Executive Budget Recommendation**

- Provides \$65,000, an increase of \$20,000, for the Art for Life program. The additional funds will allow the inclusion of two additional facilities, for a total of seven participating facilities. The program provides grants to senior centers and long-term care facilities to provide arts instruction to seniors.
- Provides \$15,000 for a one-time grant to provide technical support and marketing assistance for the CulturePulse web site, a newly developed statewide arts and cultural events web site developed in cooperation with the Council on the Arts and local arts organizations.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

709 Council on the Arts  
Biennium: 2011-2013

Bill#: HB1010

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Council on the Arts	2,454,918	3,313,249	(133,400)	(4.0%)	3,179,849	(59,787)	(1.8%)	3,253,462
<b>Total Major Programs</b>	<b>2,454,918</b>	<b>3,313,249</b>	<b>(133,400)</b>	<b>(4.0%)</b>	<b>3,179,849</b>	<b>(59,787)</b>	<b>(1.8%)</b>	<b>3,253,462</b>
<b>By Line Item</b>								
Salaries and Wages	617,697	692,447	10,520	1.5%	702,967	49,133	7.1%	741,580
Operating Expenses	227,193	292,045	3,530	1.2%	295,575	3,530	1.2%	295,575
Grants	1,610,028	2,038,757	142,550	7.0%	2,181,307	177,550	8.7%	2,216,307
Federal Stimulus Funds - 2009	0	290,000	(290,000)	(100.0%)	0	(290,000)	(100.0%)	0
<b>Total Line Items</b>	<b>2,454,918</b>	<b>3,313,249</b>	<b>(133,400)</b>	<b>(4.0%)</b>	<b>3,179,849</b>	<b>(59,787)</b>	<b>(1.8%)</b>	<b>3,253,462</b>
<b>By Funding Source</b>								
General Fund	1,140,756	1,368,734	(43,744)	(3.2%)	1,324,990	29,868	2.2%	1,398,602
Federal Funds	1,300,320	1,881,000	(89,656)	(4.8%)	1,791,344	(89,655)	(4.8%)	1,791,345
Special Funds	13,842	63,515	0	0.0%	63,515	0	0.0%	63,515
<b>Total Funding Source</b>	<b>2,454,918</b>	<b>3,313,249</b>	<b>(133,400)</b>	<b>(4.0%)</b>	<b>3,179,849</b>	<b>(59,787)</b>	<b>(1.8%)</b>	<b>3,253,462</b>
<b>Total FTE</b>	<b>5.00</b>	<b>5.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>5.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>5.00</b>

## Statutory Authority

North Dakota Century Code Title 20.1.

## Agency Description

The North Dakota Game and Fish Department manages publicly owned wildlife resources for the state of North Dakota. The Game and Fish Department consists of five major divisions, as follows:

- Administrative Services provides policy, planning, and support services and is responsible for all game and fish licensing.
- Fisheries manages the state's fisheries.
- Enforcement provides enforcement of the laws and regulations governing the use of the state's wildlife resources and recreational waters.
- Conservation and Communication informs the public of rules, regulations, and guidelines for safe, lawful hunting, fishing, trapping, and boating.
- Wildlife provides for the management of wildlife resources in the state.

## Major Accomplishments

1. Expanded the private land initiative (PLI) to include a conservation reserve program (CRP) cost share and hunting access program with 1.0 million acres.
2. Emphasized biological control of leafy spurge and other noxious weeds.
3. Continued the special spring snow goose hunting season and expanded Canada goose hunting opportunities.
4. Developed a state management plan for the black-tailed prairie dog.
5. Developed a department web site that includes a large variety of game and fish information, on-line game and fish license sales and lottery applications.
6. Provided hunter safety education to 6,000 youth in 200 communities.

7. Expanded the department's shooting range grants program to fund larger shooting range projects throughout the state.
8. Increased the number of recreational fishing lakes in North Dakota to over 300 in the past ten years.
9. Instituted the Aquatic Habitat-Save Our Lakes Program to restore deteriorating aquatic habitat.
10. Improved boating access throughout the state.

## Executive Budget Recommendation

- Includes \$8.4 million, an increase of \$1.4 million, for landowner payments through the Private Lands Initiative, maintaining public hunting access to over 1.0 million acres.
- Includes \$520,000, an increase of \$80,000, for grants to support the continued operation and maintenance of the Garrison Dam Fish Hatchery.
- Includes \$175,000 to implement in-car video technology for game wardens.
- Provides \$1.0 million for in lieu of tax payments to political subdivisions for department owned lands.
- Continues grants of \$768,800 to support the federal Wildlife Services agency.
- Continues grants of \$122,000 to support boat ramp operation and maintenance in state parks.
- Continues grants of \$200,000 for Department of Agriculture, Board of Animal Health.
- Provides a one-time grant of \$400,000 to the Parks and Recreation Department for cost sharing in the \$14.4 million Grahams Island State Park access road project.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

720 Game and Fish Department

Bill#: SB2017

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administrative Services	10,541,232	12,922,804	(1,448,371)	(11.2%)	11,474,433	(1,530,690)	(11.8%)	11,392,114
Fisheries	7,681,803	9,556,794	1,678,883	17.6%	11,235,677	2,263,430	23.7%	11,820,224
Enforcement	6,242,800	7,812,642	309,667	4.0%	8,122,309	630,253	8.1%	8,442,895
Communications and Conservation	6,350,175	6,909,501	87,975	1.3%	6,997,476	276,775	4.0%	7,186,276
Wildlife	20,536,032	23,294,819	2,221,490	9.5%	25,516,309	2,601,414	11.2%	25,896,233
<b>Total Major Programs</b>	<b>51,352,042</b>	<b>60,496,560</b>	<b>2,849,644</b>	<b>4.7%</b>	<b>63,346,204</b>	<b>4,241,182</b>	<b>7.0%</b>	<b>64,737,742</b>
<b>By Line Item</b>								
Salaries and Wages	18,567,043	21,580,287	1,230,954	5.7%	22,811,241	2,438,741	11.3%	24,019,028
Operating Expenses	10,309,839	12,800,000	(275,507)	(2.2%)	12,524,493	(275,507)	(2.2%)	12,524,493
Capital Assets	2,819,152	3,965,000	518,170	13.1%	4,483,170	218,170	5.5%	4,183,170
Capital Construction Carryover	220,676	1,032,622	(1,032,622)	(100.0%)	0	(1,032,622)	(100.0%)	0
Grants-Game and Fish	5,660,136	6,544,000	774,500	11.8%	7,318,500	1,174,500	17.9%	7,718,500
Land Habitat & Deer Depredation	10,406,283	11,080,162	919,838	8.3%	12,000,000	974,524	8.8%	12,054,686
Noxious Weed Control	437,732	550,000	50,000	9.1%	600,000	50,000	9.1%	600,000
Recruitment and Retention	28,500	0	0	0.0%	0	0	0.0%	0
Missouri River Enforcement	0	0	200,000	100.0%	200,000	200,000	100.0%	200,000
Grant-Gift-Donation	178,905	400,000	400,000	100.0%	800,000	400,000	100.0%	800,000
Nongame Wildlife Conservation	10,499	120,000	0	0.0%	120,000	0	0.0%	120,000
Lonetree Reservoir	1,304,902	1,655,689	64,311	3.9%	1,720,000	93,376	5.6%	1,749,065
Wildlife Services	680,000	768,800	0	0.0%	768,800	0	0.0%	768,800
Ramp and Marina Improvements	728,375	0	0	0.0%	0	0	0.0%	0
<b>Total Line Items</b>	<b>51,352,042</b>	<b>60,496,560</b>	<b>2,849,644</b>	<b>4.7%</b>	<b>63,346,204</b>	<b>4,241,182</b>	<b>7.0%</b>	<b>64,737,742</b>
<b>By Funding Source</b>								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	19,050,244	24,531,242	4,856,184	19.8%	29,387,426	5,305,987	21.6%	29,837,229
Special Funds	32,301,798	35,965,318	(2,006,540)	(5.6%)	33,958,778	(1,064,805)	(3.0%)	34,900,513
<b>Total Funding Source</b>	<b>51,352,042</b>	<b>60,496,560</b>	<b>2,849,644</b>	<b>4.7%</b>	<b>63,346,204</b>	<b>4,241,182</b>	<b>7.0%</b>	<b>64,737,742</b>
<b>Total FTE</b>	<b>155.00</b>	<b>157.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>157.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>157.00</b>

## Statutory Authority

North Dakota Century Code Chapters 39-24, 39-29, 55-08 and 55-11.

## Agency Description

The North Dakota Park Service was created in 1965. In 1977, it was renamed the North Dakota Parks and Recreation Department when it merged with the State Outdoor Recreation Agency. The Department currently operates within three major program areas, as follows:

- Administration, which provides support services, such as accounting, human resource management, information technology, media relations, risk management, ADA coordination, and budget functions.
- Recreation, which consists of recreation grants coordination, snowmobile and off highway vehicle trail and safety programs, state wide comprehensive outdoor recreation and trail planning and Prairie Rose State Games coordination.
- Natural Resources, which encompasses state park operations and coordinates state park system planning, park improvements and enhancements, state nature preserve oversight, and state park natural resource management.

## Major Accomplishments

1. Recovered from 2009 spring floods at Fort Ransom and Fort Abraham Lincoln State Parks.
2. Completed replacement of 26 boat slips at the Lewis and Clark State Park marina.
3. Worked with the U.S. Army Corps of Engineers (COE) to complete the Garrison Bay Marina and concession building at Ft. Stevenson State Park.
4. Planned and constructed seven miles of single track, non-motorized trails at Ft. Ransom State Park.
5. Assisted with Lake Sakakawea shoreline access planning with COE and the North Dakota Game and Fish Department.
6. Cooperated on Pembina Gorge off-highway vehicle (OHV) trail design and layout as preliminary to establishing an OHV trail system within public and private lands.
7. Completed Environmental Learning Centers at Cross Ranch, Lake Metigoshe, and Turtle River State Parks.

8. Negotiated land management agreement with the North Dakota Game and Fish Department creating a trail development corridor and wildlife management corridor in the Pembina Gorge.
9. Negotiated a recreation management agreement with the North Dakota Forest Service, authorizing the department to develop and manage trail development in state forests, including areas for both motorized and non-motorized use.
10. Continued development of OHV and snowmobile safety and education programs.

## Executive Budget Recommendation

- Provides \$2.9 million (\$2.4 million from the general fund; \$400,000 from the Game and Fish Department) for the non-federal share of the \$14.4 million project to raise the Grahams Island State Park access road.
- Provides \$240,000 from the general fund to complete the purchase of docks in the new Fort Stevenson State Park marina.
- Provides \$175,000 from the general fund to provide electrical and water service to a portion of the new docks at Fort Stevenson State Park marina.
- Provides \$565,000 from the general fund for road maintenance and repairs at Lewis and Clark State Park.
- Provides \$700,000 (\$350,000 from the general fund; \$350,000 from federal funds) for a 48 campsite expansion at Grahams Island State Park.
- Provides \$90,000 from the general fund to construct a shower facility at Little Missouri State Park.
- Provides \$99,410 from the general fund to pay the 30.0 percent non-federal share of costs to install fiber optic cable connectivity at Turtle River, Lake Metigoshe, and Fort Lincoln State Parks.
- Provides \$275,000 (\$55,000 from the general fund; \$220,000 from federal funds) for the development of multi-use trails, primarily in the Pembina Gorge and Turtle Mountain areas.
- Provides \$240,000 from the general fund to update electrical and water service at a portion of Lewis and Clark State Park.
- Provides \$753,400 for extraordinary repairs at various state parks.
- Provides \$530,365 for major equipment purchases at various state parks.
- Provides authority to convert a long-term temporary grants administrator position, funded with federal funds, to a 1.00 FTE

# REQUEST/RECOMMENDATION COMPARISON SUMMARY

750 Parks and Recreation Department

Bill#: SB2019

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	2,108,872	2,241,737	12,871	0.6%	2,254,608	243,148	10.8%	2,484,885
Recreation	3,007,187	8,091,430	(679,155)	(8.4%)	7,412,275	(562,339)	(6.9%)	7,529,091
Natural Resources	13,439,582	16,478,536	(4,122,416)	(25.0%)	12,356,120	1,759,877	10.7%	18,238,413
Peace Garden	3,169,854	2,728,454	(1,991,600)	(73.0%)	736,854	(1,954,755)	(71.6%)	773,699
<b>Total Major Programs</b>	<b>21,725,495</b>	<b>29,540,157</b>	<b>(6,780,300)</b>	<b>(23.0%)</b>	<b>22,759,857</b>	<b>(514,069)</b>	<b>(1.7%)</b>	<b>29,026,088</b>
<b>By Line Item</b>								
Capital Construction Carryover	430,749	758,143	(758,143)	(100.0%)	0	(758,143)	(100.0%)	0
Deferred Maintenance	0	835,400	(835,400)	(100.0%)	0	(835,400)	(100.0%)	0
Administration	1,908,872	2,241,737	12,871	0.6%	2,254,608	243,148	10.8%	2,484,885
Natural Resources	13,008,833	14,084,993	(1,728,873)	(12.3%)	12,356,120	4,153,420	29.5%	18,238,413
Recreation	3,007,187	8,091,430	(679,155)	(8.4%)	7,412,275	(562,339)	(6.9%)	7,529,091
Peace Garden	3,169,854	2,728,454	(1,991,600)	(73.0%)	736,854	(1,954,755)	(71.6%)	773,699
Music Camp Contingency	200,000	0	0	0.0%	0	0	0.0%	0
Federal Stimulus Funds - 2009	0	800,000	(800,000)	(100.0%)	0	(800,000)	(100.0%)	0
<b>Total Line Items</b>	<b>21,725,495</b>	<b>29,540,157</b>	<b>(6,780,300)</b>	<b>(23.0%)</b>	<b>22,759,857</b>	<b>(514,069)</b>	<b>(1.7%)</b>	<b>29,026,088</b>
<b>By Funding Source</b>								
General Fund	14,230,400	16,405,119	(5,214,047)	(31.8%)	11,191,072	(48,563)	(0.3%)	16,356,556
Federal Funds	3,410,675	6,986,214	(862,627)	(12.3%)	6,123,587	(228,879)	(3.3%)	6,757,335
Special Funds	4,084,420	6,148,824	(703,626)	(11.4%)	5,445,198	(236,627)	(3.8%)	5,912,197
<b>Total Funding Source</b>	<b>21,725,495</b>	<b>29,540,157</b>	<b>(6,780,300)</b>	<b>(23.0%)</b>	<b>22,759,857</b>	<b>(514,069)</b>	<b>(1.7%)</b>	<b>29,026,088</b>
<b>Total FTE</b>	<b>50.50</b>	<b>53.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>53.00</b>	<b>1.00</b>	<b>1.9%</b>	<b>54.00</b>



## Statutory Authority

North Dakota Century Code Chapters 61-01 through 61-32.

## Agency Description

The State Water Commission consists of the Governor as chairman, the Commissioner of Agriculture as an ex-officio member, and seven members appointed by the Governor. The Commission appoints a secretary/state engineer, to employ staff to carry out the goals of the Commission. The agency budget is comprised of two major program areas: administrative and support services, and water and atmospheric resources.

The Commission has three primary functions: regulation, development, and education. Regulatory functions include water rights, drainage, floodplain management, sovereign land management, and dam safety. Water development functions include large state projects, such as the southwest pipeline project, the northwest area water supply, and Devils Lake flood control; and several types of medium and small projects, including dams and drains. The Commission promotes water development by providing cost-share assistance for many local projects such as dams, dikes, drains, and water supplies and by conducting studies of potential projects. The third primary function of the Commission involves educating the public regarding the nature and occurrence of the state's water resources.

## Major Accomplishments

1. Provided water service through the Northwest Area Water Supply to Kenmare, Burlington, West River Water District near Minot, and Upper Souris Water District near Donnybrook from an interim supply from Minot's water treatment plant.
2. Worked jointly with All Seasons Water District on a project serving Upham by upsizing the water lines between Bottineau and Gardena.
3. Provided several filings in federal court and the state was allowed to proceed with design and construction on all NAWS facilities north of Minot.
4. Continued to implement the state's three-pronged approach to solving the Devils Lake region's flooding problems, including: infrastructure protection, upper-basin water management, and operation of the state's emergency outlet.
5. Expanded the state's emergency Devils Lake outlet. This project was completed in about six months - increasing its capacity from 100 cubic feet per second (cfs) to 250 cfs.
6. Completed construction of the Medora-Beach rural distribution contracts and the Fairfield reservoir.

7. Procured membrane treatment equipment and completed final design of the building for the Oliver, Mercer, North Dunn (OMND) water treatment plant.
8. Began construction on the first segment of the OMND main transmission line and designed and bid the second segment.
9. Established a new Silver Jackets program to identify comprehensive, long-term flood solutions through a collaborative, interagency effort between state and federal authorities.
10. Conducted extensive ground and surface water evaluations in the northwest portion of the state to address water needs of the oil development industry.
11. Provided funding assistance through the state's water supply program for McKenzie County Regional Water System, the city of Parshall, Traill Rural Water District Phase II, and water treatment at Valley city.
12. Provided funding assistance through the Municipal, Rural, and Industrial water supply program for projects involving the Northwest Area Water Supply, South Central Regional Water District (Emmons County), and Southwest Pipeline Project (Oliver, Mercer, North Dunn).
13. Contributed toward the completion of large-scale community and other numerous rural flood control projects in the Red River Basin.
14. Began development of a 2011-13 Water Development Report to serve as an update to the 2009 State Water Management Plan.
15. Successfully operated weather modification programs in six counties in western North Dakota.
16. Continued implementation of North Dakota's Sovereign Land Management Plan.
17. Provided support toward the advancement of the Fargo-Moorhead Metro Area flood control project environmental impact statement.
18. Continued to provide technical assistance relating to legal actions affecting the advancement of the Northwest Area Water Supply.
19. Continued to promote economic development through industrial and agricultural incentives and water supply initiatives.
20. Continued to provide water-related educational programs throughout the state through the Water Education for Teachers (WET) program, credit institutes, and support of local water festivals.

## Executive Budget Recommendation

- Provides \$7.3 million in carryover federal ARRA authority for the southwest pipeline project.
- Authorizes 1.00 FTE and \$219,614 from the general fund for a Water Development Division director.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

770 Water Commission

Bill#: SB2020

Biennium: 2011-2013

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administrative and Support Services	2,420,228	3,024,789	103,641	3.4%	3,128,430	205,084	6.8%	3,229,873
Water and Atmospheric Resources	86,165,207	322,919,688	124,616,662	38.6%	447,536,350	132,765,859	41.1%	455,685,547
<b>Total Major Programs</b>	<b>88,585,435</b>	<b>325,944,477</b>	<b>124,720,303</b>	<b>38.3%</b>	<b>450,664,780</b>	<b>132,970,943</b>	<b>40.8%</b>	<b>458,915,420</b>
<b>By Line Item</b>								
Grants - Local Cost Share	0	2,526,445	(2,026,445)	(80.2%)	500,000	(2,026,445)	(80.2%)	500,000
Beaver Bay Feasibility Study	0	342,000	(342,000)	(100.0%)	0	(342,000)	(100.0%)	0
Administrative and Support Services	2,420,228	3,024,789	103,641	3.4%	3,128,430	205,084	6.8%	3,229,873
Water and Atmospheric Resources	86,165,207	308,051,243	138,985,107	45.1%	447,036,350	139,862,531	45.4%	447,913,774
Federal Stimulus Funds 2009	0	12,000,000	(12,000,000)	(100.0%)	0	(4,728,227)	(39.4%)	7,271,773
<b>Total Line Items</b>	<b>88,585,435</b>	<b>325,944,477</b>	<b>124,720,303</b>	<b>38.3%</b>	<b>450,664,780</b>	<b>132,970,943</b>	<b>40.8%</b>	<b>458,915,420</b>
<b>By Funding Source</b>								
General Fund	11,958,986	14,124,224	225,902	1.6%	14,350,126	1,102,874	7.8%	15,227,098
Federal Funds	23,750,271	67,070,358	(20,397,016)	(30.4%)	46,673,342	(13,085,975)	(19.5%)	53,984,383
Special Funds	52,876,178	244,749,895	144,891,417	59.2%	389,641,312	144,954,044	59.2%	389,703,939
<b>Total Funding Source</b>	<b>88,585,435</b>	<b>325,944,477</b>	<b>124,720,303</b>	<b>38.3%</b>	<b>450,664,780</b>	<b>132,970,943</b>	<b>40.8%</b>	<b>458,915,420</b>
<b>Total FTE</b>	<b>84.00</b>	<b>86.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>86.00</b>	<b>1.00</b>	<b>1.2%</b>	<b>87.00</b>

**Statutory Authority**

North Dakota Century Code Sections 24-01 through 24-15, 39-02, and 49-17.1-2.

**Agency Description**

The North Dakota State Highway Department was created in 1917. In 1990, the name was changed to the North Dakota Department of Transportation (NDDOT). NDDOT oversees the development of surface transportation, including highways, rail service, and transit services in North Dakota. NDDOT also serves as a liaison organization to the North Dakota Aeronautics Commission, which is responsible for all aspects of state air transportation. NDDOT's central office is in Bismarck, with eight district offices located strategically across the state.

NDDOT is headed by a director appointed by the Governor. The director is assisted by a deputy director, a deputy director for engineering, and a deputy director of vehicle services. In addition the central office staff provides planning, programming, design, construction, maintenance, and general administrative support services.

**Major Accomplishments**

1. Spent about \$783.0 million in 2009 and 2010 to improve approximately 3,300 miles of state highways. This includes about \$171.0 million of ARRA economic stimulus funding.
2. Invested \$47.0 million in county road improvements including replacement of 23 bridges during 2009 and 2010.
3. Completed other major construction projects including:
  - construction of the Drayton bridge;
  - major grade raises in North Dakota 20 & 57 in the Devils Lake area;
  - I-94 Business loop in Mandan;
  - southbound I-29 from north Fargo interchange to Argusville;
  - grading, surfacing, and numerous safety improvements on US 85 north of Grassy Butte; and

- widening, grading, and construction of US 12 from Scranton to the Montana line.

**Executive Budget Recommendation**

- Provides \$228.6 million in one-time funding from the permanent oil tax trust fund for extraordinary state highway maintenance needs.
- Provides \$142.0 million in one-time funding from the permanent oil tax trust fund for county road reconstruction needs to support oil and gas production and distribution in North Dakota.
- Includes \$5.9 million in one-time general fund authority to complete the North Dakota 20 roads-acting-as-dams project.
- Provides \$15.6 million in special fund authority for inflationary and usage increases for roadway maintenance safety items.
- Includes \$2.5 million in one-time special fund dollars for asbestos abatement in the central office headquarters building.
- Authorizes \$24.1 million in carryover federal ARRA authority for highway infrastructure and rural transit programs.
- Authorizes 12.00 FTE and \$1.1 million in special fund authority for motor vehicle licensing specialists, driver's license examiners, and heavy equipment operators to address customer service needs, roadway safety, and increased demand for commercial driver's license testing.
- Authorizes \$1.1 million in special fund authority for market salary adjustments targeted primarily for recruitment and retention of heavy equipment operators.
- Provides \$500,000 in one-time special fund authority to conduct a planning study for replacing the driver's license information technology system.
- Includes \$530,886 in one-time special fund authority to convert the agency's entire radio network to digital.
- Includes in the base budget \$532,055 from special funds to implement a new estimating information technology system.

**REQUEST/RECOMMENDATION COMPARISON SUMMARY**

801 Dept of Transportation  
Biennium: 2011-2013

Bill#: HB1012

Description	Expenditures Prev Biennium 2007-2009	Present Budget 2009-2011	2011-2013 Requested		Requested Budget 2011-2013	2011-2013 Recommended		Executive Recommendation 2011-2013
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
<b>By Major Program</b>								
Administration	29,595,348	34,135,484	2,901,525	8.5%	37,037,009	7,197,598	21.1%	41,333,082
Drivers and Vehicle Services	24,381,854	33,510,178	(147,506)	(0.4%)	33,362,672	1,137,512	3.4%	34,647,690
Highways	780,129,469	1,214,949,025	(233,335,358)	(19.2%)	981,613,667	191,554,826	15.8%	1,406,503,851
Fleet Services	56,526,476	67,778,090	(2,191,883)	(3.2%)	65,586,207	(1,979,048)	(2.9%)	65,799,042
<b>Total Major Programs</b>	<b>890,633,147</b>	<b>1,350,372,777</b>	<b>(232,773,222)</b>	<b>(17.2%)</b>	<b>1,117,599,555</b>	<b>197,910,888</b>	<b>14.7%</b>	<b>1,548,283,665</b>
<b>By Line Item</b>								
Salaries and Wages	127,783,770	153,373,254	3,089,235	2.0%	156,462,489	13,403,348	8.7%	166,776,602
Operating Expenses	153,175,048	214,972,514	(15,233,103)	(7.1%)	199,739,411	(10,882,264)	(5.1%)	204,090,250
Capital Assets	536,938,475	718,401,648	(24,071,400)	(3.4%)	694,330,248	225,128,183	31.3%	943,529,831
Capital Improvements-Carryover	10,899,123	11,244,166	(11,244,166)	(100.0%)	0	(11,244,166)	(100.0%)	0
Road Reconstruction Program	0	0	0	0.0%	0	142,000,000	100.0%	142,000,000
Grants	58,154,198	75,266,101	(8,198,694)	(10.9%)	67,067,407	(7,498,694)	(10.0%)	67,767,407
Federal Stimulus Funds - 2009	3,682,533	172,515,094	(172,515,094)	(100.0%)	0	(148,395,519)	(86.0%)	24,119,575
General Fund Transfer	0	4,600,000	(4,600,000)	(100.0%)	0	(4,600,000)	(100.0%)	0
<b>Total Line Items</b>	<b>890,633,147</b>	<b>1,350,372,777</b>	<b>(232,773,222)</b>	<b>(17.2%)</b>	<b>1,117,599,555</b>	<b>197,910,888</b>	<b>14.7%</b>	<b>1,548,283,665</b>
<b>By Funding Source</b>								
General Fund	0	4,600,000	(4,600,000)	(100.0%)	0	1,250,000	27.2%	5,850,000
Federal Funds	490,680,096	853,771,718	(196,870,895)	(23.1%)	656,900,823	(172,751,320)	(20.2%)	681,020,398
Special Funds	399,953,051	492,001,059	(31,302,327)	(6.4%)	460,698,732	369,412,208	75.1%	861,413,267
<b>Total Funding Source</b>	<b>890,633,147</b>	<b>1,350,372,777</b>	<b>(232,773,222)</b>	<b>(17.2%)</b>	<b>1,117,599,555</b>	<b>197,910,888</b>	<b>14.7%</b>	<b>1,548,283,665</b>
<b>Total FTE</b>	<b>1,052.50</b>	<b>1,054.50</b>	<b>0.00</b>	<b>0.0%</b>	<b>1,054.50</b>	<b>12.00</b>	<b>1.1%</b>	<b>1,066.50</b>

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>101 Office of the Governor</b>					
Base Budget Request	18.00	3,603,520	0	0	3,603,520
<b>Total</b>	<b>18.00</b>	<b>3,603,520</b>	<b>0</b>	<b>0</b>	<b>3,603,520</b>
<b>108 Secretary of State</b>					
Base Budget Request	28.00	5,358,232	6,050,000	730,172	12,138,404
01 SOS Operation Inflation and Operational Changes	0.00	195,000	0	0	195,000
01 cGov360 - Database and Processing Platform Migration	0.00	3,500,000	0	0	3,500,000
02 Blue Book Web Educational Tool	0.00	50,000	0	0	50,000
02 Desktop Support from ITD	0.00	54,000	0	0	54,000
03 Health Care Directive Register	0.00	100,000	0	0	100,000
03 Public Meetings System	0.00	52,459	0	0	52,459
04 ND Business Development Engine	0.00	0	0	3,400,698	3,400,698
05 Election Reform Funding Source Change	0.00	131,185	0	0	131,185
06 MMA/Boxing	0.00	60,000	0	0	60,000
<b>Total</b>	<b>28.00</b>	<b>9,500,876</b>	<b>6,050,000</b>	<b>4,130,870</b>	<b>19,681,746</b>
<b>110 Office of Management and Budget</b>					
Base Budget Request	131.50	27,099,576	0	7,883,057	34,982,633
01 Fiscal Management -IT Costs	0.00	875,000	0	0	875,000
02 Heritage Center Expansion	0.00	383,191	0	0	383,191
03 HRMS-Software Maintenance	0.00	54,000	0	0	54,000
04 Exterior Signage for Capital Grounds	0.00	0	0	400,000	400,000
05 Capitol Restoration	0.00	0	0	1,000,000	1,000,000
06 Capitol Cafe and Hallway Remodel	0.00	0	0	700,000	700,000
07 Capitol South Entrance Remodeling	0.00	0	0	900,000	900,000
08 Surplus Property LESO Program	0.00	41,058	0	0	41,058
09 Capitol Envelope	0.00	2,800,000	0	0	2,800,000
10 ND Anniversary Coordinator	0.00	50,000	0	0	50,000
11 Continued ARRA funding	0.00	0	300,000	0	300,000
12 Prairie Public Broadcasting	0.00	1,939,902	0	0	1,939,902
13 Contingent Relocation Costs	0.00	0	0	20,000	20,000
<b>Total</b>	<b>131.50</b>	<b>33,242,727</b>	<b>300,000</b>	<b>10,903,057</b>	<b>44,445,784</b>
<b>112 Information Technology</b>					
Base Budget Request	324.20	13,291,348	825,000	128,123,900	142,240,248
01 SLDS Project	2.00	3,227,624	0	(169,729)	3,057,895
02 SLDS Research Position	1.00	145,000	0	0	145,000
03 CDE Education Commission Recommendation	0.00	1,388,000	0	(1,098,000)	290,000
04 HIE Operating Budget	3.00	3,693,083	0	5,236,883	8,929,966
05 GIS Optional	0.00	784,994	0	0	784,994
06 ETC Grants	0.00	170,000	0	75,000	245,000

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
07 CJIS Projects	0.00	382,112	0	0	382,112
08 HIE Capital Budget	0.00	500,000	5,100,000	330,000	5,930,000
09 Broadband Mapping Grant	0.00	0	2,900,000	0	2,900,000
10 E911 Grant	0.00	0	1,500,000	0	1,500,000
11 DHS Vision ReWrite	10.00	0	0	16,659,241	16,659,241
12 CDE Extraordinary Repairs	0.00	0	0	60,000	60,000
22 ND Studies to Historical Society	0.00	0	0	0	0
<b>Total</b>	<b>340.20</b>	<b>23,582,161</b>	<b>10,325,000</b>	<b>149,217,295</b>	<b>183,124,456</b>
<b>117 Office of the State Auditor</b>					
Base Budget Request	50.80	6,736,199	876,816	1,444,864	9,057,879
04 Restore salary line funding	0.00	81,918	0	0	81,918
05 Fund ongoing TeamMate costs	0.00	55,800	0	0	55,800
06 Increase salaries	0.00	351,802	0	0	351,802
<b>Total</b>	<b>50.80</b>	<b>7,225,719</b>	<b>876,816</b>	<b>1,444,864</b>	<b>9,547,399</b>
<b>120 Office of the State Treasurer</b>					
Base Budget Request	7.00	2,258,169	0	0	2,258,169
02 Optional one-time request to maintain TDOC system	0.00	235,000	0	0	235,000
04 Budget increase request	0.00	252,800	0	0	252,800
<b>Total</b>	<b>7.00</b>	<b>2,745,969</b>	<b>0</b>	<b>0</b>	<b>2,745,969</b>
<b>125 Office of the Attorney General</b>					
Base Budget Request	194.50	29,482,447	10,400,940	13,606,551	53,489,938
Request Federal Stimulus funding	7.00	0	2,207,060	100,973	2,308,033
01 Fund current salaries	0.00	0	0	54,231	54,231
02 Salary adjustments, reclassifications	1.00	190,501	106,019	0	296,520
03 Operating adjustments	0.00	192,734	1,062	22,189	215,985
04 Forensic Scientists equity, certifications	0.00	192,293	0	0	192,293
05 Capital Assets	0.00	312,400	0	0	312,400
<b>Total</b>	<b>202.50</b>	<b>30,370,375</b>	<b>12,715,081</b>	<b>13,783,944</b>	<b>56,869,400</b>
<b>127 Office of State Tax Commissioner</b>					
Base Budget Request	133.00	36,063,792	10,000	0	36,073,792
01 Continue Current Service Level	0.00	277,678	0	0	277,678
02 On-site support for GenTax	0.00	1,100,000	0	0	1,100,000
03 Upgrade GenTax software to Version 8	0.00	1,000,000	0	0	1,000,000
04 Compliance	2.00	284,646	0	0	284,646
05 SQL Server	0.00	88,945	0	0	88,945
<b>Total</b>	<b>135.00</b>	<b>38,815,061</b>	<b>10,000</b>	<b>0</b>	<b>38,825,061</b>

**140 Office of Administrative Hearings**

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	Base Budget Request	5.00	0	0	1,775,367	1,775,367
	<b>Total</b>	<b>5.00</b>	<b>0</b>	<b>0</b>	<b>1,775,367</b>	<b>1,775,367</b>
<b>150</b>	<b>Legislative Assembly</b>					
	Base Budget Request	0.00	14,128,734	0	0	14,128,734
	<b>Total</b>	<b>0.00</b>	<b>14,128,734</b>	<b>0</b>	<b>0</b>	<b>14,128,734</b>
<b>160</b>	<b>Legislative Council</b>					
	Base Budget Request	34.00	11,124,400	0	70,000	11,194,400
	<b>Total</b>	<b>34.00</b>	<b>11,124,400</b>	<b>0</b>	<b>70,000</b>	<b>11,194,400</b>
<b>180</b>	<b>Judicial Branch</b>					
	Base Budget Request	346.00	81,796,807	1,856,775	325,500	83,979,082
	<b>Total</b>	<b>346.00</b>	<b>81,796,807</b>	<b>1,856,775</b>	<b>325,500</b>	<b>83,979,082</b>
<b>188</b>	<b>Commission on Legal Counsel for Indigents</b>					
	Base Budget Request	30.00	9,560,958	0	1,962,935	11,523,893
	02 Funding to Raise Attorney Rates	0.00	384,403	0	0	384,403
	03 Devils Lake Office	3.00	555,294	0	0	555,294
	<b>Total</b>	<b>33.00</b>	<b>10,500,655</b>	<b>0</b>	<b>1,962,935</b>	<b>12,463,590</b>
<b>190</b>	<b>Retirement and Investment Office</b>					
	Base Budget Request	17.00	0	0	3,755,203	3,755,203
	01 Deputy Investment Officer FTE	1.00	0	0	309,598	309,598
	<b>Total</b>	<b>18.00</b>	<b>0</b>	<b>0</b>	<b>4,064,801</b>	<b>4,064,801</b>
<b>192</b>	<b>Public Employees Retirement System</b>					
	Base Budget Request	33.00	0	0	6,531,671	6,531,671
	<b>Total</b>	<b>33.00</b>	<b>0</b>	<b>0</b>	<b>6,531,671</b>	<b>6,531,671</b>
<b>201</b>	<b>Dept of Public Instruction</b>					
	Base Budget Request	99.75	1,091,527,263	325,739,273	87,611,483	1,504,878,019
	01 Education Standards and Practices Board IT	0.00	200,000	0	0	200,000
	01 General Fund Operating	0.00	885,880	0	0	885,880
	02 General Fund Salary	0.00	76,692	0	0	76,692
	03 MIS STARS Maintenance and Development	0.00	878,000	0	0	878,000
	04 State Assessment System	0.00	2,373,900	0	0	2,373,900
	05 Language Arts (Writing) Standards	0.00	310,000	0	0	310,000
	06 Math and English Language Arts (Content Standards)	0.00	650,000	0	0	650,000
	07 Foreign Language and the Arts (Standards Revision)	0.00	590,000	0	0	590,000
	08 Adult Education Funding	0.00	1,800,000	0	0	1,800,000

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
09 NDMILE	0.00	750,000	0	0	750,000
10 Professional Development Program	0.00	1,000,000	0	0	1,000,000
11 Education Standards and Practices Board	0.00	82,500	0	0	82,500
12 ND Governor's School	0.00	80,000	0	0	80,000
13 ND LEAD Center	0.00	15,000	0	0	15,000
14 ND Museum of the Arts	0.00	35,000	0	0	35,000
15 ND Teacher Center Network	0.00	180,000	0	0	180,000
16 North Central Council of School Television	0.00	75,000	0	0	75,000
17 Red River Valley Writing Project	0.00	5,000	0	0	5,000
18 We the People Program	0.00	4,000	0	0	4,000
19 Young Entrepreneur Program	0.00	100,000	0	0	100,000
20 Early Childhood Learning Council	0.00	20,000	0	0	20,000
21 State Aid	0.00	98,889,183	0	15,200,000	114,089,183
22 Commission on Education Improvement Recommendations	0.00	2,441,900	0	0	2,441,900
<b>Total</b>	<b>99.75</b>	<b>1,202,969,318</b>	<b>325,739,273</b>	<b>102,811,483</b>	<b>1,631,520,074</b>
<b>215 ND University System</b>					
Base Budget Request	26.30	112,492,431	1,332,724	2,121,994	115,947,149
01 Mental Health Services	0.00	156,000	0	0	156,000
02 Comprehensive Career Planning	0.00	600,000	0	0	600,000
03 Technology Infrastructure	0.00	3,200,000	0	0	3,200,000
04 Emergency Preparedness and Security	0.00	2,000,000	0	0	2,000,000
05 Capital and Infrastructure Emergency Contingency Fund	0.00	2,500,000	0	0	2,500,000
<b>Total</b>	<b>26.30</b>	<b>120,948,431</b>	<b>1,332,724</b>	<b>2,121,994</b>	<b>124,403,149</b>
<b>226 State Land Department</b>					
Base Budget Request	21.75	0	0	12,756,004	12,756,004
01 New FTE - Minerals Royalty Auditor	1.00	0	0	241,324	241,324
02 New FTE - Acct/Budget - Acctg Div.	1.00	0	0	132,247	132,247
03 New FTE - Acct/Budget - Invest Div.	1.00	0	0	132,247	132,247
04 New - Additional temporary/seasonal staffing hours	0.00	0	0	72,400	72,400
05 New FTE - Unclaimed Property Auditor	1.00	0	0	187,960	187,960
06 New Temporary Staff	0.00	0	0	59,708	59,708
07 New FTE - Administrative Assistant	1.00	0	0	104,841	104,841
<b>Total</b>	<b>26.75</b>	<b>0</b>	<b>0</b>	<b>13,686,731</b>	<b>13,686,731</b>
<b>227 Bismarck State College</b>					
Base Budget Request	114.56	40,912,882	0	7,500,000	48,412,882
01 Special Assessments	0.00	900,000	0	0	900,000
02 Small to Medium Size Capital Projects	0.00	1,519,600	0	0	1,519,600
<b>Total</b>	<b>114.56</b>	<b>43,332,482</b>	<b>0</b>	<b>7,500,000</b>	<b>50,832,482</b>



**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>228 Lake Region State College</b>					
Base Budget Request	44.53	13,812,329	0	0	13,812,329
01 Small to Medium Size Capital Projects	0.00	1,075,577	0	0	1,075,577
<b>Total</b>	<b>44.53</b>	<b>14,887,906</b>	<b>0</b>	<b>0</b>	<b>14,887,906</b>
<b>229 Williston State College</b>					
Base Budget Request	46.74	20,020,576	0	0	20,020,576
01 Small to Medium Size Capital Projects	0.00	1,539,000	0	0	1,539,000
<b>Total</b>	<b>46.74</b>	<b>21,559,576</b>	<b>0</b>	<b>0</b>	<b>21,559,576</b>
<b>230 University of North Dakota</b>					
Base Budget Request	658.16	211,158,879	0	21,700,000	232,858,879
01 Special Assessments	0.00	281,013	0	0	281,013
02 Small to Medium Size Capital Projects	0.00	5,953,000	0	0	5,953,000
<b>Total</b>	<b>658.16</b>	<b>217,392,892</b>	<b>0</b>	<b>21,700,000</b>	<b>239,092,892</b>
<b>232 UND Medical Center</b>					
Base Budget Request	154.94	52,087,359	0	0	52,087,359
<b>Total</b>	<b>154.94</b>	<b>52,087,359</b>	<b>0</b>	<b>0</b>	<b>52,087,359</b>
<b>235 North Dakota State University</b>					
Base Budget Request	654.00	135,208,844	0	36,100,000	171,308,844
01 Special Assessments	0.00	2,319,700	0	0	2,319,700
02 Small to Medium Size Capital Projects	0.00	4,692,000	0	0	4,692,000
<b>Total</b>	<b>654.00</b>	<b>142,220,544</b>	<b>0</b>	<b>36,100,000</b>	<b>178,320,544</b>
<b>238 ND State College of Science</b>					
Base Budget Request	172.50	45,122,312	0	9,000,000	54,122,312
01 Special Assessments	0.00	125,851	0	0	125,851
02 Small to Medium Size Capital Projects	0.00	2,435,000	0	0	2,435,000
<b>Total</b>	<b>172.50</b>	<b>47,683,163</b>	<b>0</b>	<b>9,000,000</b>	<b>56,683,163</b>
<b>239 Dickinson State University</b>					
Base Budget Request	95.82	24,164,009	0	0	24,164,009
01 Small to Medium Size Capital Projects	0.00	1,719,000	0	0	1,719,000
<b>Total</b>	<b>95.82</b>	<b>25,883,009</b>	<b>0</b>	<b>0</b>	<b>25,883,009</b>
<b>240 Mayville State University</b>					
Base Budget Request	64.55	13,800,518	0	0	13,800,518
01 Special Assessments	0.00	392,493	0	0	392,493

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
02 Small to Medium Size Capital Projects	0.00	1,230,000	0	0	1,230,000
<b>Total</b>	<b>64.55</b>	<b>15,423,011</b>	<b>0</b>	<b>0</b>	<b>15,423,011</b>
<b>241 Minot State University</b>					
Base Budget Request	185.84	45,234,651	0	13,034,555	58,269,206
01 Small to Medium Size Capital Projects	0.00	3,227,000	0	750,000	3,977,000
<b>Total</b>	<b>185.84</b>	<b>48,461,651</b>	<b>0</b>	<b>13,784,555</b>	<b>62,246,206</b>
<b>242 Valley City State University</b>					
Base Budget Request	94.88	29,827,122	0	0	29,827,122
01 Special Assessments	0.00	283,567	0	0	283,567
02 Small to Medium Size Capital Projects	0.00	1,575,000	0	0	1,575,000
<b>Total</b>	<b>94.88</b>	<b>31,685,689</b>	<b>0</b>	<b>0</b>	<b>31,685,689</b>
<b>243 Dakota College at Bottineau</b>					
Base Budget Request	36.81	8,081,205	0	31,250	8,112,455
01 Small to Medium Size Capital Projects	0.00	700,250	0	25,000	725,250
<b>Total</b>	<b>36.81</b>	<b>8,781,455</b>	<b>0</b>	<b>56,250</b>	<b>8,837,705</b>
<b>244 North Dakota Forest Service</b>					
Base Budget Request	27.00	4,858,834	0	997,486	5,856,320
01 Emerald Ash Borer	0.00	500,000	0	0	500,000
<b>Total</b>	<b>27.00</b>	<b>5,358,834</b>	<b>0</b>	<b>997,486</b>	<b>6,356,320</b>
<b>250 State Library</b>					
Base Budget Request	29.75	4,831,633	2,019,729	91,852	6,943,214
01 Optional Change-ITD Additional Transfer expenses	0.00	71,876	0	0	71,876
02 Optional Change - State Aid	0.00	200,000	0	0	200,000
<b>Total</b>	<b>29.75</b>	<b>5,103,509</b>	<b>2,019,729</b>	<b>91,852</b>	<b>7,215,090</b>
<b>252 School for the Deaf</b>					
Base Budget Request	43.94	6,500,586	255,195	978,306	7,734,087
01 Accessible Link, Trades, Apartment Demo	0.00	2,706,690	0	0	2,706,690
02 Urgent Extraordinary Repairs	0.00	79,875	0	0	79,875
<b>Total</b>	<b>43.94</b>	<b>9,287,151</b>	<b>255,195</b>	<b>978,306</b>	<b>10,520,652</b>
<b>253 ND Vision Services</b>					
Base Budget Request	29.50	3,603,188	0	812,757	4,415,945
01 Request Additional Operating	0.00	51,000	0	0	51,000
02 Staff Changes Music Instructor	0.50	67,631	0	0	67,631
03 Loss of Rental Revenue	0.00	150,000	0	0	150,000

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
04 Request Add Equip Under 5000	0.00	24,500	0	0	24,500
05 Air Cond West Wing	0.00	80,000	0	0	80,000
06 Master Facility Plan	0.00	20,000	0	0	20,000
07 Request Equip Over 5000	0.00	8,500	0	0	8,500
08 John Deere Tractor	0.00	17,000	0	0	17,000
09 Contingent Remodel Amount	0.00	100,000	0	0	100,000
<b>Total</b>	<b>30.00</b>	<b>4,121,819</b>	<b>0</b>	<b>812,757</b>	<b>4,934,576</b>

**270 Career and Technical Education**

Base Budget Request	28.50	26,099,631	10,561,914	204,974	36,866,519
01 To Continue same level of reimburse funding to schools	0.00	400,000	0	0	400,000
02 Professional development for Math/Science in CTE and CTE	0.00	250,000	0	0	250,000
03 Funding to expand the number and availability of CTE prgr	0.00	750,000	0	0	750,000
04 New Area Center	0.00	2,400,000	0	0	2,400,000
05 Expand funding and credit offerings for Business and Off	0.00	400,000	0	0	400,000
06 Increase funding for Family & Consumer Sciences	0.00	325,000	0	0	325,000
07 Establish a funding pool for CTE equipment in programs	0.00	200,000	0	0	200,000
08 Emerging Technology Adult pilot	0.00	250,000	0	0	250,000
<b>Total</b>	<b>28.50</b>	<b>31,074,631</b>	<b>10,561,914</b>	<b>204,974</b>	<b>41,841,519</b>

**301 ND Department of Health**

Base Budget Request	343.50	21,895,190	119,813,878	33,704,252	175,413,320
01 Suicide Prevention and Early Intervention	0.00	741,493	0	0	741,493
02 Replace DOT 402 Training Staff Funding	1.00	523,900	0	0	523,900
03 Domestic Violence Rape Crisis Program	0.00	1,000,000	0	0	1,000,000
04 Nurse Telephone Triage	0.00	671,000	0	3,979,000	4,650,000
05 EH Pesticide Permit Program	1.00	306,348	459,523	0	765,871
06 State Stroke Registry	0.00	250,700	0	0	250,700
07 Women's Way Maintenance	0.00	300,500	0	0	300,500
08 Dental Loan Repayment & New Practice	0.00	200,000	0	0	200,000
09 Dental Loan NonProfit Repayment	0.00	180,000	0	0	180,000
10 Physician Loan Repayment	0.00	270,000	0	0	270,000
11 Replace CHTF Training Grant Funding	0.00	300,000	0	0	300,000
12 Salary Equity Package	0.00	874,000	742,000	0	1,616,000
13 ARRA MS Immunization Programs	0.00	0	528,207	0	528,207
14 ARRA MS Healthcare Associated Infections MS	0.00	0	80,328	0	80,328
15 Healthy Communities ARRA	0.00	0	113,165	0	113,165
16 EH ARRA Arsenic Trioxide	0.00	0	2,000,000	0	2,000,000
17 EH ARRA Water Quality 604(b)	0.00	0	50,000	0	50,000
18 EH ARRA Clean Water SRF	0.00	0	360,156	0	360,156
19 EH ARRA Drinking Water SRF	0.00	0	318,101	0	318,101

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
20 ARRA SP Primary Care	0.00	0	42,270	0	42,270
21 AS Regional Network Incentives	0.00	275,000	0	0	275,000
22 Colorectal Cancer Screening Initiative	0.00	477,600	0	0	477,600
23 Home Visiting Program	1.00	0	102,512	0	102,512
24 Healthy Eating and Physical Activity	1.80	653,365	0	0	653,365
25 AS State Aid to Locals	0.00	1,275,000	0	0	1,275,000
26 Women's Way with Heart	0.00	983,200	0	0	983,200
27 Stroke System of Care	2.00	1,532,402	0	0	1,532,402
28 Behavioral Risk Factor Surveillance System	0.00	124,200	0	0	124,200
29 ND Early Hearing Detection & Intervention CSHS	0.00	400,000	0	0	400,000
30 EH Public Water Oper Exp Reimb Program	0.00	200,000	0	0	200,000
31 Specialty Care CSHS	0.00	83,950	0	0	83,950
32 Digital X-Ray Machine Forensic Examiner's Office	0.00	43,445	0	0	43,445
33 EH Wastewater Oper Exp Reimb Program	0.00	180,000	0	0	180,000
34 Asthma Program	0.00	140,711	0	0	140,711
35 Adulthood Injury Prevention Program	0.00	150,000	0	0	150,000
36 EMS Staffing Grants	0.00	1,000,000	0	0	1,000,000
37 Screening for Prenatal Alcohol Exposure	0.00	388,458	0	0	388,458
38 Vet Loan Repayment	0.00	135,000	0	0	135,000
<b>Total</b>	<b>350.30</b>	<b>35,555,462</b>	<b>124,610,140</b>	<b>37,683,252</b>	<b>197,848,854</b>
<b>305 Tobacco Prevention and Control</b>					
Base Budget Request	4.00	0	0	12,882,000	12,882,000
01 Additional FTE	3.50	0	0	0	0
<b>Total</b>	<b>7.50</b>	<b>0</b>	<b>0</b>	<b>12,882,000</b>	<b>12,882,000</b>
<b>313 Veterans Home</b>					
Base Budget Request	120.72	4,992,140	0	15,122,792	20,114,932
06 Repair existing irrigation system	0.00	55,000	0	0	55,000
07 Landscaping for new veterans home	0.00	25,000	0	0	25,000
07 Medication management system	0.00	297,600	0	0	297,600
08 Reshape and grade oxbow	0.00	76,500	0	0	76,500
09 Administrator's Residence	0.00	470,000	0	0	470,000
<b>Total</b>	<b>120.72</b>	<b>5,916,240</b>	<b>0</b>	<b>15,122,792</b>	<b>21,039,032</b>
<b>316 Indian Affairs Commission</b>					
Base Budget Request	4.00	695,939	0	0	695,939
02 Increase funding for ND Indian Youth Leadership Academy	0.00	20,000	0	0	20,000
<b>Total</b>	<b>4.00</b>	<b>715,939</b>	<b>0</b>	<b>0</b>	<b>715,939</b>
<b>321 Department of Veterans Affairs</b>					

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Request	7.00	1,026,086	0	0	1,026,086
01 Discharge Project - Payroll	0.00	22,000	0	0	22,000
01 Training Position	1.00	111,480	0	0	111,480
02 Agency Website Redesign	0.00	15,593	0	0	15,593
<b>Total</b>	<b>8.00</b>	<b>1,175,159</b>	<b>0</b>	<b>0</b>	<b>1,175,159</b>

**325 Department of Human Services**

Base Budget Request	2,189.35	898,740,796	1,540,340,050	113,497,829	2,552,578,675
02 Psychiatric Inpatient Hospitalization Rates	0.00	3,431,017	0	0	3,431,017
03 CD Residential Facility - SEHSC	0.00	939,159	0	0	939,159
03 Residential Adult Crisis Beds - WCHSC	0.00	309,128	0	0	309,128
03 SMI Crisis Stabilization Unit - NCHSC	0.00	1,444,661	0	0	1,444,661
04 5% Increase - In-Home Child Care Providers	0.00	902,581	0	0	902,581
04 Adult Family Foster Care Rate Increase	0.00	1,134,072	1,172,224	9,103	2,315,399
04 Enhanced Contracted Staffing - NEHSC	0.00	210,875	139,125	0	350,000
04 Enhanced Services at Cooper House - SEHSC	0.00	219,690	20,000	0	239,690
04 Enhancement of Transitional Youth - MH/SA	0.00	500,000	0	0	500,000
04 Family Preservation Services	0.00	938,301	0	0	938,301
04 Guardianship Program Enhancements	0.00	65,275	0	0	65,275
04 Long-Term Care Ombudsman	1.00	135,665	0	0	135,665
04 Medication Assistance - HCBS	0.00	280,568	0	14,010	294,578
04 New ICF/MR Beds for DC Transitioning	0.00	2,712,968	3,382,849	0	6,095,817
04 New Office Facility - BLHSC	0.00	174,111	16,104	0	190,215
04 Pilot for Medical Home Program	0.00	204,518	233,815	0	438,333
04 Post Adoption Services	0.00	129,188	66,582	0	195,770
04 SMI Work Activity - SCHSC	0.00	450,000	0	0	450,000
04 Section 13 of 2009 HB 1012	0.00	250,000	250,000	0	500,000
04 Sex Offender Community Treatment - MH/SA	0.00	498,028	0	0	498,028
04 Transfer Child Support System off the Mainframe	0.00	468,396	909,239	0	1,377,635
05 Developmental Center Capital Projects	0.00	650,000	0	0	650,000
05 State Hospital Capital Projects	0.00	1,961,840	0	0	1,961,840
06 Child Welfare Provider Inflation	0.00	2,067,749	1,133,827	619,975	3,821,551
06 HSC Inflation	0.00	1,093,928	133,534	13,814	1,241,276
06 LTC Provider Inflation	0.00	14,553,888	16,999,624	36,152	31,589,664
06 Medicaid Provider Inflation	0.00	7,004,116	9,673,066	0	16,677,182
06 Program & Policy Other Inflation	0.00	797,127	102,544	44,846	944,517
07 Eligibility System Re-Write	1.00	18,370,221	24,247,421	283	42,617,925
07 Health Care Reform - Central Office	17.00	648,523	925,347	0	1,573,870
07 Health Care Reform - IMD Demo	0.00	1,140,306	1,440,156	0	2,580,462
08 ARRA Contracts through 09/30/2011	0.00	0	519,175	0	519,175
08 Completion of One-Time ARRA Funding	0.00	0	0	0	0
<b>Total</b>	<b>2,208.35</b>	<b>962,426,695</b>	<b>1,601,704,682</b>	<b>114,236,012</b>	<b>2,678,367,389</b>

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>360 Protection and Advocacy</b>					
Base Budget Request	28.50	1,800,429	3,118,888	0	4,919,317
<b>Total</b>	<b>28.50</b>	<b>1,800,429</b>	<b>3,118,888</b>	<b>0</b>	<b>4,919,317</b>
<b>380 Job Service North Dakota</b>					
Base Budget Request	261.76	1,569,122	65,235,666	501,752	67,306,540
02 ARRA - Add funding	0.00	0	1,500,000	0	1,500,000
03 IT - Workforce Data Quality Initiative (WDQI)	0.00	0	1,036,000	0	1,036,000
04 Request funds for Spidering	0.00	300,000	0	0	300,000
<b>Total</b>	<b>261.76</b>	<b>1,869,122</b>	<b>67,771,666</b>	<b>501,752</b>	<b>70,142,540</b>
<b>401 Office of the Insurance Commissioner</b>					
Base Budget Request	45.50	0	812,749	14,758,510	15,571,259
01 Health care reform	9.00	0	2,000,000	995,021	2,995,021
<b>Total</b>	<b>54.50</b>	<b>0</b>	<b>2,812,749</b>	<b>15,753,531</b>	<b>18,566,280</b>
<b>405 Industrial Commission</b>					
Base Budget Request	60.06	10,761,732	263,485	46,410,712	57,435,929
01 Restoration/Inflation	1.00	329,569	0	0	329,569
03 Funding Source Change 09-11 Contingency	2.00	319,219	0	0	319,219
04 Equity Increases	0.00	1,283,569	0	0	1,283,569
05 Unclassified Petroleum Engineer FTE	1.00	192,393	0	0	192,393
06 (4) FTE Eng. Tech/Field Inspector	4.00	718,373	0	0	718,373
07 FTE Eng Tech Measurement Specialist	1.00	179,593	0	0	179,593
08 FTE Production Analyst	1.00	118,503	0	0	118,503
09 Renewable Energy Development Program	0.00	5,000,000	0	0	5,000,000
10 FTE Unclassified Geologist Subsurface Min. Prog.	1.00	212,739	0	0	212,739
11 FTE Eng. Tech for Core Library	1.00	152,893	0	0	152,893
12 FTE Administrative Staff Officer	1.00	118,503	0	0	118,503
13 Proppant Study	0.00	50,000	0	0	50,000
14 Reboxing Program in Core and Sample Library	0.00	15,000	0	0	15,000
15 .69 FTE Admin. Asst	0.69	0	0	63,273	63,273
16 FTE Unclassified Geologist Surface Mapping Prog.	1.00	208,642	0	0	208,642
17 Shallow Gas Study	0.00	25,000	0	0	25,000
18 Analysis of Oil-Bearing Rocks	0.00	40,000	0	0	40,000
19 Paleontologic Prep work	0.00	62,400	0	0	62,400
20 Contingency (4) FTE Eng. Tech .	4.00	0	0	718,373	718,373
<b>Total</b>	<b>78.75</b>	<b>19,788,128</b>	<b>263,485</b>	<b>47,192,358</b>	<b>67,243,971</b>
<b>406 Office of the Labor Commissioner</b>					
Base Budget Request	12.00	1,452,083	424,510	0	1,876,593
<b>Total</b>	<b>12.00</b>	<b>1,452,083</b>	<b>424,510</b>	<b>0</b>	<b>1,876,593</b>

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>408 Public Service Commission</b>					
Base Budget Request	43.00	5,769,554	11,240,944	1,025,000	18,035,498
01 Request for ARRA budget authority	0.00	0	658,217	0	658,217
<b>Total</b>	<b>43.00</b>	<b>5,769,554</b>	<b>11,899,161</b>	<b>1,025,000</b>	<b>18,693,715</b>
<b>412 Aeronautics Commission</b>					
Base Budget Request	6.00	550,000	4,696,000	7,335,052	12,581,052
04 Aircraft Purchase	0.00	0	0	2,400,000	2,400,000
<b>Total</b>	<b>6.00</b>	<b>550,000</b>	<b>4,696,000</b>	<b>9,735,052</b>	<b>14,981,052</b>
<b>413 Dept of Financial Institutions</b>					
Base Budget Request	29.00	0	0	6,377,956	6,377,956
<b>Total</b>	<b>29.00</b>	<b>0</b>	<b>0</b>	<b>6,377,956</b>	<b>6,377,956</b>
<b>414 Securities Department</b>					
Base Budget Request	9.00	1,827,865	0	317,199	2,145,064
<b>Total</b>	<b>9.00</b>	<b>1,827,865</b>	<b>0</b>	<b>317,199</b>	<b>2,145,064</b>
<b>471 Bank of North Dakota</b>					
Base Budget Request	176.50	9,000,000	3,000,000	42,495,152	54,495,152
<b>Total</b>	<b>176.50</b>	<b>9,000,000</b>	<b>3,000,000</b>	<b>42,495,152</b>	<b>54,495,152</b>
<b>473 ND Housing Finance Agency</b>					
Base Budget Request	46.00	0	24,748,920	13,492,484	38,241,404
<b>Total</b>	<b>46.00</b>	<b>0</b>	<b>24,748,920</b>	<b>13,492,484</b>	<b>38,241,404</b>
<b>475 ND Mill and Elevator Association</b>					
Base Budget Request	131.00	0	0	45,932,198	45,932,198
01 add 2 FTE car checker positions	2.00	0	0	226,806	226,806
01 add FTE I T System Analyst	1.00	0	0	175,999	175,999
01 add FTE Lab Technician	1.00	0	0	112,552	112,552
01 add FTE Lead electrician	1.00	0	0	171,643	171,643
01 add FTE Sales Representative	1.00	0	0	144,916	144,916
<b>Total</b>	<b>137.00</b>	<b>0</b>	<b>0</b>	<b>46,764,114</b>	<b>46,764,114</b>
<b>485 Workforce Safety and Insurance</b>					
Base Budget Request	247.14	0	0	56,518,209	56,518,209
01 Pharmacy Technician FTE	1.00	0	0	97,451	97,451
<b>Total</b>	<b>248.14</b>	<b>0</b>	<b>0</b>	<b>56,615,660</b>	<b>56,615,660</b>

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>504 Highway Patrol</b>					
Base Budget Request	191.00	31,530,493	6,343,005	4,613,800	42,487,298
02 Restore Unfunded FTEs	3.00	494,387	0	73,497	567,884
03 LETA Construction Project	0.00	12,215,000	0	1,825,000	14,040,000
04 Add 4 Motor Carrier FTEs	4.00	842,946	0	125,225	968,171
05 Radio Equipment Replacement	0.00	1,076,000	0	161,000	1,237,000
06 Increase Officer Per Diem to \$220 per Month	0.00	59,298	0	8,862	68,160
07 In-car Video Arbitrator Migration	0.00	84,000	0	13,000	97,000
08 CVISN Project Implementation	0.00	1,686,000	1,918,112	144,888	3,749,000
09 ND POST Board Training Fund Increase	0.00	131,000	0	19,000	150,000
10 CVISN Project FTEs	2.00	106,864	81,888	15,971	204,723
<b>Total</b>	<b>200.00</b>	<b>48,225,988</b>	<b>8,343,005</b>	<b>7,000,243</b>	<b>63,569,236</b>
<b>530 Dept of Corrections and Rehabilitation</b>					
Base Budget Request	735.29	146,719,963	8,249,469	21,762,283	176,731,715
01 NDSP Expansion Occupied	76.00	3,808,943	0	88,979	3,897,922
02 Contract Housing	0.00	4,088,452	0	0	4,088,452
03 Medical	0.00	1,288,622	0	0	1,288,622
04 IT Rate Changes	0.00	369,613	0	0	369,613
05 YCC Tunnel Roof Roadway Improvements	0.00	888,192	0	0	888,192
06 Equipment over \$5000	0.00	462,800	0	0	462,800
07 JRCC 2011-13 Extraordinary Repairs	0.00	1,562,650	0	0	1,562,650
08 YCC 2011-13 Extraordinary Repairs	0.00	1,661,600	0	0	1,661,600
09 NDSP 2011-13 Extraordinary Repairs	0.00	592,795	0	0	592,795
10 JRCC ET Bldg - Ventilators	0.00	935,000	0	0	935,000
11 NDSP Access Road	0.00	988,669	0	0	988,669
12 MRCC 2011-13 Extraordinary Repairs	0.00	45,000	0	0	45,000
13 Roughrider Industries	2.00	0	0	216,363	216,363
14 RRI License Plate Equipment	0.00	0	0	500,000	500,000
<b>Total</b>	<b>813.29</b>	<b>163,412,299</b>	<b>8,249,469</b>	<b>22,567,625</b>	<b>194,229,393</b>
<b>540 Office of the Adjutant General</b>					
Base Budget Request	232.00	23,542,172	186,048,131	15,308,431	224,898,734
01 4 FTE"s - REGIONAL EMERG MGMT COORDINATORS DES #1	4.00	149,218	447,657	0	596,875
01 MILITARY SERVICE CENTER EAST NG #1	0.00	200,000	0	0	200,000
02 1 FTE - GRANTS AND CONTRACTS OFFICER II DES #2	1.00	37,304	111,915	0	149,219
02 4 FTE"s - RTI NG #2	4.00	91,632	274,902	0	366,534
03 1 FTE - ADMINISTRATIVE SUPPORT NG #3	1.00	99,565	0	0	99,565
03 AGENCY EQUITY PACKAGE DES #3	0.00	33,204	24,904	1,186	59,294
04 STATE-WIDE SEAMLESS BASEMAP DES #4	0.00	400,000	500,000	0	900,000
04 UTILITIES - NG FACILITIES NG #4	0.00	105,000	0	0	105,000



**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
05 MAINTENANCE & REPAIR FOR STATE FACILITIES NG #5	0.00	650,000	0	0	650,000
05 NDDDES RENTAL STORAGE FACILITY DES #5	0.00	75,000	0	0	75,000
06 INSURANCE - NDNG FACILITIES NG #6	0.00	16,000	0	0	16,000
06 RADIO FEE SHORTFALL DES #6	0.00	236,000	0	(236,000)	0
07 COMPUTER AIDED DISPATCH MAINTENANCE DES #7	0.00	356,000	0	0	356,000
07 MILITARY MUSEUM EXPLORATORY STUDY NG #7	0.00	40,000	0	0	40,000
08 RECRUITING BONUSES NG #8	0.00	200,000	0	0	200,000
08 1 FTE - GIS SPECIALIST III DES #8	1.00	81,708	81,708	0	163,416
09 5 FTE"s - 119TH WING FIREFIGHTERS NG #9	5.00	0	490,523	0	490,523
09 MESSAGE SWITCH UPGRADES DES #9	0.00	235,000	0	0	235,000
10 1 FTE - ENVIRONMENTAL STAFF MEMBER NG #10	1.00	0	118,944	0	118,944
10 STATE RADIO EQUIPMENT - CEB DES #10	0.00	1,100,000	0	0	1,100,000
11 MAINTENANCE COSTS - CAP FLIR NG #11	0.00	15,000	0	0	15,000
11 STATE RADIO TOWER PACKAGE DES #11	0.00	2,280,000	0	0	2,280,000
12 1 FTE - MATERIAL MGMT SUPERVISOR NG #12	1.00	27,985	83,956	0	111,941
12 1 FTE - OPERATIONS OFFICER DES #12	1.00	68,758	68,760	0	137,518
13 1 FTE - EMERGENCY PROGRAM SPECIALIST II DES #13	1.00	63,918	63,920	0	127,838
<b>Total</b>	<b>252.00</b>	<b>30,103,464</b>	<b>188,315,320</b>	<b>15,073,617</b>	<b>233,492,401</b>

**601 Department of Commerce**

Base Budget Request	68.00	28,149,550	55,273,863	8,723,015	92,146,428
02 Tourism FTE	0.25	0	0	0	0
03 Centers of Excellence	0.00	20,000,000	0	0	20,000,000
04 Workforce Enhancement Fund	0.00	1,600,000	0	0	1,600,000
05 Childcare Program	0.00	920,338	0	0	920,338
06 American Indian Business Office	0.00	200,000	0	0	200,000
07 Jobs for America"s Graduates	0.00	380,000	0	0	380,000
08 Tourism Operating	0.00	930,000	0	0	930,000
09 Trade Office	0.00	489,000	0	0	489,000
10 Tourism Grants	0.00	400,000	0	0	400,000
11 Skill upgrade program	0.00	400,000	0	0	400,000
12 ARRA Optional Request	0.00	0	24,496,750	0	24,496,750
<b>Total</b>	<b>68.25</b>	<b>53,468,888</b>	<b>79,770,613</b>	<b>8,723,015</b>	<b>141,962,516</b>

**602 Department of Agriculture**

Base Budget Request	73.50	7,404,119	7,383,301	6,092,438	20,879,858
02 Sustainable Agriculture Program (1 FTE)	1.00	288,347	0	0	288,347
03 Transportation Research Specialist (1 FTE)	1.00	133,809	0	0	133,809
04 Outreach Specialist	0.00	107,991	0	0	107,991
05 Pride of Dakota Specialists (1 FTE)	1.00	157,235	0	0	157,235

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

<b>Priority Description</b>	<b>FTE</b>	<b>General Fund</b>	<b>Federal Funds</b>	<b>Special Funds</b>	<b>Total Funds</b>
06 Funding for Pride of Dakota specialist	0.00	67,005	0	0	67,005
07 Local Foods Initiative	0.00	122,369	0	0	122,369
08 Board of Animal Health Administrative Support	0.00	84,647	0	0	84,647
09 Reserve Corps Veterinarian Program	0.00	64,996	0	0	64,996
10 Emerald Ash Borer / Nursery Inspection Program	0.00	26,240	0	0	26,240
11 Apiary Inspection Program	0.00	27,140	0	0	27,140
12 Wildlife Services	0.00	348,200	0	0	348,200
<b>Total</b>	<b>76.50</b>	<b>8,832,098</b>	<b>7,383,301</b>	<b>6,092,438</b>	<b>22,307,837</b>
<b>616 State Seed Department</b>					
Base Budget Request	30.00	0	0	6,684,687	6,684,687
<b>Total</b>	<b>30.00</b>	<b>0</b>	<b>0</b>	<b>6,684,687</b>	<b>6,684,687</b>
<b>627 Upper Great Plains Transportation Inst.</b>					
Base Budget Request	51.65	1,879,011	17,565,383	4,553,246	23,997,640
<b>Total</b>	<b>51.65</b>	<b>1,879,011</b>	<b>17,565,383</b>	<b>4,553,246</b>	<b>23,997,640</b>
<b>628 Branch Research Centers</b>					
Base Budget Request	113.49	15,655,087	0	14,766,818	30,421,905
<b>Total</b>	<b>113.49</b>	<b>15,655,087</b>	<b>0</b>	<b>14,766,818</b>	<b>30,421,905</b>
<b>630 NDSU Extension Service</b>					
Base Budget Request	268.75	29,158,769	7,031,768	17,377,626	53,568,163
01 IVN Equipment Upgrades	0.00	262,000	0	0	262,000
02 Update of ND Agricultural Land Valuation Model	0.00	50,000	0	0	50,000
<b>Total</b>	<b>268.75</b>	<b>29,470,769</b>	<b>7,031,768</b>	<b>17,377,626</b>	<b>53,880,163</b>
<b>638 Northern Crops Institute</b>					
Base Budget Request	11.00	1,711,973	0	1,800,185	3,512,158
<b>Total</b>	<b>11.00</b>	<b>1,711,973</b>	<b>0</b>	<b>1,800,185</b>	<b>3,512,158</b>
<b>640 NDSU Main Research Center</b>					
Base Budget Request	364.26	70,909,039	5,570,075	38,412,651	114,891,765
01 Deferred Maintenance	0.00	4,203,401	0	0	4,203,401
<b>Total</b>	<b>364.26</b>	<b>75,112,440</b>	<b>5,570,075</b>	<b>38,412,651</b>	<b>119,095,166</b>
<b>649 Agronomy Seed Farm</b>					
Base Budget Request	3.00	0	0	1,419,881	1,419,881
<b>Total</b>	<b>3.00</b>	<b>0</b>	<b>0</b>	<b>1,419,881</b>	<b>1,419,881</b>
<b>665 ND State Fair</b>					

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Request	0.00	697,150	0	0	697,150
02 Exhibitor Premium Funding	0.00	32,850	0	0	32,850
03 Asphalt Overlay Project	0.00	1,765,000	0	0	1,765,000
04 Parking Lot Project	0.00	557,100	0	0	557,100
05 Expo Barn Roof Project	0.00	283,106	0	0	283,106
<b>Total</b>	<b>0.00</b>	<b>3,335,206</b>	<b>0</b>	<b>0</b>	<b>3,335,206</b>
<b>670 ND Horse Racing Commission</b>					
Base Budget Request	2.00	301,041	0	130,000	431,041
<b>Total</b>	<b>2.00</b>	<b>301,041</b>	<b>0</b>	<b>130,000</b>	<b>431,041</b>
<b>701 Historical Society</b>					
Base Budget Request	62.00	11,484,307	2,851,113	0	14,335,420
01 ND Heritage Center Expansion Oper and Staff	8.00	914,870	0	0	914,870
02 Funding to Cover ITD Fee Increase	0.00	75,000	0	0	75,000
03 Property Insurance	0.00	172,000	0	0	172,000
04 Increase Temporary Salaries	0.00	232,000	0	0	232,000
05 Statt Equity Funding	0.00	182,000	24,233	0	206,233
06 ITD Business Analysis - Continuing Portion	0.00	80,000	0	0	80,000
07 ITD Business Analysis - One Time Portion	0.00	315,000	0	0	315,000
08 Marketing	0.00	75,000	0	0	75,000
09 Fort Abercrombie Bank Stabilization	0.00	350,000	650,000	0	1,000,000
10 State Archives - Compact Shelving	0.00	490,000	0	0	490,000
11 Building Repairs - Fort Totten	0.00	250,000	0	0	250,000
12 Large Image Scanner	0.00	92,480	0	0	92,480
13 Historic Site Exhibits	0.00	90,000	0	0	90,000
14 8th Grade Curriculum	0.00	125,000	0	0	125,000
15 States 125th Celebration	0.00	100,000	0	0	100,000
16 Archeological Field School and Native American Consultat	0.00	125,000	0	0	125,000
17 North Dakota Trails	0.00	150,000	0	0	150,000
<b>Total</b>	<b>70.00</b>	<b>15,302,657</b>	<b>3,525,346</b>	<b>0</b>	<b>18,828,003</b>
<b>709 Council on the Arts</b>					
Base Budget Request	5.00	1,324,990	1,791,344	63,515	3,179,849
01 Art for Life Program increase	0.00	20,000	0	0	20,000
02 Community Services	0.00	15,000	0	0	15,000
<b>Total</b>	<b>5.00</b>	<b>1,359,990</b>	<b>1,791,344</b>	<b>63,515</b>	<b>3,214,849</b>
<b>720 Game and Fish Department</b>					
Base Budget Request	157.00	0	29,387,426	33,958,778	63,346,204
01 Williston Administrative Assistant - New FTE	1.00	0	0	81,945	81,945

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>Total</b>	<b>158.00</b>	<b>0</b>	<b>29,387,426</b>	<b>34,040,723</b>	<b>63,428,149</b>
<b>750 Parks and Recreation Department</b>					
Base Budget Request	53.00	11,191,072	6,123,587	5,445,198	22,759,857
01 Devils Lake road raise	0.00	2,884,800	0	0	2,884,800
02 optional capital projects	0.00	3,312,000	0	0	3,312,000
03 Equity increase	0.00	300,000	0	0	300,000
04 Lease payments for Little Missouri Bay	0.00	100,000	0	0	100,000
05 Increase IT operations	0.00	128,720	0	0	128,720
06 Optional extraordinary repairs	0.00	1,283,900	0	0	1,283,900
07 Administrative Assistant positions @ 2 parks	2.00	158,278	0	0	158,278
08 Additional Temp salaries	0.00	264,000	0	0	264,000
09 SCORP funding	0.00	40,000	40,000	0	80,000
10 Add federal grants position	1.00	0	105,167	0	105,167
11 Strategic Plan	0.00	170,000	0	0	170,000
12 Seasonal trail crew program	0.00	53,200	0	0	53,200
13 Add two .25 FTE for Maintenance positions	0.50	39,424	0	0	39,424
14 Planning temp salaries	0.00	33,000	0	0	33,000
15 optional equipment	0.00	211,000	0	0	211,000
16 Marketing funding	0.00	75,000	0	0	75,000
17 Reinstate 09-11 funding	0.00	400,000	0	0	400,000
50 Optional capital projects Peace Garden	0.00	5,981,660	0	0	5,981,660
51 Optional Peace Garden operations	0.00	230,000	0	0	230,000
<b>Total</b>	<b>56.50</b>	<b>26,856,054</b>	<b>6,268,754</b>	<b>5,445,198</b>	<b>38,570,006</b>
<b>770 Water Commission</b>					
Base Budget Request	86.00	14,350,126	46,673,342	389,641,312	450,664,780
01 New Development Position-Director	1.00	219,614	0	0	219,614
02 New Development Position - Program Admin	1.00	163,388	0	0	163,388
03 ARRA Stimulus Funding	0.00	0	7,271,773	0	7,271,773
<b>Total</b>	<b>88.00</b>	<b>14,733,128</b>	<b>53,945,115</b>	<b>389,641,312</b>	<b>458,319,555</b>
<b>801 Dept of Transportation</b>					
Base Budget Request	1,054.50	0	656,900,823	460,698,732	1,117,599,555
03 Market Based Salary Adjustment	0.00	0	0	3,200,000	3,200,000
04 Motor Vehicle Licensing Specialists & Training Officer	5.00	0	0	502,391	502,391
05 Drivers License Examiners	5.00	0	0	426,508	426,508
06 General Funds for Devils Lake	0.00	5,850,000	0	0	5,850,000
07 State funded road program for oil impact areas	0.00	0	0	228,600,000	228,600,000
08 State Funded Roadway Maintenance Safety Items	0.00	0	0	11,000,000	11,000,000
09 IT-Drivers License System Rewrite	0.00	0	0	9,500,000	9,500,000
10 Asbestos Abatement	0.00	0	0	8,000,000	8,000,000

**OPTIONAL ADJUSTMENT REQUESTS****OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2011-2013

<b>Priority</b>	<b>Description</b>	<b>FTE</b>	<b>General Fund</b>	<b>Federal Funds</b>	<b>Special Funds</b>	<b>Total Funds</b>
11	Relocation of Motor Vehicle and Drivers License Customer	0.00	0	0	644,000	644,000
12	Transportation Technicians (Equipment Operators)	9.00	0	0	880,438	880,438
13	Digital Radio Conversion	0.00	0	0	530,886	530,886
14	ARRA-Federal Stimulus Aid	0.00	0	24,119,575	0	24,119,575
	<b>Total</b>	<b>1,073.50</b>	<b>5,850,000</b>	<b>681,020,398</b>	<b>723,982,955</b>	<b>1,410,853,353</b>
	<b>Total All Agencies</b>	<b>11,551.53</b>	<b>3,858,356,203</b>	<b>3,315,260,025</b>	<b>2,122,026,741</b>	<b>9,295,642,969</b>

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>101 Office of the Governor</b>			
Education Jobs Fund Program	0	0	21,517,716
State Fiscal Education Funds	85,644,337	0	0
State Fiscal Government Services	19,055,342	0	0
<b>Total</b>	<b>104,699,679</b>	<b>0</b>	<b>21,517,716</b>
<b>108 Secretary of State</b>			
HHS-HAVA	50,000	300,000	300,000
Title II HAVA Fund - Post 1-1-07	893,292	700,000	700,000
Title II Fed Election Funds	7,600,815	5,050,000	5,056,812
<b>Total</b>	<b>8,544,107</b>	<b>6,050,000</b>	<b>6,056,812</b>
<b>110 Office of Management and Budget</b>			
ARRA	683,681	0	0
<b>Total</b>	<b>683,681</b>	<b>0</b>	<b>0</b>
<b>112 Information Technology</b>			
Broadband Mapping	2,000,000	0	2,900,000
CJIS Savin Grant	1,360,641	750,000	750,000
E911 Grant	1,000,000	0	1,500,000
GIS Grant	75,000	75,000	75,000
HIE Grant	80,000,000	0	5,100,000
NTIA Grant	12,263,883	0	0
<b>Total</b>	<b>96,699,524</b>	<b>825,000</b>	<b>10,325,000</b>
<b>117 Office of the State Auditor</b>			
Royalty Audit Program	974,678	876,816	918,583
<b>Total</b>	<b>974,678</b>	<b>876,816</b>	<b>918,583</b>
<b>125 Office of the Attorney General</b>			
2006 Project Safe Neighborhood	54,878	54,878	54,878
Bulletproof Vest Partnership Progra	5,000	5,000	5,000
Convicted Offender DNA Backlog	588,966	779,866	779,866
Cops Rural Meth Initiative 06	1,046,547	795,000	795,000
Coverdell - Natl Forensic Improve F	179,388	231,388	231,388
Crime Lab Forensic Casework DNA	112,128	112,128	112,128
Crime Labe DNA Capacity Enhance.	323,606	323,606	323,606
DOT Hwy. Safety Plan	516,722	939,823	939,823
Hazardous Material Emergency Pre. 2	185,500	0	0
ICAC 2009 Stimulus	216,174	0	53,553
ICAC Stimulus	0	105,000	251,454

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Internet Crimes Against Children 20	302,623	302,623	302,623
JAG Grant	3,239,411	2,792,463	2,797,757
JAG Stimulus	1,652,426	0	1,730,131
Midwest HIDTA	1,230,346	1,141,798	1,253,939
North Dakota Criminal History Impro	1,557,633	1,167,628	1,167,628
Project Safe Neighborhood	358,000	270,000	270,000
RLEA-Rural Crime Stimulus	390,588	0	318,766
Residential Substance Abuse Tr	200,000	320,000	320,000
SMART (Sex Offenses)	340,000	756,000	756,000
State Domestic Preparedness Grant	262,788	265,952	276,295
Statistical Analysis Center	37,787	37,787	37,787
<b>Total</b>	<b>12,800,511</b>	<b>10,400,940</b>	<b>12,777,622</b>
<b>127 Office of State Tax Commissioner</b>			
Motor Fuel Tax Grant	10,000	10,000	10,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>180 Judicial Branch</b>			
Child Support	1,119,090	1,276,057	1,276,057
Crt. Improvement 2008	205,376	193,254	193,254
Crt. Imprvment Data Sharng Prg 008	193,908	194,124	194,124
Crt. Imprvmnt Training Prgrm 08	193,434	193,340	193,340
Grts. to Encourage Arrest Policies	12,000	0	0
Stop Grant-NEC Family Court Pilot	6,653	0	0
<b>Total</b>	<b>1,730,461</b>	<b>1,856,775</b>	<b>1,856,775</b>
<b>201 Dept of Public Instruction</b>			
21st Century/After School Learning	11,097,099	11,879,992	11,890,568
ARRA EARKT Child Ed	20,000	20,000	20,000
ARRA Stimulus Diesel Fuel	975	0	0
Adult Education	3,096,929	2,126,966	2,136,099
Child Care Food Program	20,576,907	22,507,089	22,517,806
Child Nutr/Distrib-Cnp Team Nutr	455,000	324,592	333,548
Consolidated School Health Programs	2,773,587	1,760,877	1,768,977
Deaf-Blind Children & Youth	130,000	130,000	130,000
Deisel Fuel Grant	1,755,043	25,043	25,043
Direct Certification Grant	778,910	787,277	788,544
Drug-Free Schools	2,609,354	215,638	224,395
Education Jobs Fund	0	0	21,517,716
Eisenhower/Univ System	0	4,366	4,617
Emergency Feeding Assistance	128,368	70,177	70,177

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Eng Lang Acq/State Formula Grnt Pro	989,708	914,446	920,445
Enhance Ed Thru Tech	3,209,375	481,410	481,410
Enhancing Education Thru Technology	2,456,581	583,010	589,061
Even Start Family Literacy	1,787,697	496,409	497,219
Food Distribution on Indian Res	1,881,500	2,349,500	2,353,979
Fresh Fruits and Vegetables Program	565,578	2,761,813	2,764,157
Governors Service Fund	85,644,337	0	0
Homeless Children	468,920	566,850	570,146
Homeless Funds	174,941	2,891	2,891
IDEA B	64,399,015	87,866,873	87,975,719
IDEA B ARRA Funds	26,603,114	4,013,308	4,013,308
Improving Teacher Quality	28,668,496	26,761,668	26,775,467
Indirect Cost Pool	2,227,240	2,063,050	2,146,648
Indiv w/Disabil Educ Act/Preschool	1,738,808	1,675,345	1,679,028
Learn & Serve America State Educ Ag	61,854	83,476	83,476
Longitudinal Data Grant	763,140	891,369	903,134
NAEP State Coordinator	106,408	170,172	177,277
NCES	50,000	50,000	50,000
NDSLEDS	9,395,789	5,733,408	5,733,408
Preschool ARRA Funds	861,549	1,003,215	1,003,215
Reading First	4,137,530	271,531	280,212
Refugee Children School Impact	214,500	291,345	292,739
Robert Byrd Honors Scholarship	205,000	205,000	205,000
SAE School Food And Nutrition	2,168,017	1,870,596	1,921,730
School Food Prog Gnt	34,500,222	40,314,547	40,314,547
School Improvement	7,145,000	3,206,610	3,206,610
School Lunch Equipment	230,000	0	0
Spec Ed Personnel Development	1,153,500	1,067,766	1,071,821
State Program Improvement	0	374,293	395,706
Stimulus Admin	340,753	5,171	5,171
Summer Food Service Program	1,415,000	1,007,161	1,007,527
Supplemental Commodity Asst Program	412,350	532,062	532,341
Temp Emerg Food Asst Program	205,003	205,590	205,644
Title I ARRA	27,415,262	4,115,565	4,115,565
Title I Grants To Lea'S	10,250	10,250	10,250
Title I Migrant Education	933,188	1,123,172	1,128,064
Title I Neg/Delnq	135,918	149,770	149,770
Title I State Administration	60,990,946	83,494,265	83,551,520
Title II/No Child Left/Math & Scien	1,795,000	1,815,975	1,820,739
Title VI-Rural & Low-Income Schools	95,000	95,000	95,000
Title VI/State Assessmnts/Related A	7,130,985	7,263,374	7,311,380
<b>Total</b>	<b>426,109,646</b>	<b>325,739,273</b>	<b>347,768,814</b>



**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>215 ND University System</b>			
State Approving Agency	276,110	288,696	288,696
Student Fin. Assist. Grants	348,428	348,428	348,428
Title II	695,600	695,600	695,600
<b>Total</b>	<b>1,320,138</b>	<b>1,332,724</b>	<b>1,332,724</b>
<b>228 Lake Region State College</b>			
Federal Fiscal Stimulus Funds	2,609,920	0	0
<b>Total</b>	<b>2,609,920</b>	<b>0</b>	<b>0</b>
<b>230 University of North Dakota</b>			
Federal Fiscal Stimulus Funds	11,700,000	0	0
<b>Total</b>	<b>11,700,000</b>	<b>0</b>	<b>0</b>
<b>241 Minot State University</b>			
Federal Fiscal Stimulus Funds	5,000,000	0	0
<b>Total</b>	<b>5,000,000</b>	<b>0</b>	<b>0</b>
<b>250 State Library</b>			
Libraries LSTA	515,000	515,000	515,000
Public Libraries	1,528,484	1,350,069	1,373,098
Public Library Services	0	154,660	154,660
<b>Total</b>	<b>2,043,484</b>	<b>2,019,729</b>	<b>2,042,758</b>
<b>252 School for the Deaf</b>			
Deaf/Blind IDEA-B	43,674	3,674	3,674
Deaf/Blind Services Project	125,838	166,326	174,622
IDEA Stimulus Comm Progr	9,898	0	0
IDEA Stimulus Preschool	322	0	0
IDEA-B	61,602	57,995	61,205
School Breakfast	13,600	13,600	13,600
School Lunch	13,600	13,600	13,600
<b>Total</b>	<b>268,534</b>	<b>255,195</b>	<b>266,701</b>
<b>270 Career and Technical Education</b>			
Carl Perkins Funds	10,267,781	10,271,787	10,271,787
Mine Safety	133,218	133,218	133,218
WIA Youth Career Exploration	156,909	156,909	156,909
<b>Total</b>	<b>10,557,908</b>	<b>10,561,914</b>	<b>10,561,914</b>

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>301 ND Department of Health</b>			
ARRA Funding	20,688,463	0	3,492,228
Administrative Services Federal Fun	3,331,336	3,718,108	3,829,340
Community Health Federal Funds	53,619,543	56,040,016	56,396,281
Emergency Prep & Response Fed Fd	16,398,179	10,773,159	10,820,028
Environmental Health Federal Funds	42,136,843	33,708,093	34,262,878
Health Resources Federal Funds	4,707,641	4,930,513	5,148,396
Medical Services Federal Funds	7,647,032	8,210,487	8,336,032
Special Populations Federal Funds	2,276,946	2,433,502	2,466,754
<b>Total</b>	<b>150,805,983</b>	<b>119,813,878</b>	<b>124,751,937</b>
<b>313 Veterans Home</b>			
Federal Grant Funds	17,842,187	0	0
<b>Total</b>	<b>17,842,187</b>	<b>0</b>	<b>0</b>
<b>316 Indian Affairs Commission</b>			
ARRA Fiscal Stimulus	18,000	0	0
<b>Total</b>	<b>18,000</b>	<b>0</b>	<b>0</b>
<b>325 Department of Human Services</b>			
ARRA Stimulus Funding	99,095,205	0	519,175
Aging Services	14,004,190	14,697,073	14,709,861
Child Care	20,533,937	18,680,800	18,708,550
Child Support	19,864,002	21,253,261	22,165,463
Child Welfare	40,770,790	41,742,849	42,776,191
DHS Federal Funds	0	3,773,704	3,773,704
Disability Services	37,344,613	41,772,831	42,564,987
Food And Nutrition Services	212,316,114	250,270,858	250,350,297
Low Income Heating & Energy Asst	53,551,319	40,375,031	40,375,031
Medicaid	947,769,100	998,434,760	1,023,411,384
Mental Health And Substance Abuse	14,506,036	15,984,526	16,485,370
Refugee	4,484,843	2,725,510	2,730,449
Social Service Block Grant	7,180,665	7,133,022	7,133,021
State Childrens Health Insur Prog	30,401,282	30,446,075	30,446,824
Temporary Asst For Needy Families	58,730,115	53,049,750	53,207,296
<b>Total</b>	<b>1,560,552,211</b>	<b>1,540,340,050</b>	<b>1,569,357,603</b>
<b>360 Protection and Advocacy</b>			
Assistive Technology	161,582	115,483	115,483
Client Assistance	4,793	0	0

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
DD Council Grant-Indiv Justice Plan	225	0	0
DD Program	788,589	935,241	935,241
HAVA Program	286,390	332,674	332,674
MI Program	964,766	932,520	932,520
Medicaid Title 19	60,308	71,440	71,440
NDCPD	4,500	0	0
PABSS - Rep Payee	937	0	0
PABSS Program	227,801	206,792	206,791
PAIR Program	344,676	382,446	382,446
TBI Program	142,936	142,292	142,293
<b>Total</b>	<b>2,987,503</b>	<b>3,118,888</b>	<b>3,118,888</b>
<b>380 Job Service North Dakota</b>			
ARRA	9,172,553	0	1,500,000
Department of Human Services Funds	3,224,399	2,707,497	2,835,502
Labor Statistics	2,670,520	2,004,426	2,090,306
Other Federal Grants	378,539	1,215,559	2,273,843
Reed Act Distribution	5,515,586	12,400,000	12,400,000
Trade Assistance	1,967,460	2,542,188	2,577,305
Unemployment Insurance	18,402,006	19,316,291	20,029,842
Veterans Programs	1,402,435	1,147,141	1,199,065
Wagner-Peyser	11,431,851	10,865,502	11,346,787
Workforce Investment Act	14,609,804	13,037,062	13,347,432
<b>Total</b>	<b>68,775,153</b>	<b>65,235,666</b>	<b>69,600,082</b>
<b>401 Office of the Insurance Commissioner</b>			
Health Insurance Premium Review	0	0	2,026,942
State Health Insurance Counseling	636,296	812,749	834,771
<b>Total</b>	<b>636,296</b>	<b>812,749</b>	<b>2,861,713</b>
<b>405 Industrial Commission</b>			
NCRDS-Coal	18,315	20,524	20,524
PSC Coal	7,778	15,974	15,974
Statemap	26,057	16,986	16,986
UIC Oil & Gas	202,096	210,001	210,001
<b>Total</b>	<b>254,246</b>	<b>263,485</b>	<b>263,485</b>
<b>406 Office of the Labor Commissioner</b>			
Equal Employ Opp. Comm.	164,500	162,507	162,508
Fair Housing	248,251	262,003	262,003
<b>Total</b>	<b>412,751</b>	<b>424,510</b>	<b>424,511</b>

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>408 Public Service Commission</b>			
AML Administrative	696,355	657,860	684,099
AML Construction	7,109,827	8,685,693	8,703,723
AML Emergency Program	10,000	10,000	10,000
ARRA Funding	766,350	0	658,217
Gas Pipeline Safety Program	150,088	130,421	134,073
Indirect Cost Recovery	536,263	544,589	575,542
ND Permanent Program	1,124,709	1,202,381	1,260,994
OSM Technical Assistance	10,000	10,000	10,000
<b>Total</b>	<b>10,403,592</b>	<b>11,240,944</b>	<b>12,036,648</b>
<b>412 Aeronautics Commission</b>			
ADS-B Navigational System	855,000	570,000	570,000
AWOS Grant 2	200,000	200,000	200,000
AWOS-FAA NWS NADIN	1,282,500	950,000	950,000
Airport Master Plans	1,529,500	1,529,500	1,529,500
IPG Stairway	380,000	0	0
IPG Terminal and Fencing	0	313,500	313,500
ND Air Service Study 2009	40,000	40,000	40,000
Pavement Condition Index	495,000	590,000	590,000
Pavement Condition Index Study	465,000	465,000	465,000
State Aviation System Plan	0	38,000	38,000
<b>Total</b>	<b>5,247,000</b>	<b>4,696,000</b>	<b>4,696,000</b>
<b>471 Bank of North Dakota</b>			
NDCAN	0	3,000,000	3,032,831
<b>Total</b>	<b>0</b>	<b>3,000,000</b>	<b>3,032,831</b>
<b>473 ND Housing Finance Agency</b>			
Home Investments Partnership Prog	655,800	720,000	720,000
Housing Counseling Assistance	311,200	280,000	280,000
Lower Inc Housing Assist Prog Sec 8	1,779,100	1,848,040	1,848,040
Neighborhood Stabilization Program	6,695,000	0	0
Rent Supplements Contract Admin	21,078,260	21,900,880	21,900,880
Tax Credit Assistance Program	4,860,574	0	0
Tax Credit Exchange Program	25,500,000	0	0
<b>Total</b>	<b>60,879,934</b>	<b>24,748,920</b>	<b>24,748,920</b>
<b>504 Highway Patrol</b>			
Alcohol Saturation OT	236,000	236,000	236,000

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Border Inspection Program	654,000	654,000	676,404
Construction Zone OT	122,000	122,000	122,000
Drug Enforcement OT	6,000	6,000	6,000
Federal Body Armor	100,000	100,000	100,000
Federal NDDOT Equipment	760,000	760,000	760,000
Fusion Center Program	210,000	210,000	219,493
Homeland Security Equip	100,000	100,000	100,000
Mtr Carrier Safety Assistance Progr	2,647,005	2,647,005	2,753,377
New Entrant Program	490,000	490,000	508,289
Prevention Services Program	200,000	200,000	200,000
Seat Belt OT	136,000	136,000	136,000
Sobriety Checkpoint OT	30,000	30,000	30,000
Underage Drinking OT	652,000	652,000	652,000
<b>Total</b>	<b>6,343,005</b>	<b>6,343,005</b>	<b>6,499,563</b>

**530 Dept of Corrections and Rehabilitation**

(WIA) Youth Services - YCC	14,000	14,000	14,000
Adult Educ/Pen	68,000	66,821	66,820
Adult Education - YCC	50,259	42,000	42,000
Byrne Grant 204	30,000	30,000	30,000
Crime Victims Advocacy-DJS	37,000	60,000	60,000
Detention Services - Fed	12,000	12,000	12,000
Energy Efficient Grant Fund	308,123	176,124	176,124
FY 01 Fed Voca Grant	2,573,525	3,638,884	3,638,884
FY 2000 Federal Cvc Grant	506,000	560,424	560,424
Federal Stimulus Funds	1,039,856	0	0
IV-E/IV-A Reimbursements	0	421,450	421,450
Institutional Care (Federal) - YCC	645,420	266,958	266,958
JAG-Drug and Violent Crime	53,198	53,198	53,198
JAIBG - DJS	500,000	500,000	500,000
Medicaid Reimb-Title XIX	762,409	408,000	408,000
OJJDP - Challenge Funds	22,000	42,000	42,000
OJJDP - Formula Funds	1,200,000	1,250,000	1,250,000
OJJDP - Title V Funds	178,710	100,000	100,000
Residential Substance Abuse Trmt	50,000	50,000	50,000
SCAAP-BJA	34,000	34,000	34,000
School Lunch - YCC	205,000	192,000	192,000
Title I - YCC	145,551	134,000	134,000
Voc Ed (Carl Perkins) - YCC	20,957	15,500	15,500
Voc Ed (Incarcerated) - YCC	40,000	40,000	40,000
Vocational/Tech Education	56,000	56,052	56,052
WIA Job Service-Adult	212,156	0	0

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Youth Training-US Dept Educ	87,993	86,058	86,058
<b>Total</b>	<b>8,852,157</b>	<b>8,249,469</b>	<b>8,249,468</b>
<b>540 Office of the Adjutant General</b>			
Air Guard Contracts	8,710,482	9,199,770	10,094,764
Army Guard Contracts	70,388,575	53,990,334	54,757,965
Emergency Mgmt Performance Grants	4,946,608	4,843,654	4,910,578
Federal Stimulus Grants	1,261,500	0	0
Hazard Mitigation Grants	16,978,638	17,142,762	17,153,483
Hazardous Material Emergency Prep	287,940	278,349	281,697
Homeland Security Grants	17,770,378	17,176,135	18,209,658
Pre Disaster Mitigation	1,290,644	1,277,644	1,277,644
Public Assistance Grants	189,598,981	82,139,483	82,150,034
<b>Total</b>	<b>311,233,746</b>	<b>186,048,131</b>	<b>188,835,823</b>
<b>601 Department of Commerce</b>			
APUC Rural Business Enterp. Grants	300,000	300,000	300,000
CDBG 1994	11,276,181	11,254,800	11,260,717
CDFD 1997	15,000,000	11,106,190	11,107,370
CF&N	30,000	30,000	30,000
CSBG 2001	6,849,494	6,808,917	6,808,917
Community Services Block Grt.	142,879	199,162	207,369
DOE2000	5,792,259	5,825,792	5,830,882
ESGP 2000	521,699	487,584	488,998
Home 1994	7,393,541	7,419,072	7,434,513
Homeless Mis Supportive Housing Pro	135,682	6,835	6,835
IC 1999	482,186	520,876	547,647
LHP 2000	5,754,759	5,752,777	5,757,868
LHP Cooling 98	1,270,000	0	200,000
LHP EF 2003	2,837,780	2,800,000	2,800,000
SCSBG	4,853,305	0	0
SDOEWX	25,318,330	0	9,100,000
SEEARP	615,000	0	0
SEECBG	9,990,000	0	4,796,750
SEP Admin 2001	1,043,188	340,289	348,772
SHPRP	2,571,000	0	1,250,000
SSEP	25,587,000	0	9,000,000
SSGR	263,858	0	150,000
Shelter Plus Care	500,000	450,000	450,000
Shopp Heating & Oil Prog.	6,064	6,064	6,064
WFD NDCNCS	1,507,603	1,732,842	1,747,343
Workforce Development	216,681	232,663	238,557

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>Total</b>	<b>130,258,489</b>	<b>55,273,863</b>	<b>79,868,602</b>
<b>602 Department of Agriculture</b>			
Ag Mediation Services	623,298	502,486	523,252
Animal ID	773,628	250,045	172,368
Biosecurity Grant/Health Dept	202,975	0	0
CAPS Program	477,992	493,504	500,270
Cooperative Weed Mgmt	441,134	176,553	176,554
Foreign Animal Disease(BSE/NAHEMS)	454,819	389,637	389,637
Market News 2010	69,000	66,530	67,463
Meat Inspection	1,044,308	1,097,258	1,194,632
Medicated Feed/Bse Inspections	150,241	129,536	131,973
ND Dairy Pollution Prevention Progr	1,469,829	1,542,586	1,548,415
Organic Certification	455,589	373,700	373,700
Pesticide Enforcement	1,332,249	973,755	1,007,086
Specialty Crops Grant	737,295	1,387,711	1,394,147
<b>Total</b>	<b>8,232,357</b>	<b>7,383,301</b>	<b>7,479,497</b>
<b>627 Upper Great Plains Transportation Inst.</b>			
University Transportation Centers	20,091,797	17,565,383	17,665,513
<b>Total</b>	<b>20,091,797</b>	<b>17,565,383</b>	<b>17,665,513</b>
<b>630 NDSU Extension Service</b>			
USDA/CREES Smith Lever	7,142,393	7,031,768	6,733,729
<b>Total</b>	<b>7,142,393</b>	<b>7,031,768</b>	<b>6,733,729</b>
<b>640 NDSU Main Research Center</b>			
Federal Fiscal Stimulus Funds	700,000	0	0
USDA/CREES Animal Health	36,151	36,151	36,151
USDA/CREES Hatch 7 Multi-State	5,214,753	5,214,753	5,217,952
USDA/CREES Mcintire Stennis	319,171	319,171	319,171
Unidentified Federal Funds	0	0	(226,858)
<b>Total</b>	<b>6,270,075</b>	<b>5,570,075</b>	<b>5,346,416</b>
<b>701 Historical Society</b>			
BLM - Cultural Resource Mgmt	160,000	0	0
BLM - GIS Data Share Project	60,000	20,000	20,000
Beacon Island - SAT	150,000	150,000	150,000
Bureau of Reclamation	78,000	78,000	78,000
Corp of Eng	0	0	650,000
Highway Hub of History	15,000	15,000	15,000

**SCHEDULE OF FEDERAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Historic Preservation 6100	2,345,505	2,568,113	2,617,413
NHPRC Advisory Board	20,000	20,000	20,000
Transportation Enhancement	1,583,931	0	0
<b>Total</b>	<b>4,412,436</b>	<b>2,851,113</b>	<b>3,550,413</b>
<b>709 Council on the Arts</b>			
Basic State Partnership	1,591,000	1,778,672	1,778,672
Federal Stimulus Jobs Grant	290,000	0	0
Institutional Support	0	12,672	12,673
<b>Total</b>	<b>1,881,000</b>	<b>1,791,344</b>	<b>1,791,345</b>
<b>720 Game and Fish Department</b>			
DOI - Bureau Of Reclamation	1,695,149	1,748,000	1,777,065
DOI - Sportfish Restoration	7,852,140	10,000,645	10,155,540
DOI - Wildlife Restoration	11,857,854	14,038,820	14,259,067
Misc Federal Funds	561,555	1,181,668	1,181,668
State Wildlife Grants	268,259	233,635	242,991
State Wildlife Grants	885,000	1,065,000	1,065,000
USCG - Boating Safety	1,411,285	1,119,658	1,155,898
<b>Total</b>	<b>24,531,242</b>	<b>29,387,426</b>	<b>29,837,229</b>
<b>750 Parks and Recreation Department</b>			
2009 LWCF	0	438,786	1,064,024
BLM Challenge Grant	10,000	10,000	10,000
Coast Guard	25,000	25,000	25,000
Cross Ranch Visitor Center	20,000	20,000	20,000
FEMA/DEM	10,000	10,000	10,000
Game and Fish Coop Agreement	80,000	80,000	80,000
LWCF 1992 Projects	1,561,214	1,561,214	1,561,214
Lewis And Clark Trails	10,000	10,000	10,000
Mosquito 2007	9,000	9,000	9,000
ND Parks Mixed Grass and Sand	6,000	6,000	6,000
Plant Conservation Program	75,000	75,000	75,000
RTP	4,250,000	3,680,042	3,686,042
Scenic Byways	125,000	193,545	196,055
Stimulus Funds	800,000	0	0
Wood Borer - Dept of Ag	5,000	5,000	5,000
<b>Total</b>	<b>6,986,214</b>	<b>6,123,587</b>	<b>6,757,335</b>
<b>770 Water Commission</b>			
2002 ND Weather Damage Modificatio	1,500,000	1,500,000	1,500,000



**SCHEDULE OF FEDERAL FUNDS  
REQUEST AND RECOMMENDATION  
Biennium: 2011-2013**

Agency/Fund Source	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Cap Program	218,419	263,419	276,008
FEMA Cooperating Technical Partn	2,505,930	3,360,941	3,360,941
FEMA Map Modernization Mgmt	296,880	235,428	244,807
Fed Fund Transfer from Another Agen	39,963	39,963	39,963
Flood Assistance Program F 00	2,262	2,262	2,262
MR&I Administration	242,964	195,964	207,627
Northwest Area Water Supply (NAWS)	30,000,000	25,000,000	25,000,000
Southwest Pipeline	32,000,000	15,742,649	23,014,422
State Dam Safety Grant Program	89,415	158,190	158,190
Wet Non-Point Source Program	174,525	174,526	180,163
<b>Total</b>	<b>67,070,358</b>	<b>46,673,342</b>	<b>53,984,383</b>
<b>801 Dept of Transportation</b>			
Alcohol Traffic Safety	4,259,496	3,412,420	3,412,420
CVISN	900	0	0
Drivers License Security Grants	972,701	0	0
Fed Hwy Admin Planning & Construc	818,329,886	630,561,454	649,881,030
Fed Transit Admin Cap Asst Program	350,000	350,000	350,000
Fed Transit Admin Cap Invest Grants	2,000,000	2,000,000	2,000,000
Fed Transit Admin Formula Grants No	13,206,174	7,250,000	12,050,000
Fed Transit Admin Metro Planning G	5,000,000	5,000,000	5,000,000
Federal Emergency Management Admin	1,400,000	0	0
Hazardous Materials Emerg	600	0	0
Highway Beautification	420	20	20
Job Access Reverse Comm	450,000	450,000	450,000
Motorcycle Safety	180,000	180,000	180,000
Nat Motor Veh Title Info Sys	230,160	111,000	111,000
New Freedom Program	250,000	250,000	250,000
State & Community Highway Safety	43,200	813,938	813,937
State Traffic Safety Info Impr	1,118,000	892,000	892,000
State and Comm Highway Safety	5,980,181	5,629,991	5,629,991
<b>Total</b>	<b>853,771,718</b>	<b>656,900,823</b>	<b>681,020,398</b>
<b>Total All Agencies</b>	<b>4,021,644,114</b>	<b>3,170,816,086</b>	<b>3,327,947,751</b>

**SCHEDULE OF SPECIAL FUNDS**  
**REQUEST AND RECOMMENDATION**  
**Biennium: 2011-2013**

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>108 Secretary of State</b>				
SOS General Services Fund 263	263	3,971,569	580,172	580,172
HAVA Election Ref.Matching Fund 283	283	150,000	150,000	150,000
<b>Total</b>		<b>4,121,569</b>	<b>730,172</b>	<b>730,172</b>
<b>110 Office of Management and Budget</b>				
Capital Grounds Planning Fund 251	251	25,000	25,000	25,000
Risk Management Workers' Comp Fund	275	267,503	275,210	284,846
State Risk Management Fund 288	288	1,064,967	1,095,598	1,152,443
Permanent Oil Tax Trust Fund 432	432	1,008,100	0	0
OMB Unemp/Payroll CI Fund 461	461	1,500,000	1,500,000	1,500,000
Land and Minereals Trust Fund 493F	493	629,320	0	0
Central Dup Serv Fund 790	790	5,014,384	4,987,249	4,952,172
Capitol Renovation Fund 902	902	0	0	3,000,000
<b>Total</b>		<b>9,509,274</b>	<b>7,883,057</b>	<b>10,914,461</b>
<b>112 Information Technology</b>				
Independent Study Operating Fd 274	274	5,436,281	5,239,098	4,420,541
ITD Service Fund 780	780	121,260,249	122,884,802	130,558,110
<b>Total</b>		<b>126,696,530</b>	<b>128,123,900</b>	<b>134,978,651</b>
<b>117 Office of the State Auditor</b>				
State Auditors Operating Fund 246	246	1,338,124	1,444,864	1,508,939
<b>Total</b>		<b>1,338,124</b>	<b>1,444,864</b>	<b>1,508,939</b>
<b>125 Office of the Attorney General</b>				
Insurance Regulatory Trust Fund	239	660,000	660,000	660,000
Attorney General Refund Fund 250 F	250	2,298,058	3,480,771	3,612,396
Lottery Fund 292	292	3,584,388	3,622,607	3,700,242
Attorney General Fund 322	322	5,397,903	4,881,768	5,126,711
AG Multijurisdictional Taskforce	367	50,814	51,405	54,347
Reduced Cigarette Ignition Propensi	374	200,000	300,000	300,000
Fire Prevention & Public Safety Fun	386	25,000	100,000	100,000
Gaming And Excise Tax Alloc 446	446	510,000	510,000	510,000
<b>Total</b>		<b>12,726,163</b>	<b>13,606,551</b>	<b>14,063,696</b>
<b>127 Office of State Tax Commissioner</b>				
Integrated Tax System Fund 287	287	210,574	0	0
<b>Total</b>		<b>210,574</b>	<b>0</b>	<b>0</b>

**SCHEDULE OF SPECIAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>140 Office of Administrative Hearings</b>				
Administrative Hearings Fund 266	266	1,498,712	1,775,367	1,827,199
<b>Total</b>		<b>1,498,712</b>	<b>1,775,367</b>	<b>1,827,199</b>
<b>160 Legislative Council</b>				
Insurance Regulatory Trust Fund 239	239	70,000	70,000	70,000
<b>Total</b>		<b>70,000</b>	<b>70,000</b>	<b>70,000</b>
<b>180 Judicial Branch</b>				
State Courts Fund 312	312	40,000	0	0
Judicial Conduct Comm. Fund 328	328	314,346	325,500	325,499
<b>Total</b>		<b>354,346</b>	<b>325,500</b>	<b>325,499</b>
<b>188 Commission on Legal Counsel for Indigents</b>				
Indigent Defense Admin. Fund	282	1,950,217	1,962,935	1,970,852
<b>Total</b>		<b>1,950,217</b>	<b>1,962,935</b>	<b>1,970,852</b>
<b>190 Retirement and Investment Office</b>				
Retirement and Investment Fund 207	207	3,705,650	3,755,203	4,232,954
<b>Total</b>		<b>3,705,650</b>	<b>3,755,203</b>	<b>4,232,954</b>
<b>192 Public Employees Retirement System</b>				
Public Employee Retirement Sys 483	483	10,868,214	6,531,671	6,776,890
<b>Total</b>		<b>10,868,214</b>	<b>6,531,671</b>	<b>6,776,890</b>
<b>201 Dept of Public Instruction</b>				
Displaced Homemakers Fund 201F	235	258,553	257,442	257,505
Public Instruction Fund 201F	391	87,352,955	87,352,955	102,690,955
Property Tax Relief Sustainability	495	0	0	341,790,000
DPI-Printing Revolving Fund 201F	702	0	1,086	1,149
<b>Total</b>		<b>87,611,508</b>	<b>87,611,483</b>	<b>444,739,609</b>
<b>215 ND University System</b>				
Higher Ed Special Rev Fund 215F	340	2,884,751	1,421,994	1,421,994
Permanent Oil Tax Trust Fund	432	700,000	700,000	1,000,000
<b>Total</b>		<b>3,584,751</b>	<b>2,121,994</b>	<b>2,421,994</b>
<b>226 State Land Department</b>				
Land Department Maint. Fund	206	3,902,902	4,756,004	5,575,020
Energy Development Impact Fund	238	9,889,659	8,000,000	100,000,000

**SCHEDULE OF SPECIAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>Total</b>		<b>13,792,561</b>	<b>12,756,004</b>	<b>105,575,020</b>
<b>227 Bismarck State College</b>				
Bismarck State College Fund 227C	387	409,500	7,500,000	7,500,000
<b>Total</b>		<b>409,500</b>	<b>7,500,000</b>	<b>7,500,000</b>
<b>229 Williston State College</b>				
UND- Williston Center Fund 229C	389	10,444,349	0	500,000
Permanent Oil Tax Trust Fund	432	5,000,000	0	2,320,000
<b>Total</b>		<b>15,444,349</b>	<b>0</b>	<b>2,820,000</b>
<b>230 University of North Dakota</b>				
UND Fund 230C	341	154,592,773	21,700,000	21,700,000
<b>Total</b>		<b>154,592,773</b>	<b>21,700,000</b>	<b>21,700,000</b>
<b>235 North Dakota State University</b>				
NDSU Fund 235C	344	58,100,000	36,100,000	36,100,000
<b>Total</b>		<b>58,100,000</b>	<b>36,100,000</b>	<b>36,100,000</b>
<b>238 ND State College of Science</b>				
ND Science School Fund-N 238C	347	7,136,000	9,000,000	10,500,000
<b>Total</b>		<b>7,136,000</b>	<b>9,000,000</b>	<b>10,500,000</b>
<b>239 Dickinson State University</b>				
Dickinson State Univ. Fund 239C	348	350,000	0	0
<b>Total</b>		<b>350,000</b>	<b>0</b>	<b>0</b>
<b>240 Mayville State University</b>				
Mayville State Univ. Fund 240C	349	4,481,032	0	0
<b>Total</b>		<b>4,481,032</b>	<b>0</b>	<b>0</b>
<b>241 Minot State University</b>				
Minot State Univ. Fund 241C	350	22,888,497	13,034,555	5,050,000
<b>Total</b>		<b>22,888,497</b>	<b>13,034,555</b>	<b>5,050,000</b>
<b>242 Valley City State University</b>				
Valley City State Univ. Fund 242c	351	18,500,000	0	815,000
Permanent Oil Tax Trust Fund	432	94,329	0	0
<b>Total</b>		<b>18,594,329</b>	<b>0</b>	<b>815,000</b>

**SCHEDULE OF SPECIAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>243 Dakota College at Bottineau</b>				
NDSU - Bottineau Fund 243c	345	2,000,000	31,250	0
<b>Total</b>		<b>2,000,000</b>	<b>31,250</b>	<b>0</b>
<b>244 North Dakota Forest Service</b>				
Forest Service Fund 244c	326	810,568	750,000	750,000
Cent. Tree Prog. Trust Fund	451	247,486	247,486	247,486
<b>Total</b>		<b>1,058,054</b>	<b>997,486</b>	<b>997,486</b>
<b>250 State Library</b>				
Library Commission Fund - 390	390	91,852	91,852	91,852
<b>Total</b>		<b>91,852</b>	<b>91,852</b>	<b>91,852</b>
<b>252 School for the Deaf</b>				
School for the Deaf Fund - 353	353	1,900,016	978,306	1,821,306
<b>Total</b>		<b>1,900,016</b>	<b>978,306</b>	<b>1,821,306</b>
<b>253 ND Vision Services</b>				
School for the Blind Fund - 354	354	818,902	812,757	835,091
<b>Total</b>		<b>818,902</b>	<b>812,757</b>	<b>835,091</b>
<b>270 Career and Technical Education</b>				
Vocational Education Fund - 393	393	204,974	204,974	204,974
<b>Total</b>		<b>204,974</b>	<b>204,974</b>	<b>204,974</b>
<b>301 ND Department of Health</b>				
Abandoned Vehicle Fund 202	202	250,000	250,000	250,000
Insurance Tax Distribution Fund	240	2,750,000	1,250,000	1,250,000
EHPL Administrators Fund 313	313	3,000	3,000	3,000
ND Health Care Trust Fund 315	315	125,000	0	0
Community Health Trust Fund 316	316	6,041,708	4,388,119	4,388,120
Health & Consolidated Lab Fund 370	370	29,803,706	27,177,278	27,177,278
Wastewater Operators Cert. Fund 371	371	36,191	23,545	23,544
Environment & Rangeland Prot 376	376	272,310	272,310	272,310
Domestic Violence Prev Fund 462	462	340,000	340,000	340,000
<b>Total</b>		<b>39,621,915</b>	<b>33,704,252</b>	<b>33,704,252</b>
<b>305 Tobacco Prevention and Control</b>				
Tobacco Prevention and Control	369	12,882,000	12,882,000	12,922,614

**SCHEDULE OF SPECIAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>Total</b>		<b>12,882,000</b>	<b>12,882,000</b>	<b>12,922,614</b>
<b>313 Veterans Home</b>				
Soldiers Home Fund 380	380	16,748,169	15,122,792	15,151,823
<b>Total</b>		<b>16,748,169</b>	<b>15,122,792</b>	<b>15,151,823</b>
<b>325 Department of Human Services</b>				
Compuls Gambling & Prevention 285	285	400,000	465,780	465,780
ND Health Care Trust Fund 315	315	4,324,506	0	0
Community Health Trust Fund 316	316	790,015	0	0
Provider Assessment Fund 355	355	7,849,650	9,799,203	9,799,202
Human Services Department Fund 360	360	101,693,052	102,542,025	103,347,845
Childrens Trust Fund 419	419	539,325	690,821	690,820
Permanent Oil Tax Trust Fund	432	2,604,389	0	0
<b>Total</b>		<b>118,200,937</b>	<b>113,497,829</b>	<b>114,303,647</b>
<b>380 Job Service North Dakota</b>				
Job Service North Dakota Fund	362	1,516,778	501,752	516,724
<b>Total</b>		<b>1,516,778</b>	<b>501,752</b>	<b>516,724</b>
<b>401 Office of the Insurance Commissioner</b>				
Unsatisfied Judgement Fund 209	209	24,087	26,047	27,349
State Bonding Fund 210	210	41,518	45,114	46,769
State Fire & Tornado Fund 211	211	1,626,267	1,556,202	1,611,575
Petroleum Rel. Comp. Fund 233	233	96,238	96,021	100,223
Insurance Reg. Trust Fund 239	239	6,472,394	6,215,126	6,969,519
Insurance Tax Distrib. Fund 240	240	6,820,000	6,820,000	6,820,000
<b>Total</b>		<b>15,080,504</b>	<b>14,758,510</b>	<b>15,575,435</b>
<b>405 Industrial Commission</b>				
Industrial Commission Fund 305	305	27,907,198	25,808,488	25,827,337
Lignite Research Fund 314	314	19,971,300	19,971,300	19,971,300
Lands and Minerals Trust Fund 493F	493	515,207	0	0
Public Finance Authority	900	670,033	630,924	654,027
<b>Total</b>		<b>49,063,738</b>	<b>46,410,712</b>	<b>46,452,664</b>
<b>408 Public Service Commission</b>				
PSC Valuation Revolving Fund 248	248	125,000	125,000	125,000
State Rail Fund 277	277	900,000	900,000	900,000
<b>Total</b>		<b>1,025,000</b>	<b>1,025,000</b>	<b>1,025,000</b>

**SCHEDULE OF SPECIAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
<b>412 Aeronautics Commission</b>				
Aeronautics Comm. Spec Fund 324	324	7,135,666	7,335,052	7,387,688
<b>Total</b>		<b>7,135,666</b>	<b>7,335,052</b>	<b>7,387,688</b>
<b>413 Dept of Financial Institutions</b>				
Financial Inst Regulatory Fund 242	242	6,186,488	6,377,956	6,662,411
<b>Total</b>		<b>6,186,488</b>	<b>6,377,956</b>	<b>6,662,411</b>
<b>414 Securities Department</b>				
Investor Education & Technology	244	317,199	317,199	317,199
<b>Total</b>		<b>317,199</b>	<b>317,199</b>	<b>317,199</b>
<b>471 Bank of North Dakota</b>				
Beg Farmer Revolving Loan Fund	973	950,000	0	0
Bank of North Dakota	998	43,367,274	42,495,152	43,820,324
<b>Total</b>		<b>44,317,274</b>	<b>42,495,152</b>	<b>43,820,324</b>
<b>473 ND Housing Finance Agency</b>				
Housing Finance Agency-Fees	473	17,239,409	13,492,484	13,841,126
<b>Total</b>		<b>17,239,409</b>	<b>13,492,484</b>	<b>13,841,126</b>
<b>475 ND Mill and Elevator Association</b>				
Mill and Elevator Fund	475	40,057,242	45,932,198	46,741,421
<b>Total</b>		<b>40,057,242</b>	<b>45,932,198</b>	<b>46,741,421</b>
<b>485 Workforce Safety and Insurance</b>				
Workmens Compensation Fund 213	213	56,877,605	56,518,209	58,413,293
<b>Total</b>		<b>56,877,605</b>	<b>56,518,209</b>	<b>58,413,293</b>
<b>504 Highway Patrol</b>				
Highway Tax Distribution Fund - 400	400	4,550,725	4,613,800	5,600,841
<b>Total</b>		<b>4,550,725</b>	<b>4,613,800</b>	<b>5,600,841</b>
<b>530 Dept of Corrections and Rehabilitation</b>				
Comm Service Fund	320	62,500	0	0
Probation Violation Transp - 321	321	175,000	175,000	175,000
Penitentiary Industries - 365	365	13,813,063	14,754,234	15,170,824
Pen.- Land Replacement - 366	366	44,534,196	0	0
Crime Victims Gift Fund - 372	372	108,000	80,000	80,000

**SCHEDULE OF SPECIAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Dept of Corrections Oper - 379	379	6,127,610	6,753,049	6,830,858
<b>Total</b>		<b>64,820,369</b>	<b>21,762,283</b>	<b>22,256,682</b>
<b>540 Office of the Adjutant General</b>				
Disaster Relief Fund 352	352	37,623,216	7,842,304	7,842,304
Radio Communications Fund 373	373	1,344,361	1,384,751	1,411,208
Emergency Management Fund 375	375	10,800,107	5,025,581	5,025,581
State Hazardous Chemical Fund 378	378	346,829	340,339	349,115
National Guard Fund 383	383	472,427	475,206	491,647
Veterans Cemetery Fund 433	433	187,482	240,250	248,700
<b>Total</b>		<b>50,774,422</b>	<b>15,308,431</b>	<b>15,368,555</b>
<b>601 Department of Commerce</b>				
Alcohol Motor Vehicle Fuel Fund 224	224	988,284	738,284	738,284
Economic Dev. Fund 330	330	1,609,905	1,231,527	1,268,030
Intergovernmental Assist. Fund 342	342	6,353,569	6,390,204	6,397,021
Department of Tourism Fund 443	443	363,000	363,000	363,000
<b>Total</b>		<b>9,314,758</b>	<b>8,723,015</b>	<b>8,766,335</b>
<b>602 Department of Agriculture</b>				
State Waterbank Fund 236	236	139,809	136,107	136,106
Anhyd Ammon Stor Insp Fund 264	264	40,000	40,000	40,000
Agriculture Department Fund 308	308	926,101	706,957	764,350
Game and Fish Funds	309	968,800	1,039,430	968,261
Environment & Rangeland Protection	376	3,874,399	4,169,944	4,257,709
<b>Total</b>		<b>5,949,109</b>	<b>6,092,438</b>	<b>6,166,426</b>
<b>616 State Seed Department</b>				
Seed Department Fund 329	329	6,827,495	6,684,687	6,894,011
<b>Total</b>		<b>6,827,495</b>	<b>6,684,687</b>	<b>6,894,011</b>
<b>627 Upper Great Plains Transportation Inst.</b>				
Transportation Institute Fund 352	352	4,645,402	4,553,246	4,484,820
<b>Total</b>		<b>4,645,402</b>	<b>4,553,246</b>	<b>4,484,820</b>
<b>628 Branch Research Centers</b>				
Central Grasslands Expr. Station	323	1,074,174	1,074,176	1,076,058
Hettinger Expr. Station Fund	332	1,645,506	1,695,506	1,714,157
Langdon Expr. Station Fund	333	874,393	974,394	983,243
North Central Expr. Station Fund	335	2,487,841	2,587,840	2,609,566



**SCHEDULE OF SPECIAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Williston Expr. Station Fund	336	1,000,000	1,050,000	1,051,932
Carrington Expr. Station Fund	337	4,176,093	4,176,093	4,212,822
Dickinson Exper. Station Fund	359	3,933,809	3,208,809	3,229,803
<b>Total</b>		<b>15,191,816</b>	<b>14,766,818</b>	<b>14,877,581</b>
<b>630 NDSU Extension Service</b>				
Extension Division Fund 357	357	18,786,484	17,377,626	16,395,081
<b>Total</b>		<b>18,786,484</b>	<b>17,377,626</b>	<b>16,395,081</b>
<b>638 Northern Crops Institute</b>				
Northern Crops Institute Fund 243	243	1,598,265	1,800,185	1,654,725
<b>Total</b>		<b>1,598,265</b>	<b>1,800,185</b>	<b>1,654,725</b>
<b>640 NDSU Main Research Center</b>				
Ag Research Fund 338	338	2,000,000	2,000,000	2,000,000
Main Experiment Station Fund 358	358	40,410,288	36,412,651	36,627,159
<b>Total</b>		<b>42,410,288</b>	<b>38,412,651</b>	<b>38,627,159</b>
<b>649 Agronomy Seed Farm</b>				
Agronomy Seed Farm Fund 226	226	1,275,238	1,419,881	1,435,168
<b>Total</b>		<b>1,275,238</b>	<b>1,419,881</b>	<b>1,435,168</b>
<b>665 ND State Fair</b>				
State Fair Enterprise Fund 601	601	3,000,000	0	0
<b>Total</b>		<b>3,000,000</b>	<b>0</b>	<b>0</b>
<b>670 ND Horse Racing Commission</b>				
Horse Racing Operating Funds 334	334	105,000	130,000	130,000
<b>Total</b>		<b>105,000</b>	<b>130,000</b>	<b>130,000</b>
<b>701 Historical Society</b>				
Historical Impact Emerg Fund - 253	253	28,500	0	0
State Hist. Revolving Fund - 327	327	12,105,579	0	0
<b>Total</b>		<b>12,134,079</b>	<b>0</b>	<b>0</b>
<b>709 Council on the Arts</b>				
Arts & Humanities Fund - 399	399	63,515	63,515	63,515
<b>Total</b>		<b>63,515</b>	<b>63,515</b>	<b>63,515</b>

**720 Game and Fish Department**

**SCHEDULE OF SPECIAL FUNDS****REQUEST AND RECOMMENDATION**

Biennium: 2011-2013

Agency/Fund Source	Fund No	2009-2011 Appropriation	2011-2013 Request	2011-2013 Recommendation
Non-Game Wildlife Fund 216	216	120,000	120,000	120,000
Game & Fish Department Fund 222	222	31,785,294	29,463,036	30,350,085
Habitat and Depredation Fund 488	488	4,060,024	4,375,742	4,430,428
<b>Total</b>		<b>35,965,318</b>	<b>33,958,778</b>	<b>34,900,513</b>
<b>750 Parks and Recreation Department</b>				
Snowmobile Fund - 261	261	750,000	780,240	780,240
State Parks Gift Fund - 265	265	189,691	189,691	189,691
Parks & Recreation Fund - 398	398	4,794,133	4,050,267	4,517,266
Trail Tax Transfer Fund - 441	441	415,000	425,000	425,000
<b>Total</b>		<b>6,148,824</b>	<b>5,445,198</b>	<b>5,912,197</b>
<b>770 Water Commission</b>				
Water Development Trust Fund 267	267	32,376,076	37,189,734	37,189,734
NAWS Operations Fund	381	1,110,470	730,000	735,089
Water Commission Fund 397	397	211,077,349	351,571,578	351,629,116
NAWS Project Reserve Fund 413	413	186,000	150,000	150,000
<b>Total</b>		<b>244,749,895</b>	<b>389,641,312</b>	<b>389,703,939</b>
<b>801 Dept of Transportation</b>				
Highway Fund - 200	200	400,385,604	371,439,005	771,261,592
Motor Vehicle Operating - 201	201	12,030,015	12,230,419	12,422,367
Highway Rail Grade Crossing Safety	203	1,600,000	0	0
Motorcycle Safety Fund - 205	205	750,000	580,680	580,680
Dealer Enforcement Fund	217	495,000	634,071	634,071
Special Road Fund - 230	230	1,625,350	2,670,000	2,670,000
Public Transportation Fund - 232	232	6,750,000	6,200,000	6,900,000
State Rail Fund - 277	277	587,000	1,358,350	1,358,350
Fleet Services Fund - 700	700	67,778,090	65,586,207	65,586,207
<b>Total</b>		<b>492,001,059</b>	<b>460,698,732</b>	<b>861,413,267</b>
<b>Total All Agencies</b>		<b>2,012,690,456</b>	<b>1,800,973,574</b>	<b>2,670,058,081</b>

**Account** - A subdivision of a fund. An account is a classification by which information on particular financial transactions and financial resources is recorded and arranged.

**Addition** - Extension, enlargement, or expansion made to an existing asset.

**Agency Budget Number** - The three-digit number assigned to each Business Unit by OMB.

**Agency or Business Unit** - A principal, functional, and administrative entity created by statute within state government.

**Allotment** - A procedure under which appropriated funds are restricted when resources appear insufficient to cover appropriations. Allotment, authorized by NDCC 54-44.1-12, is intended to assure that expenditures do not exceed available resources during a biennium.

**Appropriation** - A legislative authorization to expend resources. An appropriation specifies the amount of money to be used for a particular purpose during a period of time, usually one biennium.

**Appropriation Authority** – Authorization in an Appropriation Act for an agency to expend funds.

**Appropriation Bill** - A bill through which appropriations are given legal effect.

**Balanced Budget** - A budget in which estimated expenditures for the fiscal year are equal to or less than projected revenues for the same period. In certain situations, a balanced budget may include the beginning balance in projected revenues.

**IBARS** - Internet Budget Analysis and Reporting System.

**Base Budget Request** - The statement with accompanying explanations in which a state agency sets forth its financial requirements and plans for a biennium within constraints set by the Governor.

**Biennium** - The period of two state fiscal years for which the budget is written. For example, the 2011-13 budget covers the period July 1, 2011 to June 30, 2013.

**Budget** - The complete financial plan for the state for the fiscal period, as proposed in the executive recommendation and modified and adopted by the Legislature in appropriation and revenue acts.

**Budget Account Code** - A six digit code used for accounting and budgeting purposes, in lieu of a written description, to describe the specific items anticipated to be purchased in the budget, or purchased within various expenditure categories. Codes are assigned by OMB. A budget account code is a rollup of detail account codes.

**Budget Document** - The instrument used by OMB and the Governor to present a comprehensive financial program to the Legislature. The budget document consists of three parts. The first contains a summary of proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. The third part is the necessary legislation to put the budget into effect including appropriation, revenue, and borrowing measures.

**Budget Message** - A general discussion of the proposed budget as presented in writing by the Governor to the Legislature. The budget message contains an explanation of the principal budget items, an outline of the government's experience during the past period, its financial status at the time of the message and recommendations regarding the financial policy for the coming biennium.

**Budget Request** - The statement with accompanying explanations that a state agency uses to set forth its financial requirements and plans for a biennium.

**Budget Request Summary** – The IBARS subschedule that summarizes the budget request by reporting level.

**Budget Stabilization Fund (Rainy Day Fund)** - A special fund with reserve dollars to be used only in time of great need.

**Capital Assets** – Expenditures for capital projects, extraordinary repairs and equipment over \$5,000. In IBARS, capital assets are the subschedules that summarize the budget request for capital projects, extraordinary repairs, equipment over \$5,000, IT equipment and software over \$5,000, and other capital payments.

**Capital Budget** - The portion of the budget devoted to proposed additions and repair of buildings and land and the means of financing those assets. The capital budget portion of the budget includes money for building new state facilities and making improvements to existing facilities.

**Capital Projects** - Expenditures for new construction, additions, restorations, and demolitions of buildings and infrastructure.

**Capital Carryover** - The unexpended balance of an appropriation, remaining at the end of the biennium, approved for expenditure by the carryover committee.

**Comprehensive Annual Financial Report (CAFR)** - The official annual report of a government, prepared in conformity with GAAP and organized into a financial reporting pyramid.

**Continuing Appropriation** - Statutory authorization for an agency to accept revenue and make expenditures that are not subject to the biennial appropriation process. In IBARS, the subschedule that provides the statutory authority and the estimated revenues and expenditures for each continuing appropriation fund.

**Debt Limitation** - Constitutionally or statutorily imposed limits on state obligations.

**Debt Service** - A category of appropriations and expenditures used for the payment of principal and interest on debt.

**Dedicated Fund** - A fund that receives and expends revenue collected by the state for a specific purpose.

**Dedicated Tax** - A tax levied to support a specific government program or purpose.

**Deficiency Appropriation** - An appropriation used to meet obligations not foreseen when the biennial budget was enacted and for which the costs would exceed available spending authorizations. It might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists.

**Deficit** - The amount by which spending exceeds income within a given fiscal period.

**Demolition** - All expenditures associated with tearing down an existing building or structure.

**Department ID** - Provides a means for entering and tracking accounting data. It is the lowest level of detail for accumulating costs.

**Direct Costs** - Costs specifically traceable to certain goods, services, units, programs, activities, or functions. Direct costs differ from indirect costs in that the latter cannot be specifically traced and so must be allocated on some systematic and rational basis.

**Enterprise Resource Planning (ERP)** – An administrative software system that covers the entire enterprise.

**Executive Recommendation** - The Governor's constitutionally mandated plan of appropriations, expenditures, and cash disbursements, along with estimates of revenues and cash receipts expected to be available to support those expenditures.

**Expenditure** - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues. An expenditure occurs when the liability is incurred for goods and services received regardless of when the money is disbursed.

**Extraordinary Repair** - Relatively large expenditures for repairs that benefit more than one operating cycle or period. Extraordinary repairs are non-recurring in nature and increase the value or service life of the asset.

**Federal Funds** - Funds received or requested directly from the federal government, or federal funds passed through from another state entity.

**Fiscal Note** - The statement of fiscal impact (revenue and/or expenditure) that a proposed bill will have on the state, its political subdivisions, or the citizens of the state.

**Fiscal Year** - The state fiscal year runs from July 1 through June 30. The federal fiscal year runs from October 1 through September 30. The fiscal year for counties and cities is the calendar year.

**Fringe Benefits** - Payments made by the state for retirement, social security, health insurance, workers compensation, and unemployment insurance.

**Full-time Equivalent (FTE) Position** - A full-time position approved by the Legislature. A full-time work year is 40 hours per week, 52 weeks per year.

**Fund** - A fiscal entity segregating the financial resources of the state. Monies in a fund may be used for a specific purpose as provided by law. Each fund is a self-balancing set of accounts recording resources, obligations, reserves, and equities in accordance with GAAP.

**Fund Number** - A three-digit code assigned by OMB to each fund for accounting purposes.

**Funding** - The source of operating revenue for a department. The three categories for funding are general, federal, and special.

**General Fund** - The major operating fund of the state that receives all state income not earmarked for a particular program or activity and not specified by law to be deposited into another fund.

**Generally Accepted Accounting Principles (GAAP)** - Uniform minimum standards and guidelines for financial accounting and reporting.

**Goal** - A long-term (multi-year) vision of the future; the general end towards which efforts are directed.

**Governmental Accounting Standards Board (GASB)** - An independent, professional body that establishes standards for accounting and financial reporting applicable to state and local governmental entities.

**Improvement (or betterment)** - The removal of a major part or component of an asset and the substitution of a different part or component having significantly improved and superior performance capabilities.

**Indirect Costs** - The elements of cost necessary in the production of goods or services that are not directly traceable to the product or service.

**Internal Controls** - Methods and measures adopted within an organization to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial

policies. Internal controls encompass both internal administrative controls and internal accounting controls.

**Large IT Project** - Information Technology (IT) projects with a budget in excess of \$250,000. In IBARS, these projects are reported through the Large IT Projects subschedule.

**Line Item (Class [PS])** - A line item is a subdivision of an appropriation such as salaries and wages, operating expenses, and capital assets.

**Matching Funds** - A type of grant requiring the government or agency receiving the grant to commit a certain amount of funding to the program before funds will be made available by the granting entity.

**Mission** - A broad statement of the overall purpose of an agency's existence including what they do, why they do it, and for whom they do it.

**Non-appropriated** - Revenues or expenditures of governmental entities that are not subject to the appropriation process.

**Non-recurring Revenues** - Revenues available during a fiscal period that will not be available in subsequent fiscal periods.

**Operating Budget** - Plans of current expenditures and the proposed means of financing them. For the State of North Dakota, this is the proposed plan of funds necessary to run a program, excluding the cost of capital construction.

**Operating Maintenance** - Expenditures for maintenance and ordinary repairs to keep assets in usable condition. Operating maintenance is either recurring or incurred on a continuous basis, not capitalized, and involves dollar amounts less than \$1,500. Examples include paint, floor wax, lubrication, cleaning supplies, and air filters.

**Optional Request** - The statement with accompanying explanations in which a state agency sets forth its financial requirements that exceed the base budget constraints set by the Governor.

**Other Funds** - Non-general fund amounts appropriated by the Legislature, which include all federal and special funds.

**Peoplesoft Financials** - Name of the computerized system used in North Dakota state government to account for all financial transactions.

**Peoplesoft HR/Payroll** - Name of the computerized system used in North Dakota state government to account for all human resource and payroll transactions.

**Performance Measure** - The gauge used to measure progress towards a stated goal.

**Program** - A functional unit of activity representing the basic budget unit used to describe and account for services provided by state government. Programs have an identifiable objective that can be evaluated for performance.

**Program Objective** – The ultimate purpose of a program, towards which efforts are directed, stated in terms of a measurable result.

**Receipts** - A general term for cash received which may either satisfy a receivable, or be a conversion of another asset or a refund of a prior expenditure.

**Receivable** - An anticipated sum of money treated as revenue even though it is not in hand. Such sums are available for expenditure by state agencies when properly authorized. The establishment of a receivable amount results in an increase in an asset balance.

**Renovation** - Substantial changes to an asset bringing it to a condition better than it was when originally built.

**Replacement** - Involves the removal of a major part or component of an asset and the substitution of a new part or component of essentially the same type and performance capabilities.

**Restoration** - An expenditure to bring an asset back to its original condition or state.

**Revenue Estimates** - Projections of anticipated state revenue for the current and future biennia.

**Revolving Fund (Account)** - A fund (or an account within any fund) established to finance (1) state activities of a business or commercial nature or (2) the operation of an intra governmental service agency or enterprise, which generates receipts (income) from the sale of commodities or services. Such receipts are available for the continuing operation of the activity or enterprise.

**Special Funds** - Monies derived from sources such as local governmental units, special funds, departmental collections, and private contributors.

**Strategic Plan** - An action-oriented guide developed through an examination of internal and external factors that directs goal-setting and resource allocation to achieve meaningful results over time.

**Success Indicator** - The gauge used to measure progress towards a stated goal.

**Surplus** - The amount income exceeds spending within a given fiscal period.

**Telecommute Analysis** – The IBARS subschedule, required by legislative directive, to be completed for all positions in the budget request that are new, vacant pending reclassification, proposed to be relocated, or proposed to be

assigned to a new program. The subschedule compares the costs associated with filling the position in a central office setting and a telecommute setting.

**Transfers** - The movement of cash or other resources between funds, as legally authorized.

**Trust Funds** - Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, or other funds.

**Unexpended Appropriated Balance** - The appropriated authority minus actual expenditures. The same amount as the portion of an appropriation not yet expended.

**User Taxes and Fees** - Charges associated with using a particular service or facility (e.g., park entrance fees, highway tolls).

**Veto** - The constitutional authority of the Governor to disapprove bills passed by the Legislature. The *line item veto* is the authority of the Governor to disapprove any item or items of appropriation while approving the rest of the appropriation bill. The Legislature may override a veto or line item veto with a vote of at least two-thirds of the members of each House.

**MANAGEMENT AND FISCAL ANALYSTS**

<b>Budget No.</b>	<b>Agency</b>	<b>OMB Analyst</b>	<b>Leg Council Analyst</b>
101	Office of the Governor	Joe Morrisette	Roxanne Woeste
108	Secretary of State	Tad H. Torgerson	Sheila M. Sandness
110	Office of Management and Budget	Lori Laschkewitsch	Brady Larson
112	Information Technology	Lori Laschkewitsch	Roxanne Woeste
117	Office of the State Auditor	Tad H. Torgerson	Sheila M. Sandness
120	Office of the State Treasurer	Lori Laschkewitsch	Becky J. Keller
125	Office of the Attorney General	Tad H. Torgerson	Becky J. Keller
127	Office of State Tax Commissioner	Joe Morrisette	Becky J. Keller
140	Office of Administrative Hearings	Tad H. Torgerson	Sheila M. Sandness
150	Legislative Assembly	Lori Laschkewitsch	Roxanne Woeste
160	Legislative Council	Lori Laschkewitsch	Roxanne Woeste
180	Judicial Branch	Tad H. Torgerson	Becky J. Keller
188	Commission on Legal Counsel for Indigents	Tad H. Torgerson	Becky J. Keller
190	Retirement and Investment Office	Lori Laschkewitsch	Sara Chamberlin
192	Public Employees Retirement System	Lori Laschkewitsch	Sara Chamberlin
201	Dept of Public Instruction	Joe Morrisette	Sheila M. Sandness
215	ND University System	Tammy R. Dolan	Brady Larson
226	State Land Department	Joe Morrisette	Sara Chamberlin
227	Bismarck State College	Tammy R. Dolan	Roxanne Woeste
228	Lake Region State College	Tammy R. Dolan	Roxanne Woeste
229	Williston State College	Tammy R. Dolan	Roxanne Woeste
230	University of North Dakota	Tammy R. Dolan	Brady Larson
232	UND Medical Center	Tammy R. Dolan	Brady Larson
235	North Dakota State University	Tammy R. Dolan	Brady Larson
238	ND State College of Science	Tammy R. Dolan	Roxanne Woeste
239	Dickinson State University	Tammy R. Dolan	Brady Larson
240	Mayville State University	Tammy R. Dolan	Brady Larson
241	Minot State University	Tammy R. Dolan	Brady Larson
242	Valley City State University	Tammy R. Dolan	Brady Larson
243	Dakota College at Bottineau	Tammy R. Dolan	Brady Larson
244	North Dakota Forest Service	Tammy R. Dolan	Brady Larson
250	State Library	Joe Morrisette	Sheila M. Sandness
252	School for the Deaf	Joe Morrisette	Sheila M. Sandness
253	ND Vision Services	Joe Morrisette	Sheila M. Sandness
270	Career and Technical Education	Joe Morrisette	Sara Chamberlin
301	ND Department of Health	Lori Laschkewitsch	Sheila M. Sandness
305	Tobacco Prevention and Control	Lori Laschkewitsch	Sheila M. Sandness
313	Veterans Home	Lori Laschkewitsch	Sheila M. Sandness
316	Indian Affairs Commission	Lori Laschkewitsch	Sara Chamberlin
321	Department of Veterans Affairs	Lori Laschkewitsch	Sheila M. Sandness
325	Department of Human Services	Lori Laschkewitsch	Roxanne Woeste
360	Protection and Advocacy	Lori Laschkewitsch	Brady Larson
380	Job Service North Dakota	Tad H. Torgerson	Roxanne Woeste
401	Office of the Insurance Commissioner	Joe Morrisette	Sara Chamberlin
405	Industrial Commission	Tad H. Torgerson	Becky J. Keller
406	Office of the Labor Commissioner	Tad H. Torgerson	Sara Chamberlin

**MANAGEMENT AND FISCAL ANALYSTS**

<b>Budget No.</b>	<b>Agency</b>	<b>OMB Analyst</b>	<b>Leg Council Analyst</b>
408	Public Service Commission	Tad H. Torgerson	Sara Chamberlin
412	Aeronautics Commission	Tad H. Torgerson	Roxanne Woeste
413	Dept of Financial Institutions	Tad H. Torgerson	Brady Larson
414	Securities Department	Tad H. Torgerson	Brady Larson
471	Bank of North Dakota	Tad H. Torgerson	Becky J. Keller
473	ND Housing Finance Agency	Tad H. Torgerson	Becky J. Keller
475	ND Mill and Elevator Association	Tad H. Torgerson	Becky J. Keller
485	Workforce Safety and Insurance	Tad H. Torgerson	Roxanne Woeste
504	Highway Patrol	Tad H. Torgerson	Brady Larson
530	Dept of Corrections and Rehabilitation	Joe Morrisette	Becky J. Keller
540	Office of the Adjutant General	Tammy R. Dolan	Sara Chamberlin
601	Department of Commerce	Tammy R. Dolan	Sara Chamberlin
602	Department of Agriculture	Tammy R. Dolan	Brady Larson
616	State Seed Department	Tammy R. Dolan	Sara Chamberlin
627	Upper Great Plains Transportation Inst.	Tammy R. Dolan	Sara Chamberlin
628	Branch Research Centers	Tammy R. Dolan	Sara Chamberlin
630	NDSU Extension Service	Tammy R. Dolan	Sara Chamberlin
638	Northern Crops Institute	Tammy R. Dolan	Sara Chamberlin
640	NDSU Main Research Center	Tammy R. Dolan	Sara Chamberlin
649	Agronomy Seed Farm	Tammy R. Dolan	Sara Chamberlin
665	ND State Fair	Tad H. Torgerson	Sheila M. Sandness
670	ND Horse Racing Commission	Tad H. Torgerson	Brady Larson
701	Historical Society	Joe Morrisette	Becky J. Keller
709	Council on the Arts	Joe Morrisette	Becky J. Keller
720	Game and Fish Department	Joe Morrisette	Brady Larson
750	Parks and Recreation Department	Joe Morrisette	Becky J. Keller
770	Water Commission	Tad H. Torgerson	Sheila M. Sandness
801	Dept of Transportation	Joe Morrisette	Brady Larson