

State of North Dakota

Executive Budget 2017-2019 Biennium



Governor Jack Dalrymple

Pam Sharp, Director
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TABLE OF CONTENTS

Governor's Message

Executive Budget

Introduction

- How to Use the Executive Budget Document
- Budget Publications
- Budget Process
- Amending the Budget
- Budget Process Timeline
- Budgetary Policies

State Financial Structure

- Organizational Chart
- Demographics
- Economic Analysis
- Fiscal Policies
- Financial Organization
- Fund Structure
- Appropriated Funds
- Non-appropriated Funds

Financial Summary

- Revenues
- Supplemental Appropriations
- Expenditures

General Fund Status

Special Funds Status

Authorized FTE

Compensation

Leases

Capital Assets

- Capital Projects
- Extraordinary Repairs
- Other Capital Payments
- Financing
- Outstanding Bonds
- Equipment Over \$5000
- IT Equipment and Software Over \$5000

Technology

General Government

- 101 Office of the Governor
- 108 Office of the Secretary of State
- 110 Office of Management and Budget
- 112 Information Technology Department
- 117 Office of the State Auditor
- 120 Office of the State Treasurer
- 125 Office of the Attorney General
- 127 Office of the State Tax Commissioner

140 Office of Administrative Hearings

150 Legislative Assembly

160 Legislative Council

180 Judicial Branch

188 ND Commission on Legal Counsel for Indigents

190 Retirement and Investment Office

192 Public Employees Retirement System

Education

201 Department of Public Instruction

215 North Dakota University System

226 Department of Trust Lands

227 Bismarck State College

228 Lake Region State College

229 Williston State College

230 University of North Dakota

232 UND Medical Center

235 North Dakota State University

238 North Dakota State College of Science

239 Dickinson State University

240 Mayville State University

241 Minot State University

242 Valley City State University

243 Dakota College at Bottineau

244 North Dakota Forest Service

250 State Library

252 School for the Deaf

253 North Dakota Vision Services

270 Dept of Career and Technical Education

Health and Human Services

301 North Dakota Department of Health

305 Tobacco Prevention and Control

313 Veterans Home

316 Indian Affairs Commission

321 Department of Veterans Affairs

325 Department of Human Services

360 Protection and Advocacy Project

380 Job Service North Dakota

Regulatory

401 Office of the Insurance Commissioner

405 Industrial Commission

406 Office of the Labor Commissioner

408 Public Service Commission

412 Aeronautics Commission

413 Department of Financial Institutions

414 North Dakota Securities Department

TABLE OF CONTENTS

471 Bank of North Dakota
473 North Dakota Housing Finance Agency
475 North Dakota Mill and Elevator Association
485 Workforce Safety & Insurance

Public Safety

504 Highway Patrol
530 Department of Corrections and Rehabilitation
540 Adjutant General

Agriculture/Economic Development

601 Department of Commerce
602 Department of Agriculture
627 Upper Great Plains Transportation Institute
628 Branch Research Centers
630 NDSU Extension Service
638 Northern Crops Institute

640 NDSU Main Research Center
649 Agronomy Seed Farm
665 North Dakota State Fair
670 North Dakota Racing Commission

Natural Resources/Transportation

701 State Historical Society
709 Council on the Arts
720 Game and Fish Department
750 Department of Parks and Recreation
770 State Water Commission
801 Department of Transportation

Optional Requests

Federal/Special Funds

Glossary

Management and Fiscal Analysts

ALPHABETICAL LIST OF STATE AGENCIES

<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
Aeronautics Commission	412	Insurance Commissioner, Office of the	401		
Agriculture, Dept of	602			Tax Commissioner, Office of the State	127
Agronomy Seed Farm	649	Job Service North Dakota	380	Tobacco Prevention and Control	305
Arts, Council on the	709	Judicial Branch	180	Transportation, Dept of	801
Attorney General, Office of the	125			Treasurer, Office of the State	120
Auditor, Office of the State	117	Labor and Human Rights, Dept of	406		
		Lake Region State College	228	UND Medical Center	232
Bank of North Dakota	471	Lands, Department of Trust	226	University of North Dakota	230
Bismarck State College	227	Legislative Assembly	150	University System, North Dakota	215
Branch Research Centers	628	Legislative Council	160	Upper Great Plains Transportation Institute	627
		Library, State	250		
Career and Technical Education, Dept of	270			Valley City State University	212
Commerce, Dept of	601	Management and Budget, Office of	110	Veterans Affairs, Dept of	321
Corrections and Rehabilitation, Dept of	530	Mayville State University	240	Veterans Home	313
		Mill and Elevator Association, ND	475	Vision Services, ND School for Blind	253
Dakota College at Bottineau	243	Minot State University	241		
Deaf, Res Ctr for Deaf & HoH/Sch for the	252			Water Commission, State	770
Dickinson State University	239	NDSU Extension Service	630	Williston State College	229
		NDSU Main Research Center	640	Workforce Safety and Insurance	485
Fair, North Dakota State	665	ND State College of Science	238		
Financial Institutions, Dept of	413	ND State University	235		
Forest Service, ND	244	Northern Crops Institute	638		
Game and Fish Department	720	Parks & Recreation, Dept of	750		
Governor, Office of the	101	Protection and Advocacy Project	360		
		Public Employees Retirement System	192		
Health, ND Dept of	301	Public Instruction, Dept of	201		
Highway Patrol	504	Public Service Commission	408		
Historical Society, State	701				
Housing Finance Agency, ND	473	Racing Commission, North Dakota	670		
Human Services, Dept of	325	Retirement and Investment Office	190		
Indian Affairs Commission	316				
Indigents, Commission on Legal Counsel for	188				



2017–2019 Budget Address to the North Dakota Legislative Assembly

December 7, 2016

Governor Jack Dalrymple

General Fund

Ongoing Revenues Exceed Ongoing Expenditures

2017–19 Ongoing Revenues	\$4,783,426,208
2017–19 Recommended Ongoing Expenditures	<u>\$4,780,662,854</u>
2017–19 Ongoing Revenues Exceeding Ongoing Expenditures	<u>\$ 2,763,354</u>

Reserves

(in millions)

	<u>June 30, 2017</u>	<u>June 30, 2019</u>
General Fund	\$ 10.9	\$ 43.7
Strategic Investment and Improvement Fund	313.7	331.6
Tax Relief Fund	300.0	0.0
Budget Stabilization Fund	0.0	454.2
Foundation Aid Stabilization Fund	299.1	304.5
Legacy Fund	4,236.5	5,185.7
	<hr/>	<hr/>
TOTAL	\$ 5,160.2	\$ 6,319.7

Statewide Infrastructure

(in millions)

Department of Transportation	\$ 725
Road Projects	
Airports	24
Water Projects	319
School Construction Loan Funds	200
Valley City Communications and Fine Arts Building	<u>25</u>
Total	\$ 1,293

Tax Savings Since 2009

(in millions)

Individual Income Tax Relief	\$ 1,207
Corporate Income Tax Relief	251
Property Tax Relief	2,836
Homestead and Veteran's Tax Credits	77
Other	<u>6</u>
Total	\$ 4,377



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

2017-2019 EXECUTIVE BUDGET ADDRESS

The Honorable Jack Dalrymple
Governor of North Dakota
December 7, 2016

Good morning. I am pleased to be here today to present our Executive Budget for the 2017-19 biennium.

Before I begin, I would like to recognize and welcome members of the 65th North Dakota Legislative Assembly, Lt. Gov. Drew Wrigley, First Lady Betsy, our Justices of the Supreme Court, elected officials, cabinet members, state employees and my fellow North Dakotans.

I also want to thank our dedicated staff in the Office of Management and Budget, our state agencies, and Governor's Office staff for their hard work, and thoughtful approach in developing this budget.

THE BIG PICTURE

Working together we have produced a structurally balanced budget that fully recognizes our current revenue environment, yet allows us to invest in our key priorities. We make the necessary budgetary reductions, yet provide the funding necessary for high-quality services. We also provide for strong financial reserves and we do all of this with no tax increases.

Obviously many things have changed since I delivered a budget address in December of 2014. The price of crude oil in August 1, 2014 was \$100 per barrel compared to a price of \$30 per barrel last February. The price of soybeans in May of 2014 was nearly \$15 a bushel compared to \$8.76 a bushel last February. The kinds of price drops experienced in our two major industries of energy and agriculture are best described not as a correction but rather as a collapse. Our economic advisors have told us there is no similar state in the nation that could have weathered such a

collapse in commodity prices without serious impacts on their financial condition. As it is, North Dakota is still rated AA+ by Standard and Poor's. Our unemployment rate of just 3 percent is still the third lowest in the nation and we still have nearly 14,000 jobs that are open and available.

We will still make substantial investments in roads, bridges, and water projects over the next 2 ½ years, albeit at a lower level than the peak in this current biennium.

When it comes to taxes, the major reductions we have achieved in individual income taxes, corporate income taxes, and property taxes will be kept in their entirety. In fact, the 12 percent buydown program on property taxes is actually enhanced in a bill to be introduced by legislators.

Although this budget does not include the same mix of reserves we proposed two years ago, it will actually increase total financial reserves by \$1.1 billion. The people of North Dakota can take satisfaction in knowing that the financial strength of their state is among the best in the nation.

This budget is balanced and sustainable. The latest revenue forecast for 2015-17 is \$1.4 billion lower than the legislative forecast. We would not be able to provide as strong a budget today if we hadn't taken prudent steps to safeguard against such a major downturn in revenues.

Keeping our ongoing expenditures below ongoing revenues: it's a basic, yet very important principle that is essential to achieving a structurally balanced budget. (Chart #1) And this budget achieves that: Ongoing General Fund revenues will total \$4.783 billion versus recommended expenditures of \$4.780 billion.

The wisdom of making a clear distinction in the past between one-time spending and ongoing spending is clearly evident in this budget. Total General Fund spending is down 21 percent from this biennium, but the average reductions to our agency budgets are considerably less once we account for the one-time investments that are part of the 2015-17 budget, but no longer have to be repeated.

The 2017-19 budget returns to our former practice of transferring some of the profits of the Bank of North Dakota as revenue for the General Fund. This is an ongoing, reliable source of revenue that will continue to be available in the future. This budget also transfers the realized earnings of the Legacy Fund to the General Fund. These funds are needed

to balance this budget and should be considered available now and at any time in the future when they are truly needed. My budget does not propose that we use principal from the Legacy Fund, and by the way, the growth alone in principal in 2017-19 will be nearly \$1 billion. This budget also assumes that some additional oil tax revenues previously diverted to reserve funds can be made available to the General Fund. In exchange, one-time spending for property tax relief becomes a permanent feature of the ongoing budget.

Although times like these warrant the use of some revenue previously directed to reserve funds, it is important to be sure that the reserve funds maintain healthy balances (Chart #2). As you can see on this chart, the ending General Fund balance will be \$43.7 million; the SIIF fund will be \$331.6 million on June 30, 2019; the Budget Stabilization Fund will be \$454.2 million; the Foundation Aid Stabilization fund will have \$304.5 million; and the Legacy Fund will have \$5.186 billion. Reserve funds will actually grow by over \$1.1 billion to a total of \$6.3 billion.

Even with revenue collections down, we can still invest nearly \$1.2 billion in new infrastructure (Chart#3). We are proposing \$725 million in Department of Transportation funding to support our state highway infrastructure, and we will honor our prior commitments to the Williston and Dickinson airports. County and Tribal governments will be receiving \$750 million in direct oil tax revenues, which will be available to address their infrastructure needs. This assumes a continuation for at least two more years of the 70-30 split with counties. Thanks to the passage of measure #2, the Foundation Aid Stabilization Fund will make \$200 million available for school construction loans. UAS and base retention support will be continued, albeit at a lower level. Lignite research will be augmented to meet the challenges of the coming years. And water projects will have available \$319 million, including some carryover funds from this biennium. It's important to remember that there are substantial, lasting benefits to being the #2 oil-producing state in the nation. Oil revenues continue to flow at a healthy pace into our dedicated funds.

TAX RELIEF

With the budget in structural balance, reserve funds in place, and a strong emphasis on infrastructure, we can still continue our commitment to tax relief. A few years ago we reduced property taxes by increasing the state's share of school funding, taking the statewide average general fund

mill levy from a high of about 200 mills to 66 mills today. That's real, permanent property tax relief.

Last Session we also took a step forward on property tax relief by assuming some of the cost of county social services. That change resulted in \$23 million in property tax relief for local taxpayers.

In this budget we are strongly recommending that the Legislative Assembly support the outstanding work of the interim committee on Finance and Taxation. This well-crafted bill will eliminate the 20 mill authority for county social services that can be levied on all property owners in North Dakota. Four years ago and two years ago legislative leadership said that we were not ready to make this change. They were right. A comprehensive formula for county social services reimbursement has taken 1 ½ years to develop with the help of county and state professionals.

This legislation was made possible through the leadership of Representatives Dockter, Headland and Weisz, and Senators Cook, Bekkedahl, and others. It requires that the new property tax relief formula for county social services always produces property tax relief at a level no less than the 12 percent county tax buydown, which was implemented four years ago. In some counties the amount of property tax relief will actually be greater than the 12 percent buydown. The best feature is that this formula is built into our ongoing expenditures and becomes a permanent means to property tax relief over the long haul. There will no longer be any need for a special fund dedicated to this form of property tax relief.

It is simply great news that, despite our severe downturn in revenues, we will be able to hold on to all of our great achievements in tax relief. (Chart #4) Property tax rates have been capped. Income tax rates have been lowered by nearly 50 percent from the rates paid before 2009. Total tax relief since 2009 now totals approximately \$ 4.4 billion, money that, instead of being in government hands, is now in the pockets of taxpayers.

FLOOD PROTECTION AND WATER SUPPLY

Water infrastructure projects in the state continue to be a high priority. The state will be able to invest \$319 million in water projects during the 2017-19 biennium. This funding amount is the third highest since the resources trust fund was established.

We remain committed to supporting flood protection projects throughout the State. In the Mouse River Basin, the state provided \$40 million toward permanent flood protection during the current biennium. For the 2017-19 biennium, we recommend an additional \$70 million to assist the region in furthering the progress on home acquisitions and working towards completion of phases one, two and three of the flood control project, as well as implementing control measures in rural reaches of the basin. Since the flood of 2011, the state has contributed more than \$315 million to assist Minot and the Ward County region with flood recovery and protection.

In the Fargo area, state law calls for a \$570 million commitment towards flood protection, with \$66.5 million budgeted for the upcoming biennium. This brings total appropriations to \$370.5 million since 2009.

This budget also includes funding for permanent flood protection along the Sheyenne River and continuing operation of the Devils Lake outlets, bringing the state's total commitment for flood control to \$147.5 million for the 2017-19 biennium.

In light of our growing population and expanding water supply needs, this budget supports investments totaling \$125 million for municipal and rural water projects.

We also remain committed to providing another \$30 million towards the Grand Forks Water Treatment plant, bringing the state's total financial support for the project to \$60 million.

With the remaining \$95 million in water infrastructure funds, we can continue to advance the Red River Valley Water Supply Project, WAWS, NAWS, the Southwest Pipeline Project as well as other municipal and rural water projects. Again, the grand total for water projects comes to \$319 million.

PUBLIC SAFETY

Our commitment to public safety and environmental protection over these last six years has been remarkable. We have been careful to adequately fund the ND Highway Patrol to support them in dealing with the needs of a growing state. Without getting in to a whole other speech about the Dakota Access Pipeline, let me just say that the performance of

our National Guard, our Highway Patrol and other local law enforcement who have faced incredibly tense and life-threatening public safety challenges over the last 130 days has been awe-inspiring.

Many of our people have gone months without a day off, ably managing the onslaught of out-of-state agitators in a situation that could never have been anticipated. We have had no choice but to step up and cover the expenses of maintaining public safety throughout the ordeal. The funds borrowed from the Bank of North Dakota thus far total \$17 million, and this amount will have to be repaid from state reserve funds. Much of this money has gone to cover excess costs incurred by the ND National Guard, and the costs of law enforcement help from other counties and states. All of our law enforcement personnel and our ND National Guard have performed incredibly well and deserve our thanks and strong support. I would like to especially thank three people: Sheriff Kyle Kirchmeier of Morton County, Colonel Mike Gerhart, Superintendent of the North Dakota Highway Patrol, and Major General Al Dohrmann of the North Dakota National Guard. Please give them a round of applause.

BUDGET SAVINGS

As a rule of thumb, all agencies were asked to identify budget savings of 10 percent of this biennium's ongoing appropriations. When we completed this process of analyzing agency budgets, we were able to identify \$60 million in additional spending reductions above and beyond the 10 percent savings target. The Department of Human Services, Corrections, Highway Patrol and Indigent Defense received funding above the 90 percent target. The Judicial and Legislative branches set their own spending level. Overall, this budget calls for 268 fewer FTEs in general government and 315 fewer employees in higher education, for a total FTE reduction of 583.

K-12 EDUCATION

K-12 education requires solid support even in a period of lower revenues. General Fund savings are realized thanks to the \$82 million increase in distributed funds from the Tuition Apportionment Fund. We also propose saving general funds on K-12 transportation now that diesel fuel is approaching \$2.00 per gallon. Offsetting that are increased costs of special education. In the end, we are recommending that the 10 percent fair share savings needed from K-12 education be covered with funds from the Foundation Aid Stabilization Fund. It is fortunate that the voters saw fit to open this large reserve fund at this time when K-12 education would be

facing a severe shortfall. The amount made directly available for Foundation Aid will be \$140 million, which is still less than the revenue projected to come into the fund during the upcoming biennium. Our recommendation would be to scale back some of the other spending proposed last session from the Foundation Aid Stabilization Fund.

Overall, the per-student payment will not rise in the first year of the biennium but funding is provided for a 1 percent increase in the second year. The total commitment for state school aid and other K-12 support will total \$2 billion.

HUMAN SERVICES

The Department of Human Services continues to experience growing caseloads in virtually all programs for individuals with disabilities and others who are vulnerable, and the state's Medicaid costs continue to rise. Despite these challenges, we have crafted a budget that will meet the needs of our people.

We will be able to meet the needs of our long-term care facilities, with enhancements for re-basing, operating margins and incentives, but only with the adoption of a provider assessment on long-term care. This is a strategy commonly used in 44 other states, and will make it possible to address the increased costs that long-term care providers are facing.

We also recommend increasing the age limit of the Medicaid autism waiver to insure that children currently receiving services will continue to receive support.

This budget includes inflationary adjustments for long-term care providers with a 1 percent inflationary increase the second year of the biennium, and it supports other home and community based services. Other care providers will also receive the 1 percent inflationary increase in year two. This budget also includes funding to allow for Medicaid coverage of opioid treatment programs; funding to continue the Substance Use Disorder voucher program; and funding for a new childcare facility licensing and data system.

The executive budget directs all tobacco prevention programming back to the Department of Health, and utilizes tobacco revenue to help pay for additional needs in behavioral health, Medicaid costs associated with the use of tobacco, and costs associated with other smoking-related illnesses

such as lung cancer and heart disease. We need to make the best possible use of our tobacco fund dollars.

Medicaid expansion, which is providing health care to 20,000 people across North Dakota, is a top priority for our hospitals and clinics, and this budget supports its continued funding.

The Department of Corrections and Rehabilitation has done a tremendous job of managing its adult and juvenile offender populations, and they will do their part to achieve budget savings. Our budget does recommend fully funding security positions at the Youth Correctional Center to address federal staffing requirements as directed in the PREA Act.

HIGHER EDUCATION

In Higher Education we have come so far so fast that it is probably time to step back and have a serious discussion about our priorities for post-secondary education. We have done a remarkable job of funding higher education, with an overall increase of 26 percent over the past four years, and we continue to fund a portion of every student credit hour completed. However, we are recommending an initial 10 percent reduction in the General Fund support and further reductions of 5 percent that can be offset by an assumed tuition increase of no more than 2.5 percent per year across all campuses. Higher Education is changing rapidly and opportunities exist to provide education more efficiently.

After many years of huge investments in campus buildings, the only capital project we are recommending for higher education is the completion of the Communication and Fine Arts building at Valley City State University. The existing building is in terrible condition and besides that, it sits on the wet side of the new Valley City levee.

PUBLIC EMPLOYEES

In times like this it is difficult to provide for our public employees to the extent we would like. We often ask public employees, including those in higher education, what they value most in their compensation package. They always respond that a good health insurance plan is their highest priority. For that reason we are funding the full premium of the current health insurance plan, albeit with some adjustments in plan design. Continuation of the current health plan will require an additional \$21.8 million in general funds. This is our major commitment to public

employees. In light of these rising costs, the most we were able to provide in salary is a 1 percent increase in the second year of the biennium.

We also support a legislative proposal to pay the primary health insurance premiums for our National Guard members while they serve on active state duty. During floods and other emergencies, our National Guard members always answer the call to duty, putting their lives on hold and their personal safety at risk in service to our state and we should show our gratitude in a tangible way.

CLOSING

We probably all agree that it is more fun to have a surplus of revenue than to have less revenue. We are forced to make hard choices about our priorities just like all North Dakotans make in their daily lives. Everyone will be challenged to find new ways of doing things.

If you compare this budget proposal to the 2013-15 biennium, you will find that the ongoing General Fund spending level is approximately the same. That seems appropriate in many ways, does it not? The oil boom and high farm prices are in the past, and we must adjust for a period of slower, but steady growth.

In closing, I just want to say that Betsy and I have been truly honored to serve as your Governor and First Lady.

People have asked me, “how would you like to be remembered as Governor?” I would answer that I would like people to say, things happened when Jack Dalrymple was Governor....great things that will benefit North Dakota for decades to come.

It’s been a great run since I came into the executive office as Lieutenant Governor in the year 2000. Sixteen years before that, I first entered this chamber as a state representative. It has been a wonderful experience working in the Legislature and later, with legislators. I hope all of you feel as strongly as I do that there is no greater privilege than to serve the great people of North Dakota.

Au revoir – we’ll be seeing you again.

**COMPARISON OF 2015-2017 LEGISLATIVE APPROPRIATION AND
2017-2019 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2017-2019

Category/Agency	2015-2017 Legislative Appropriation		2017-2019 Agency Budget Request		2017-2019 Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Executive Branch						
101 Office of the Governor	4,499,475	4,499,475	3,961,301	3,961,301	4,026,853	4,026,853
108 Secretary of State	10,085,308	13,668,844	6,422,720	8,287,445	6,428,612	8,872,780
110 Office of Management and Budget	42,488,258	65,213,648	31,011,637	40,389,529	305,497,425	317,750,897
112 Information Technology	27,905,987	179,619,026	21,859,309	173,982,797	20,497,367	217,134,971
117 Office of the State Auditor	10,461,832	13,967,702	9,533,437	13,108,429	9,108,071	12,735,041
120 Office of the State Treasurer	260,057,355	260,057,355	1,809,588	1,809,588	1,634,231	1,634,231
125 Office of the Attorney General	55,376,870	91,277,655	48,137,540	77,423,815	46,993,970	76,611,707
127 Office of State Tax Commissioner	58,769,918	58,894,918	51,266,130	51,391,130	52,226,535	52,351,535
140 Office of Administrative Hearings	0	2,965,651	0	2,934,904	0	2,954,315
188 Commission on Legal Counsel for Indigents	18,304,103	20,411,017	16,456,369	18,373,332	17,907,588	19,828,303
190 Retirement and Investment Office	0	5,413,425	0	5,421,039	0	5,494,506
192 Public Employees Retirement System	0	9,496,373	0	9,397,321	0	9,556,106
Total	487,949,106	725,485,089	190,458,031	406,480,630	464,320,652	728,951,245
Legislative and Judicial Branches						
150 Legislative Assembly	15,885,367	15,885,367	14,717,768	14,717,768	14,717,768	14,717,768
160 Legislative Council	13,439,133	13,509,133	12,105,401	12,175,401	12,148,060	12,218,060
180 Judicial Branch	112,630,994	114,997,800	100,879,621	102,701,463	102,236,654	104,058,493
Total	141,955,494	144,392,300	127,702,790	129,594,632	129,102,482	130,994,321
Elementary, Secondary & Other Education						
201 Department of Public Instruction	1,820,982,952	2,329,615,425	1,802,208,366	2,311,340,841	1,602,482,491	2,333,994,313
226 Department of Trust Lands	0	148,243,153	0	8,023,487	0	37,963,150
250 State Library	6,773,655	9,212,406	5,983,022	8,220,482	6,072,404	8,322,846
252 School for Deaf/Res Ctr for Deaf and HoH	9,140,590	10,829,800	8,518,933	11,906,982	8,244,864	11,583,689
253 ND Vision Services/School for the Blind	5,081,484	5,706,809	4,794,160	5,671,145	4,695,358	5,870,927
270 Career and Technical Education	33,920,062	43,617,949	30,602,424	40,219,089	30,341,516	39,958,182
Total	1,875,898,743	2,547,225,542	1,852,106,905	2,385,382,026	1,651,836,633	2,437,693,107
Higher Education						
215 ND University System	154,629,019	159,640,235	105,241,854	131,242,746	101,978,375	131,146,449
227 Bismarck State College	38,155,826	38,755,826	34,007,018	106,353,816	32,638,712	105,810,946
228 Lake Region State College	16,635,979	16,635,979	14,114,441	38,001,428	13,546,533	37,712,099
229 Williston State College	12,748,265	12,748,265	9,291,184	29,009,298	8,917,345	28,828,643
230 University of North Dakota	240,445,904	246,445,904	156,031,241	879,696,712	146,747,078	968,582,821
232 UND Medical Center	71,437,396	71,437,396	56,918,137	196,689,901	56,918,137	196,689,901
235 North Dakota State University	157,410,540	169,010,540	144,556,275	752,578,925	138,253,912	801,092,401
238 ND State College of Science	58,029,764	58,029,764	38,995,483	96,129,260	37,426,460	95,169,955

**COMPARISON OF 2015-2017 LEGISLATIVE APPROPRIATION AND
2017-2019 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2017-2019

Category/Agency	2015-2017 Legislative Appropriation		2017-2019 Agency Budget Request		2017-2019 Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
239 Dickinson State University	27,015,931	40,515,931	19,784,124	49,353,541	21,392,198	51,206,764
240 Mayville State University	16,739,145	16,739,145	15,831,890	45,728,631	15,199,271	45,600,381
241 Minot State University	48,758,181	48,758,181	44,164,950	105,529,546	42,400,182	104,656,148
242 Valley City State University	39,758,668	55,758,668	22,698,005	50,870,918	21,791,025	75,809,775
243 Dakota College at Bottineau	9,802,405	20,450,599	8,504,861	18,012,345	8,162,660	17,818,132
244 ND Forest Service	5,007,844	6,657,844	4,583,951	15,234,698	4,564,602	15,215,350
Total	896,574,867	961,584,277	674,723,414	2,514,431,765	649,936,490	2,675,339,765

Health and Human Services

301 ND Department of Health	51,521,680	195,692,644	47,236,305	186,999,248	45,677,051	197,844,162
305 Tobacco Prevention and Control	0	16,548,039	0	18,254,923	0	0
313 Veterans Home	8,697,725	23,712,023	7,876,068	24,379,765	6,037,327	24,852,597
316 Indian Affairs Commission	1,217,245	1,217,245	1,101,492	1,101,492	1,117,124	1,117,124
321 Department of Veterans Affairs	1,612,495	1,900,513	1,395,166	3,383,588	1,348,978	3,441,525
325 Department of Human Services	1,332,202,833	3,577,971,750	1,371,145,943	3,478,108,444	1,329,916,312	3,842,355,263
360 Protection and Advocacy	3,034,111	6,466,964	2,973,108	6,395,731	3,022,645	6,498,327
380 Job Service North Dakota	2,116,191	72,584,057	1,826,245	55,556,277	949,014	55,244,653
Total	1,400,402,280	3,896,093,235	1,433,554,327	3,774,179,468	1,388,068,451	4,131,353,651

Regulatory

401 Office of the Insurance Commissioner	0	28,246,346	0	27,204,412	0	25,949,985
405 Industrial Commission	34,966,173	65,585,942	23,933,104	39,257,727	22,763,880	39,114,376
406 Department of Labor and Human Rights	2,511,761	2,949,593	2,266,821	2,706,737	2,316,868	2,756,784
408 Public Service Commission	7,935,207	22,235,782	6,863,130	18,766,287	6,891,777	19,534,040
412 Aeronautics Commission	1,000,000	11,322,827	900,000	10,716,829	900,000	10,742,642
413 Department of Financial Institutions	0	8,455,767	0	8,543,869	0	8,659,347
414 Securities Department	2,237,326	2,407,326	2,196,822	2,366,822	0	2,464,459
471 Bank of North Dakota	0	76,287,301	0	60,027,019	0	60,688,521
473 ND Housing Finance Agency	0	37,520,089	0	44,859,374	0	45,022,790
475 ND Mill and Elevator Association	0	64,315,898	0	67,723,388	0	68,930,168
485 Workforce Safety and Insurance	0	68,865,170	0	64,433,889	0	72,657,598
Total	48,650,467	388,192,041	36,159,877	346,606,353	32,872,525	356,520,710

Public Safety

504 Highway Patrol	46,656,563	59,719,104	41,724,041	54,738,348	43,410,717	57,244,630
530 Department of Corrections and Rehabilitation	215,387,242	253,749,948	214,072,954	251,261,746	215,839,290	254,147,552
540 Office of the Adjutant General	33,033,118	241,185,645	27,159,094	170,820,050	27,256,286	204,490,852
Total	295,076,923	554,654,697	282,956,089	476,820,144	286,506,293	515,883,034

**COMPARISON OF 2015-2017 LEGISLATIVE APPROPRIATION AND
2017-2019 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2017-2019

Category/Agency	2015-2017 Legislative Appropriation		2017-2019 Agency Budget Request		2017-2019 Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Agriculture and Economic Development						
601 Department of Commerce	56,203,701	131,373,174	33,105,475	92,985,761	32,538,344	95,838,915
602 Department of Agriculture	13,081,056	34,799,109	9,567,162	30,250,353	9,523,505	31,323,379
627 Upper Great Plains Transportation Institute	4,847,099	23,022,756	3,722,694	22,058,319	3,563,901	22,222,023
628 Branch Research Centers	20,073,447	40,065,577	18,015,054	37,862,927	17,765,103	38,075,213
630 NDSU Extension Service	29,788,188	55,614,896	27,100,244	53,192,380	26,878,116	53,646,705
638 Northern Crops Institute	2,102,158	3,849,893	1,918,341	3,669,236	1,955,702	3,713,445
640 NDSU Main Research Center	59,067,612	137,166,137	52,249,539	109,394,167	51,329,311	110,541,592
649 Agronomy Seed Farm	0	1,521,007	0	1,528,164	0	1,538,795
665 ND State Fair	1,070,000	1,070,000	513,000	513,000	513,000	513,000
670 ND Horse Racing Commission	415,004	573,734	378,167	540,724	385,489	548,046
Total	186,648,265	429,056,283	146,569,676	351,995,031	144,452,471	357,961,113
Natural Resources						
701 Historical Society	21,592,039	28,366,940	16,911,645	20,050,864	17,149,885	20,311,388
709 Council on the Arts	1,744,723	3,490,190	1,582,609	3,395,531	1,600,648	3,413,570
720 Game and Fish Department	0	77,231,739	0	82,869,149	0	83,569,734
750 Parks and Recreation Department	33,294,213	48,157,048	15,081,189	31,976,198	14,816,324	31,720,221
770 Water Commission	0	1,158,935,836	0	746,803,207	0	724,763,589
Total	56,630,975	1,316,181,753	33,575,443	885,094,949	33,566,857	863,778,502
Transportation						
801 Department of Transportation	1 636,375,558	3,237,531,577	0	1,273,149,036	0	1,276,870,224
Total	636,375,558	3,237,531,577	0	1,273,149,036	0	1,276,870,224
Total All Categories	1 6,026,162,678	14,200,396,794	4,777,806,552	12,543,734,034	4,780,662,854	13,475,345,672

1. A contingent appropriation of \$20.0 million was added to the Department of Transportation. This amount is not reflected in the \$6,026,162,678 total above.

NOTE: House Bill 1003, Section 21 amended NDCC 54-44.1-04 to require all entities under the control of the State Board of Higher Education to complete budget requests in the same manner as all other state agencies. As a result, the total state budget increased by over \$2.025 billion from the campus other funds (such as Tuition, Auxiliary and Grants and Contracts) being added into the Executive Budget. Prior to this change, only general fund expenditures were reflected in the Higher Education budget requests.

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 online. Budget documents can be found on the Office of Management and Budget's web site at <https://www.nd.gov/omb/agency/financial/state-budget>.

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
- Authorized FTE
- Compensation
- Leases
- 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 90 percent of the current general fund appropriation.

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 <https://www.nd.gov/omb/agency/financial/state-budget>:

- Budget Detail
- Continuing Appropriations
- Special Fund Statements
- 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 (2016), 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, 2017 – June 30, 2019).

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.

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. In August, the preliminary revenue forecast for the upcoming biennium is completed.

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 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 (2017), the legislature convenes for a maximum of 80 days. During this time, hearings on all appropriation requests are held by the legislative appropriation committees. 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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Prepare budget instructions and issue to agencies																								
Visit agencies																								
Update Bldg & Infrastructure inventories due from agencies																								
Complete initial revenue forecast																								
Extensions for budget request due from agencies																								
Budget requests due from agencies																								
Budget review meetings held with agencies																								
Analyze budgets																								
Complete final revenue forecast																								
Finalize recommendations																								
Present executive budget to legislature																								
Prepare appropriation bills																								
Legislature conducts hearings, acts on appropriation bills. Bills approved by legislature and signed by governor																								
Prepare legislative appropriation summary																								
Update budget instructions, publications and computerized budget system																								
Conduct special studies																								
Attend interim legislative committee meetings																								

Budgetary Policies

Purpose of Budgetary Policies

1. **Guidance** – Provide guidance to state agencies and institutions regarding the development and administration of biennial budgets.
2. **Government Efficiency and Effectiveness** – Improve the efficiency and effectiveness of state government through the executive budget process.
3. **Consistency in Application of Fiscal Strategies** – Provide assurance that the Office of Management and Budget (OMB) applies a uniform, consistent approach to fiscal strategies in analyzing budget requests and preparing the executive budget.
4. **Accurate and Timely Information** – Ensure accurate and timely budget information is provided to the public and state policymakers.
5. **State Credit Rating** – Maintain or improve the state's credit rating by providing assurance that the state adheres to conservative policies that lead to fiscally responsible budgetary decisions in both the short and long term.

Financial Planning Policies

1. **Balanced Ongoing Budget** – Budgeted ongoing general fund expenditures will not exceed projected ongoing general fund revenues during the biennial budget period. Ongoing expenditures are defined as recurring expenditures for salaries, operating, grants, and capital replacement. Ongoing revenues are current revenues that are expected to continue in future bienniums based on current state law.
2. **Balanced Overall Budget** – Budgeted general fund expenditures for both ongoing and one-time expenditures will not exceed the total of general fund revenues, transfers, and the estimated unobligated general fund beginning balance for the biennial budget period.
3. **Balanced One-time Budget** – One-time expenditures are those of a non-recurring or discretionary nature that are not considered part of agency base budgets, although they may be continued through multiple bienniums. One-time expenditures will be funded from either one-time or recurring revenue sources.
4. **Consideration of Long-Term Impacts** – All policy changes, programmatic changes, and tax changes will be analyzed considering both short and long-term impacts to the state budget.
5. **Reserve Balances** – Reserve balances will be maintained to ensure the state has adequate resources in the event of an economic downturn. Moneys considered as reserve funds include special funds statutorily created for that purpose as well as moneys in other funds which, subject to legislative appropriation, are available to fund general government operations. Reserve funds include:

- **Budget stabilization fund** – Pursuant to North Dakota Century Code (NDCC) Section 54-27.2-01, the budget stabilization fund is to maintain a balance of no more than 9.5 percent of current general fund appropriations.
- **Foundation aid stabilization fund** – Pursuant to Article X, Section 24 of the Constitution of North Dakota, 10 percent of oil extraction taxes are deposited into the foundation aid stabilization fund. NDCC 54-44.1-12 provides that in the case of an allotment, funding for school aid, transportation and special education can only be allotted to the extent the allotment can be offset by transfers from the foundation aid stabilization fund. Whenever the principal balance of the foundation aid stabilization fund exceeds fifteen percent of the general fund appropriation for state aid to school districts, for the most recently completed biennium, any excess principal balance may be used for education-related purposes.
- **Strategic investment and improvements fund** – The strategic investment and improvements fund receives a portion of oil and gas taxes as well as income from the sale, lease, and management of certain state-owned lands. Moneys in the fund are available for improving state infrastructure and for initiatives to improve the efficiency and effectiveness of state government, as determined by the legislature, in accordance with NDCC Section 15-08.1-08.
- **General fund balance** – The state budget includes an estimated end of biennium balance in the general fund to allow for variances between actual and projected revenues. This end of biennium balance, considered as a one-time revenue source, is available to fund one-time expenditures of the next budget period.

Revenue Policies

1. **Advisory Council on Revenue Forecasting** – An Advisory Council on Revenue Forecasting, comprised of representatives of business, industry, agriculture, banking, energy and the legislative and executive branches of government, will be formed each biennium to gather input on the state's economic condition. This input will be used to interpret or suggest modification to the tax base forecasts provided to the state through its contract with an economic forecasting firm. The Council will meet at least three times each biennium, as requested by the director of the Office of Management and Budget, to coincide with economic forecasts prepared in July/August and October/November of even numbered years and February/March of odd numbered years.

2. Revenue Forecasting Process

- a. **Timeline** – Forecasts for the general fund and oil and gas tax revenues will be prepared as determined necessary by the Governor and the Office of Management and Budget, or as requested by the legislative branch. At a minimum, forecasts will be prepared three times per biennium, in July/August and October/November of each even numbered year and in February/March of odd numbered years.
 - b. **General Fund** – The Office of Management and Budget, in cooperation with the state Tax Department, the Advisory Council on Revenue Forecasting and a contracted economic forecasting firm, will develop a general fund revenue forecast. The forecast will provide an updated forecast for the remainder of the current biennial budget period and an estimate of general fund revenues for the upcoming biennium. The forecast will detail general fund revenues by tax type for each period.
 - c. **Oil and Gas** – The Office of Management and Budget, with input from the state Tax Department and the Advisory Council on Revenue Forecasting, will develop a forecast for the current biennial budget period and for the upcoming biennium for oil price, production, and state oil and gas tax revenue. The forecast will include the allocation of state oil and gas tax revenues to political subdivisions and the various state funds to which the taxes are allocated pursuant to law.
 - d. **Major Special Funds** – The Office of Management and Budget, with input from the state Tax Department and various state agencies will develop revenue forecasts for major special funds. Major special funds are defined as those state special funds which are included in the budget and appropriation process and from which expenditures of \$100.0 million or more are authorized per biennium. Revenue forecasts for major special funds will be updated as determined necessary by the Office of Management and Budget.
 - e. **Process Improvement** – The accuracy of forecast data will be analyzed and monitored to identify shortcomings in economic models or the forecasting process in order to continually improve the accuracy of forecast data.
3. **Undesignated Revenues** – General tax revenues will not be dedicated for specific purposes unless required by law. All non-restricted revenues will be deposited in the general fund and appropriated through the budget process.
 4. **General Fund Ongoing/One-time Revenue** – The Office of Management and Budget will strive to accurately identify general fund revenues as either ongoing or one-time. Ongoing revenues are current revenues that are expected to continue in future bienniums

based on current state law. One-time revenues include transfers and balances carried over from the prior biennium. Ongoing revenues will be used to fund either ongoing or one-time expenditures. One-time revenues will be used to fund only one-time expenditures.

5. **Current Funding Basis** – Budgetary practices that balance the current budget at the expense of future budget periods will be avoided.
6. **Fees** – Fees will be examined on a periodic basis to determine if fees charged are adequate to cover direct costs. However, administrative and operating expenses will also be examined to increase efficiency and reduce the need to increase fees. Increases in fees and service charges will be minimized or avoided to the extent possible.
7. **Tax Relief** – Reductions in tax rates, as well as limitations or exemptions from the base of taxation, will be considered to the extent feasible in each biennial budget.
8. **Financial Stability** – The executive budget will strive to maintain a diversified, stable revenue system to protect the state budget from short-term fluctuations in revenue.
9. **Revenue Monitoring** – The Office of Management and Budget will prepare monthly reports on actual versus estimated general fund revenues, on both a monthly and cumulative basis, noting any variations from the forecast for each major revenue source.
10. **Communication of Key Assumptions** – Budget documents will include information on key financial, economic, and demographic assumptions used in the revenue forecasting process so that stakeholders and policymakers understand the basis used to develop the revenue forecast.
11. **Enterprise Fund Transfers** – Within the limits of statutory authority, enterprise fund revenues are available for transfer to the general fund. However, unless otherwise required by law, transfers will only be proposed to the extent they do not reduce cash levels below amounts deemed necessary to fund ongoing operations, capital replacement, infrastructure improvement projects, and to maintain adequate capital structure.

Budget Development Policies

1. **Base Budget Limitation** – For each state agency and institution, a general fund base budget amount will be calculated considering the continuation of ongoing programs, the removal of one-time appropriations, and adjustments for the continuation of legislatively authorized pay increases for existing staff. Each base budget request submitted to the Office of Management and Budget may not exceed the base budget limitation.
2. **Optional Budget Submission** – Subject to budget guidelines issued by the Office of Management and Budget each biennium, state

agencies and institutions are not limited in amounts that can be included in the budget request. However, any amounts requested in excess of the base budget limit must be submitted and prioritized as part of the optional budget submission.

3. **Budget Submission** – Budget requests, both base and optional, will be submitted to the Office of Management and Budget no later than July 15 of each even numbered year, except as otherwise allowed pursuant to NDCC Section 54-44.1-04. Exceptions to the budget submission deadline will be granted on a case-by-case basis as determined necessary by the Director of Fiscal Management in order to obtain the most current and accurate data for use in the budget.
4. **Budget Development** – The executive budget will be developed using multi-biennium revenue forecasts based on conservative economic assumptions. The executive budget will lay out a fiscal plan for the state, balancing current ongoing expenditures with current ongoing revenues. The budget will provide adequate funding for the continuation of ongoing state programs and new priorities established by the Governor.
5. **Budget Analysis** – The budget analysis process will include a review of all existing programs, including program performance and effectiveness. Additional scrutiny will be placed upon all requests for increases in funding or staffing for existing programs. New programs or initiatives included in budget requests will be considered for inclusion in the executive budget only if they will better meet a demonstrated need of the people and businesses of North Dakota, lead to long-term efficiencies or cost savings, improve service delivery, or better meet a statutory or constitutional obligation of the state.
6. **Limitation of Growth** – Requests for new ongoing programs or expansions of existing ongoing programs are discouraged. For each such request, agencies are encouraged to objectively review all existing programs that can be eliminated or reduced to offset the costs of the proposed new or expanded program. Requests for new or expanded programs must be accompanied by supporting information demonstrating the need for the program.
7. **Review of Existing Positions** – Each agency should continually review the need for existing positions and eliminate positions whenever possible. Any long-term vacant positions should be removed or repurposed for a higher priority use within the agency base budget. The budget analysis process used by OMB will also include a review of the continued need for each existing position and will seek to eliminate any long-term vacant positions.
8. **Compensation Philosophy** – The compensation program for classified state employees will be designed to recruit, retain, and motivate a quality workforce for the purpose of providing efficient and effective services to the citizens of North Dakota. "Compensation" is

defined as base salary and related fringe benefits. The Office of Management and Budget will develop and consistently administer the compensation program for classified state employees and ensure that state agencies adhere to the components of the state's compensation philosophy. The Office of Management and Budget's Human Resource Management Services division will regularly conduct compensation comparisons to ensure that the state's compensation levels are competitive with relevant labor markets.

9. **Continuing Appropriations** – During development of the executive budget, consideration will be given to all funds available to an agency, including those subject to continuing appropriation and not part of the biennial legislative appropriation process.
10. **Budget Reductions** – In the event budget reductions are necessary due to a reduction in state revenues, reductions will not be proposed across-the-board, but will be recommended based upon program effectiveness and relative value for the state.

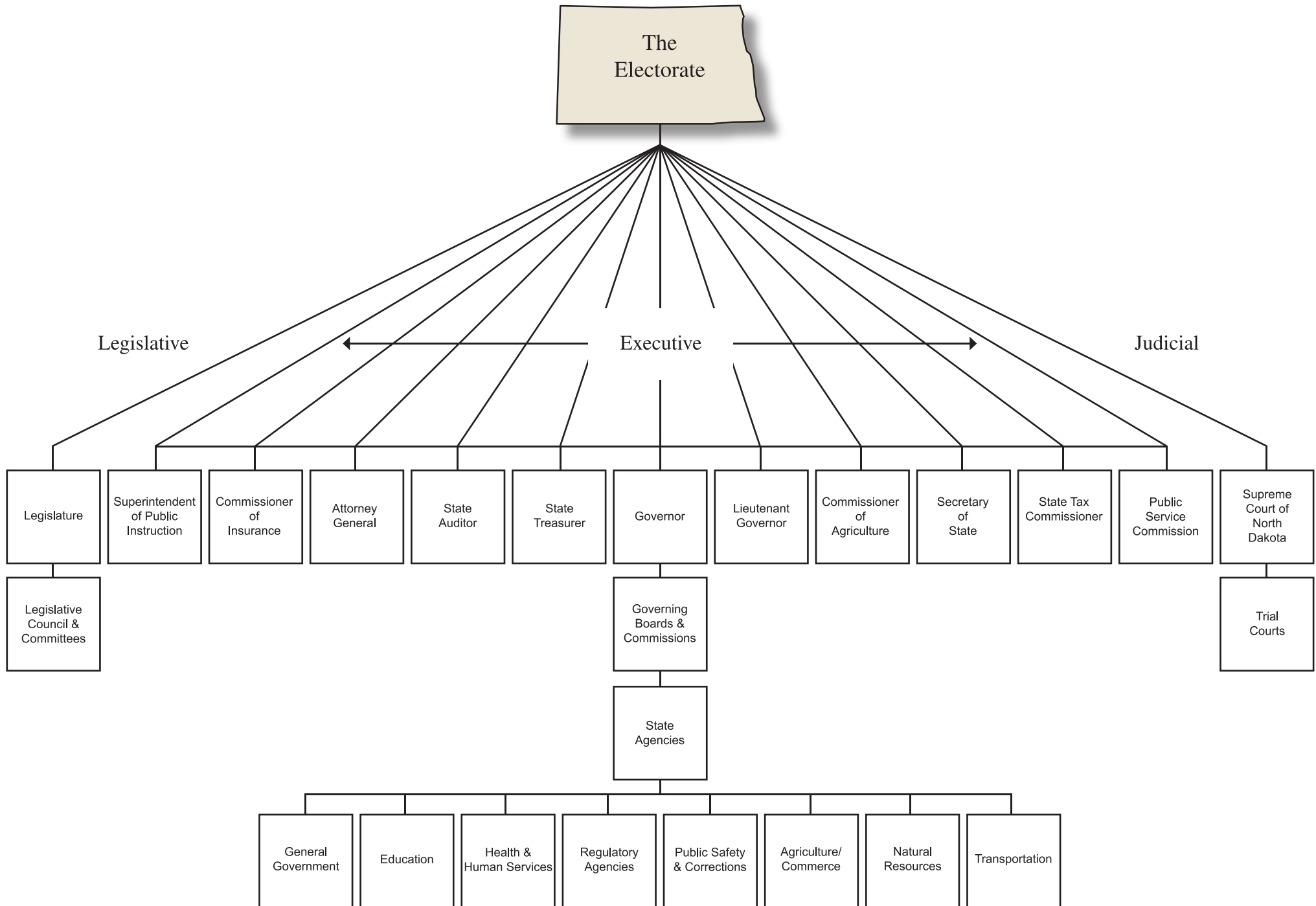
Capital Budgeting Policies

1. **Definition of Capital Assets** – Capital assets are expenditures exceeding \$5,000 for capital projects, extraordinary repairs, equipment, information technology (IT) equipment and software, and other capital payments such as bond payments or special assessments.
2. **Definition of Capital Project** – Capital projects include new construction, additions, and demolitions of buildings and infrastructure.
3. **Definition of Extraordinary Repair** – Extraordinary repairs are repair, improvement, or remodeling projects to existing buildings and infrastructure that exceed the threshold of \$5,000. Repairs of \$5,000 or less should be budgeted in the operating line. Extraordinary repairs benefit more than one operating cycle or period and may extend the useful life of the asset.
4. **Definition of Equipment Over \$5,000** – Equipment over \$5,000 includes all non-IT equipment in excess of \$5,000. Individual items of \$5,000 or less should be budgeted for and paid out of the operating line.
5. **Definition of IT Equipment and Software Over \$5,000** – IT equipment and software includes IT equipment and software development costs in excess of \$5,000. Individual IT equipment items and software costs of \$5,000 or less should be budgeted and paid for out of the operating line.
6. **Definition of Other Capital Payments** – Other capital payments are used to enter budgeted amounts for special assessments, bond payments, and in lieu of tax payments. The Department of Transportation and State Water Commission are also allowed to use

this category of capital assets to budget for road projects and water projects, respectively.

7. **Use of Debt Financing** – The use of debt financing will be considered by the Office of Management and Budget only when beneficial to the state to spread the payment for a capital project over the useful life of the facility, when the facility will generate revenues that can be dedicated to repayment of debt incurred to construct the facility, or when necessary to balance current revenues and current obligations of the state. Capital construction projects will be funded from current revenues to the extent feasible.
8. **Debt Financing Limitations** – NDCC Section 54-17.2-23 limits outstanding bond payments from the general fund to no more than 2 percent of the state's sales, use, and motor vehicle excise tax collections.
9. **Long-term Planning** – Each agency or institution with capital project needs in the upcoming biennial budget or the two subsequent bienniums will submit capital project information for each anticipated project. However, information submitted for projects planned for the two subsequent bienniums are not considered part of any budget request and are submitted for planning purposes only.
10. **Estimation of Ongoing Costs** – Each agency or institution requesting funding for a capital project will include an analysis of the project's impact on future operating costs, considering both additional costs and possible efficiencies. The analysis must include estimates for the upcoming budget biennium as well as two subsequent bienniums. The analysis must include detailed estimates by line item, funding source, and FTE.
11. **Justification for Capital Projects** – Each agency and institution requesting funding for a capital project will justify the need for each project. Justification will include evidence of the need for the project; documentation that adequate planning has been done; analysis of funding options; consideration of alternatives such as renovation, remodeling, or leasing; long-term need based on demographic changes and programmatic needs; long-term operating costs; and the cost-benefit analysis required pursuant to NDCC Section 54-44.1-16.
12. **Capital Project Evaluation** – The Office of Management and Budget will evaluate and prioritize capital project requests on the basis of external mandates, program needs, state policy direction, and available funding sources.
13. **Extraordinary Repairs Formula** – The Office of Management and Budget will use a building and infrastructure renewal formula to calculate an estimate of the amount that should be spent to adequately maintain buildings and infrastructure. The building formula, applied to only those buildings that will be five years old or older at the mid-year of the biennium, is: *building replacement value* x 2%. The infrastructure formula is: *infrastructure renewal %* x *replacement value*. The infrastructure renewal percentage is the straight line depreciation percentage over the item's estimated useful life.
14. **Extraordinary Repairs as Pool** – The building and infrastructure renewal formula is not meant to reflect actual repair needs, but is used to generate a pool of dollars that can be used to address planned extraordinary repairs and unplanned emergency repairs as they arise during the biennium.
15. **Facility and Infrastructure Inventory** – The Office of Management and Budget will maintain an inventory of all state facilities and infrastructure, which will be used in calculating extraordinary repairs formula amounts for use in the executive budget process.

STATE OF NORTH DAKOTA ORGANIZATIONAL CHART



Demographics

North Dakota is a state of 757,000 people, an all-time high. In the early 2000s, North Dakota was one of only a few states with a declining and aging population. The state began to reverse that trend in 2004, with an estimated population of about 645,000 residents. Since then, North Dakota's population has grown every year, with a total increase of more than 110,000 residents.

The in-migration of adults of child-bearing age is playing a major role in the state's current population trend. In just the past 10 years, the number of births in North Dakota has steadily increased from about 8,380 to last year's birth count of 11,352.

Additionally, North Dakota is becoming younger, with the state's median age dropping in 2014 to 34.9 years of age--two years younger than the median age recorded just 10 years ago. North Dakota's median age is now the 4th youngest in the nation. In 2010, North Dakota's median age ranked 24th, according to the U.S. Census Bureau.

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.

About 60 percent 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 job openings continues to be strong. Major employers in the state include Sanford Health Systems, Altru Health System, Noridian Mutual Insurance Company, U.S. Bank Service Center, Microsoft Business Solutions, MDU Resources Group, Inc., Wal-Mart Stores, Inc., Case New Holland Corp., Wanzek Construction, Inc., and the Grand Forks Air Force Base.

In 2015, per capita personal income was \$55,950, which is higher than the national per capita income.

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

Impacted by global commodity prices, the two major industries in North Dakota, energy and agriculture, both declined during the 2015-17 biennium.

As worldwide oil production increased, causing a glut on the market, prices fell. Falling prices translated into oil production being less profitable resulting in decreased oil activity in North Dakota. The worst is behind North Dakota, but the acceleration will be slow. A rebound to about \$50 per barrel will give producers the incentive to bring wells and jobs back on line. However, drilling will not accelerate in earnest until prices return to about \$60 per barrel.

Farm income is off more than 90 percent from the 2012 peak. North Dakota's farmers are accustomed to swings in agricultural prices and were well-prepared for the downturn, helping soften the blow considerably. In addition to low agriculture prices, however, the strong U. S. dollar resulted in a disadvantageous exchange rate with Canada, the state's biggest trade partner.

Signs are positive for 2017 and beyond with projected increasing gross state product, growing employment numbers, a continued low unemployment rate, and personal income growth. The state's metro areas will take on greater importance in the outlook as their lower costs and tight labor markets welcome more displaced oil field workers and spur investment in private services.

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 <https://www.nd.gov/omb/agency/financial/fiscal-policies>.

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 2017-19 biennium. A summary, by state agency and institution, of each fund for which the legislature has provided special fund appropriation authority is available at <https://www.nd.gov/omb/agency/financial/state-budget>.

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 available at <https://www.nd.gov/omb/agency/financial/state-budget>.

General Fund Revenues and Economic Outlook

2015-17

Original Legislative Revenue Forecast

The 2015-17 biennium began with a General Fund balance of \$877.2 million, \$179.8 million higher than the 2015 legislative projection. The legislative revenue forecast for General Fund revenues was \$5.64 billion; the original biennial General Fund appropriation was \$6.03 billion, including \$1.17 billion in one-time appropriations.

Revised Forecast

During the 2015-17 interim, General Fund revenue collection estimates were revised twice. By December 2015, actual General Fund revenue collections were \$215.5 million below the original legislative forecast. As a result, the forecast was revised in January 2016. The January 2016 forecast indicated General Fund collections would total \$4.56 billion for the biennium, \$1.07 billion less than the original legislative forecast. To offset the shortfall, the Office of Management and Budget called for a General Fund allotment of 4.05 percent for all executive branch agencies and the use of \$497.6 million from the Budget Stabilization Fund. The preliminary July 2016 forecast indicated General Fund collections would be \$308.7 million less than estimated in January 2016. As a result, another General Fund allotment of 2.5 percent was initiated and the remaining \$74.89 million in the Budget Stabilization Fund as well as a \$100.0 million contingent transfer from the Bank of North Dakota were used to offset the shortfall.

The November 2016 executive revenue forecast revises the July 2016 forecast for the 2015-17 biennium based on actual collections through October 2016 and new economic assumptions for the remainder of the biennium. The November 2016 executive forecast anticipates 2015-17 biennium revenues of \$4.22 billion, a decrease of \$37.9 million from the July 2016 forecast. This shortfall will be offset by estimated unused General Fund appropriation authority of \$38.1 million and a \$30.0 million transfer from the Strategic Investment and Improvements Fund. Based on the executive revenue forecast and authorized appropriation levels, the projected June 30, 2017 ending balance is \$11.0 million.

Estimated Oil Prices and Production

The first year of the 2015-17 biennium saw North Dakota oil prices plunge from \$52.14 per barrel in June 2015 to \$22.07 in February 2016. Prices have slowly increased to \$39.95 in September 2016. Oil production has decreased from 1.2 million barrels per day at the start of the biennium to 971,658 in September 2016. Although the number of producing wells has increased from 12,965 in July 2015 to 13,367 in September 2016, rig counts have dropped from 73 to 34 in the same time period. The result has been significant decreases in oil and gas extraction and production tax collections.

Oil extraction and gross production tax collections are projected to total \$2.93 billion during the 2015-17 biennium, allocated as reflected on the table at the end of this section.

2017-19

Executive Revenue Forecast

Comparing the 2017-19 biennium executive forecast to the 2015-17 November revised forecast:

- Sales and use tax collections are expected to grow by \$131.6 million, a growth rate of 7.3 percent from the 2015-17 biennium, reflecting a positive outlook for personal income and consumer spending in North Dakota.
- Motor vehicle excise tax collections are expected to increase by \$8.5 million, which is a growth rate of 4.12 percent from the 2015-17 biennium.
- Individual income tax collections are expected to increase by \$20.5 million, or 3.0 percent.
- Corporate income tax collections are anticipated to decrease by \$44.2 million, a decrease of 26.6 percent, primarily due to a change in tax laws.
- Available in the Tax Relief Fund is \$300.0 million for a proposed transfer to the Budget Stabilization Fund in the 2017-19 biennium.
- Allocations to the General Fund from oil and gas tax revenue collections, which were \$300.0 million in the 2015-17 biennium, are budgeted at \$1.00 billion for the 2017-19 biennium.
- Proposed transfers from the Strategic Investment and Improvements Fund, \$30.0 million during the 2015-17 biennium, are budgeted at \$30.0 million for the 2017-19 biennium.
- The Governor recommends transferring 45 percent of tobacco settlement proceeds, which were previously allocated to the Common Schools Trust Fund, to the General Fund. The allocation to the General Fund for the 2017-19 biennium is estimated at \$18.0 million.
- Transfers of interest earnings from the legacy fund to the General Fund begin in the 2017-19 biennium. The amount budgeted for the 2017-19 biennium is \$160.0 million.

Based on the executive revenue forecast and recommended appropriation levels, the projected June 30, 2019 ending balance is \$43.7 million.

Estimated Oil Prices and Production

Oil prices are anticipated to remain low but stable in the 2017-19 biennium. The forecast assumes prices starting at \$51.88 in August and remaining steady at \$53.18 for the remainder of the biennium. Production is anticipated to hold even at 900,000 barrels per day throughout the 2017-19 biennium.

Oil extraction and gross production tax collections are projected to total \$3.39 billion during the 2017-19 biennium, allocated as shown on the table at the end of this section.

Federal Funds

Federal funds represent 26.6 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 2017-19 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 "Federal/Special Funds" section of this publication describes in detail the funds estimated to be received from the federal government during the 2017-19 biennium.

Special Funds

Special funds represent 38.0 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 Department of Trust Lands, which operate on earnings 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 expected to be received during the 2017-19 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 2017-19 biennium, the Governor's budget continues income and property tax relief measures approved by the 2015 legislature.

The Governor's budget recommends \$275.0 million in property tax relief be provided to the counties by transferring the expense of social service programs from counties to the state.

Oil Tax Allocations

Oil taxes are allocated to counties, tribes, and various state funds. Estimated allocations for the 2015-17 and 2017-19 bienniums are reflected on the table below:

	<u>2015-17 Biennium</u>	<u>2017-19 Biennium</u>
Counties and cities	\$534,126,827	\$532,623,532
Tribal allocations	207,884,334	221,746,128
Legacy fund	817,429,021	949,187,217
Foundation aid stabilization fund	123,323,690	145,424,692
Common schools trust fund	123,323,690	145,424,692
Resources trust fund	242,458,158	286,649,384
Renewable energy development fund	3,000,000	3,000,000
Energy conservation fund	1,189,224	1,200,000
Research fund	10,000,000	10,000,000
Oil and gas impact grant fund	77,284,434	
North Dakota heritage fund	19,886,685	10,000,000
Well plugging and site reclamation fund	10,268,449	10,000,000
General fund	300,000,000	1,000,000,000
Tax relief fund	300,000,000	
State disaster fund	12,959,303	
Political subdivision allocation fund	14,854,178	
Strategic investment & improvements fund	<u>134,660,279</u>	<u>70,447,874</u>
Total oil and gas taxes	\$2,932,648,272	\$3,385,703,519

Supplemental Appropriation

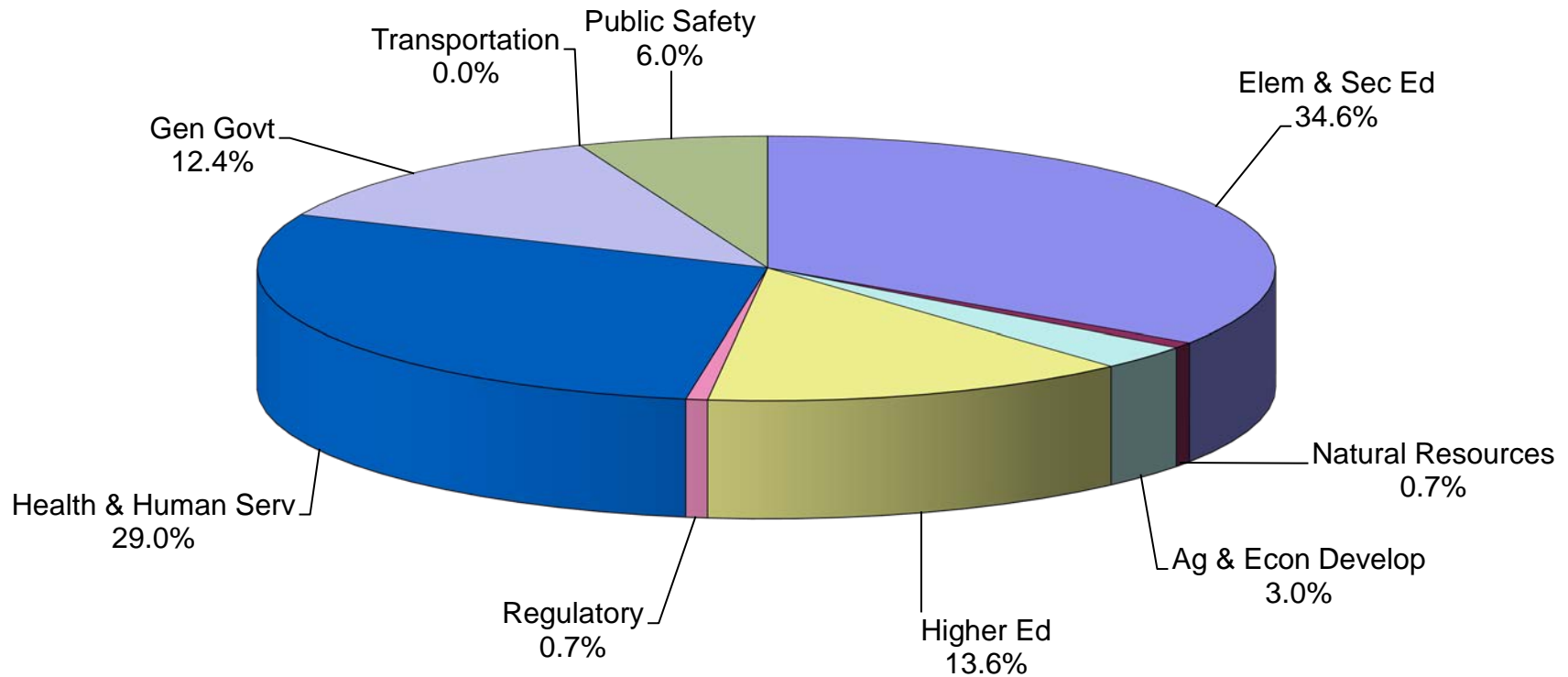
Supplemental appropriations have been recommended for various agencies as noted below. All supplemental appropriations are funded from the Strategic Investment and Improvements Fund.

- The Commission on Legal Counsel for Indigents to cover a total anticipated shortfall of \$937,000. This shortfall relates to providing counsel for cases filed against Dakota Access Pipeline (DAPL) protestors (\$670,000) and the fiscal impact of the passage of Measure 3 on the November 2016 ballot (\$267,000).
- The Judicial Branch to cover \$1.5 million in unexpected costs related to hiring surrogate judges to process DAPL related trials.
- North Dakota State University to cover \$1.6 million in unreimbursed costs related to the collapse of Minard Hall.
- The Department of Health to cover a shortfall of \$250,000 for ongoing EPA litigation costs.
- The Department of Human Services for higher than anticipated Medicaid program costs of \$9.0 million.
- The Adjutant General to repay an anticipated \$17.0 million Bank of North Dakota loan for the state share of disaster costs. This amount includes costs from the 2015 Burleigh County fires and costs associated with response to the DAPL protestors.
- The State Historical Society to cover legal fees of \$294,500 in ongoing litigation related to the Heritage Center expansion and for repayment of a \$1.3 million Bank of North Dakota Loan for repairs to the Double Ditch historic site.

**State of North Dakota
Recommended General Fund Appropriations by Function
for the 2017-19 Biennium**

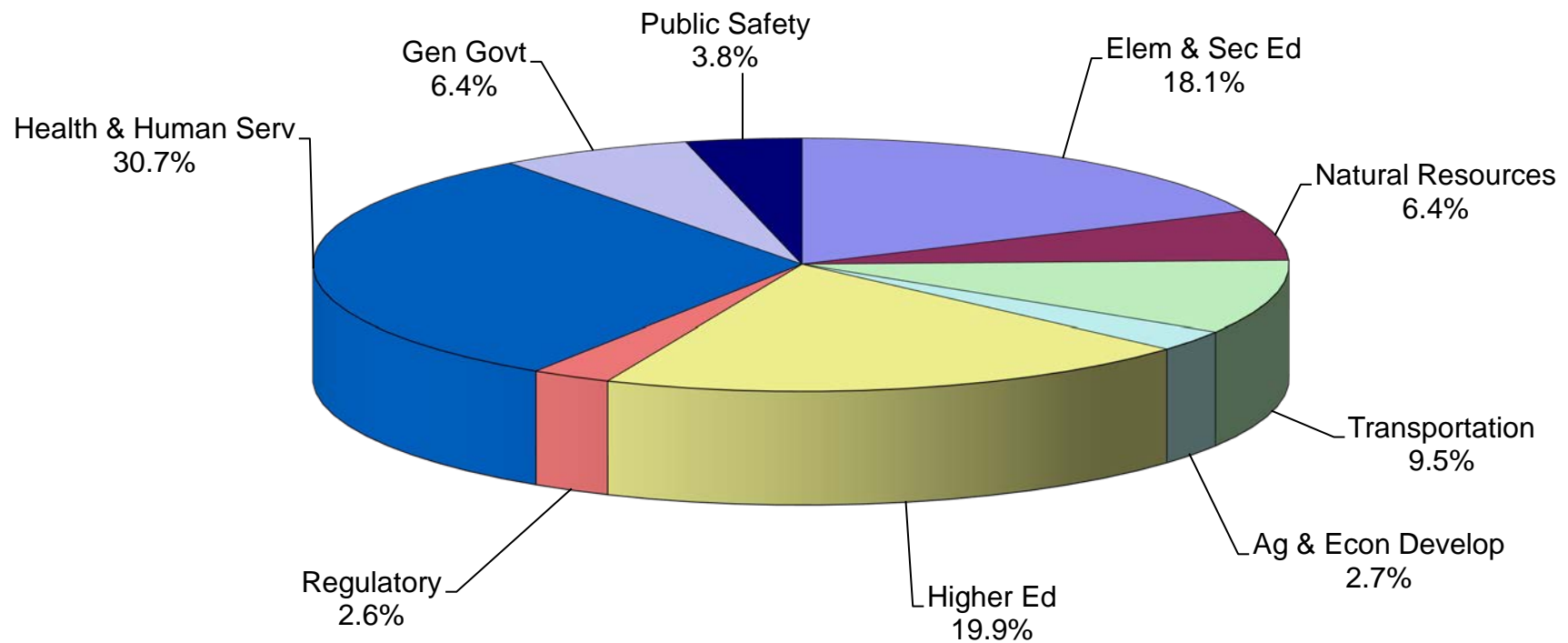
\$4.781 Billion *

*** \$4.781 Billion On-Going Expenditures
No One-Time Expenditures**



**State of North Dakota
Recommended Total Fund Appropriations by Function
for the 2017-19 Biennium**

\$13.475 Billion



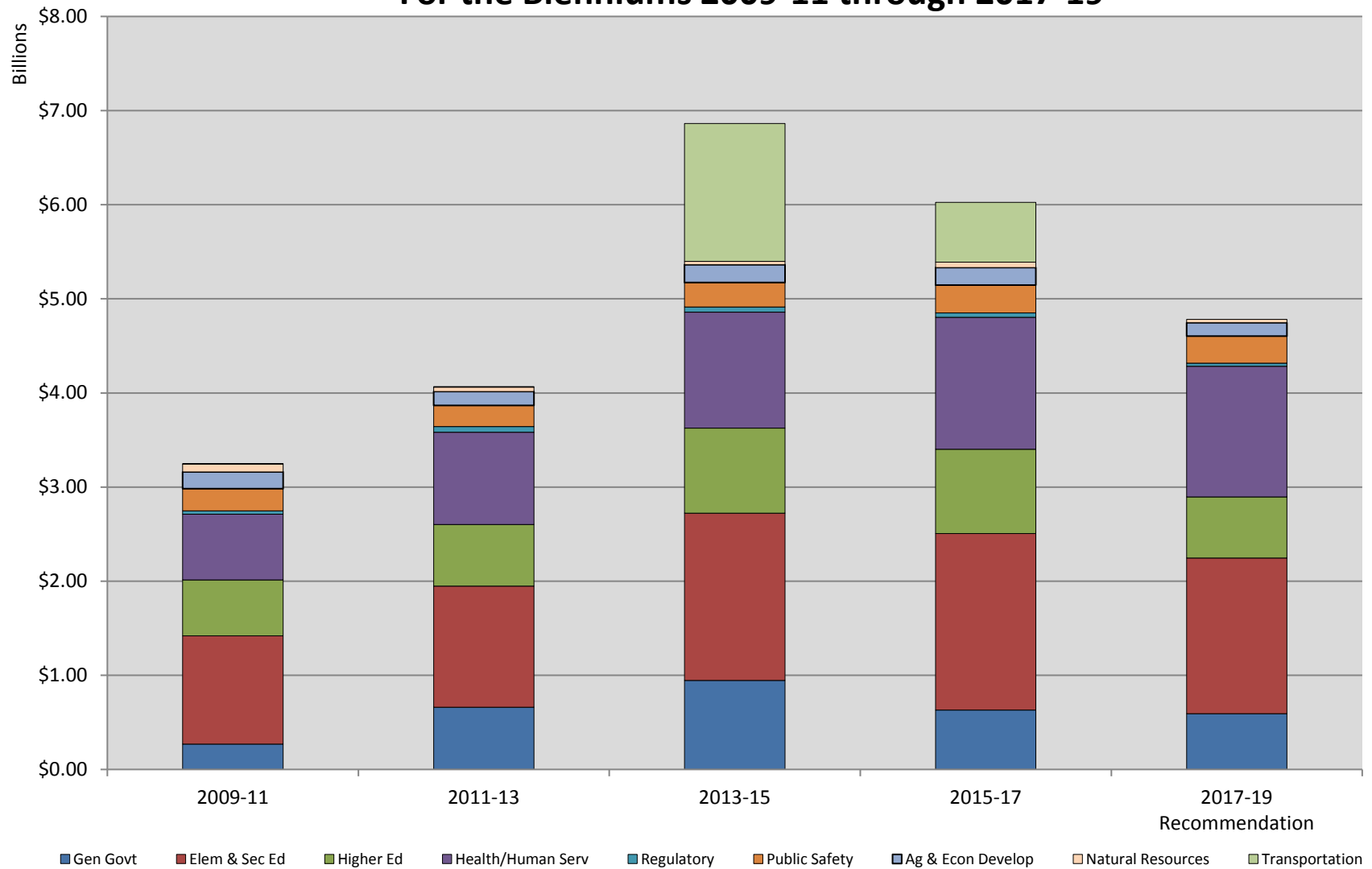
State of North Dakota
Comparison of General Fund Appropriation by Function
For the Bienniums 2009-11 through 2017-19

	2009-11		2011-13		2013-15		2015-17		Recommendation 2017-19	
General Government	\$269,297,379	8.3%	\$659,994,764	16.2%	\$945,308,413	13.8%	\$629,904,600	10.5%	\$593,423,134	12.4%
Elementary and Secondary Education	1,150,539,590	35.4%	1,287,742,317	31.7%	1,777,375,701	25.9%	1,875,898,743	31.1%	1,651,836,633	34.6%
Higher Education	593,296,143	18.3%	655,785,794	16.1%	902,629,915	13.2%	896,574,867	14.9%	649,936,490	13.6%
Health and Human Services	699,314,530	21.5%	977,697,676	24.0%	1,232,145,048	18.0%	1,400,402,280	23.2%	1,388,068,451	29.0%
Regulatory	34,243,364	1.1%	61,499,673	1.5%	55,511,072	0.8%	48,650,467	0.8%	32,872,525	0.7%
Public Safety	235,824,028	7.3%	223,362,748	5.5%	259,674,260	3.8%	295,076,923	4.9%	286,506,293	6.0%
Agriculture and Economic Development	179,549,603	5.5%	148,903,572	3.7%	188,904,694	2.8%	186,648,265	3.1%	144,452,471	3.0%
Natural Resources	82,700,844	2.5%	46,017,248	1.1%	37,018,251	0.5%	56,630,975	0.9%	33,566,857	0.7%
Transportation	4,600,000	0.1%	5,850,000	0.1%	1,464,020,000	21.3%	636,375,558	10.6%	-	0.0%
TOTAL	\$3,249,365,481	100.0%	\$4,066,853,792	100.0%	\$6,862,587,354	100.0%	\$6,026,162,678	100.0%	\$4,780,662,854	100.0%

State of North Dakota

Comparison of General Fund Appropriations by Function

For the Bienniums 2009-11 through 2017-19



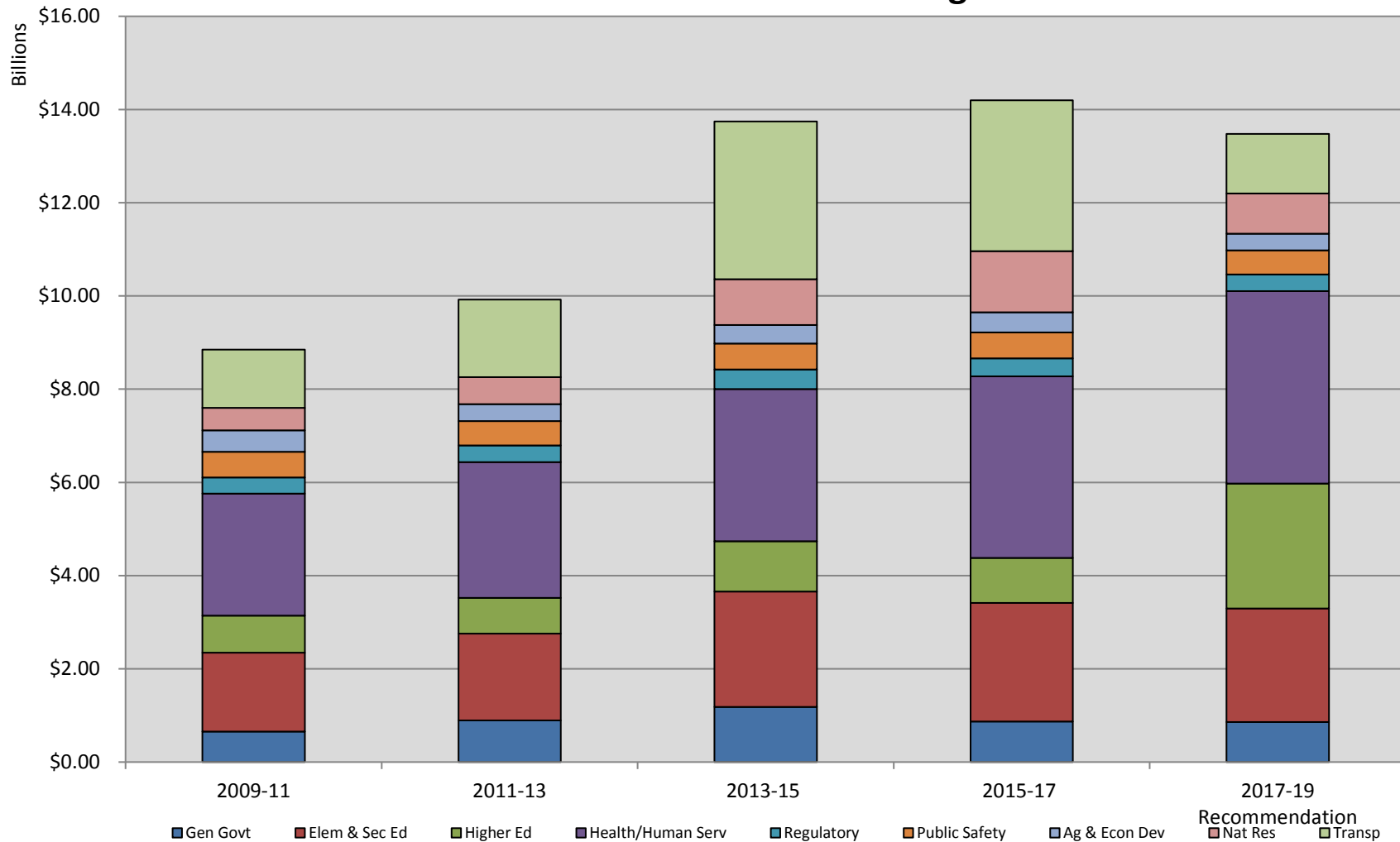
State of North Dakota
Comparison of Total Funds Appropriations by Function
For the Bienniums 2009-11 through 2017-19

	2009-11		2011-13		2013-15		2015-17		Recommendation 2017-19	
General Government	\$654,969,287	7.4%	\$890,906,476	9.0%	\$1,183,314,550	8.6%	\$869,877,389	6.1%	\$859,945,566	6.4%
Elementary and Secondary Education	1,693,626,375	19.1%	1,865,235,525	18.8%	2,477,986,312	18.0%	2,547,225,542	17.9%	2,437,693,107	18.1%
Higher Education	796,060,507	9.0%	764,603,553	7.7%	1,077,610,856	7.8%	961,584,277	6.8%	2,675,339,765	19.9%
Health and Human Services	2,616,798,843	29.6%	2,913,548,892	29.4%	3,263,326,715	23.7%	3,896,093,235	27.4%	4,131,353,651	30.7%
Regulatory	341,869,592	3.9%	360,769,894	3.6%	418,004,610	3.0%	388,192,041	2.7%	356,520,710	2.6%
Public Safety	554,901,374	6.3%	519,098,601	5.2%	559,046,321	4.1%	554,654,697	3.9%	515,883,034	3.8%
Agriculture and Economic Development	456,185,331	5.2%	367,213,963	3.7%	399,813,205	2.9%	429,056,283	3.0%	357,961,113	2.7%
Natural Resources	485,247,968	5.5%	574,200,016	5.8%	980,360,307	7.1%	1,316,181,753	9.3%	863,778,502	6.4%
Transportation	1,248,615,588	14.1%	1,668,904,459	16.8%	3,384,799,434	24.6%	3,237,531,577	22.8%	1,276,870,224	9.5%
TOTAL	\$8,848,274,865	100.0%	\$9,924,481,379	100.0%	\$13,744,262,310	100.0%	\$14,200,396,794	100.0%	\$13,475,345,672	100.0%

State of North Dakota

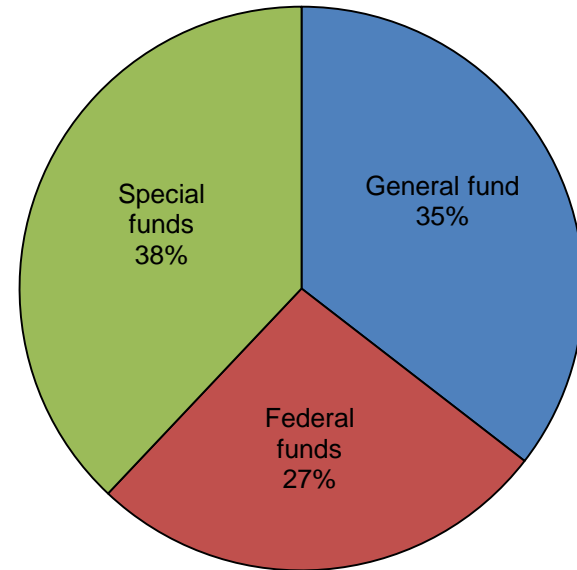
Comparison of Total Funds Appropriations by Function

For the Bienniums 2009-11 through 2017-19



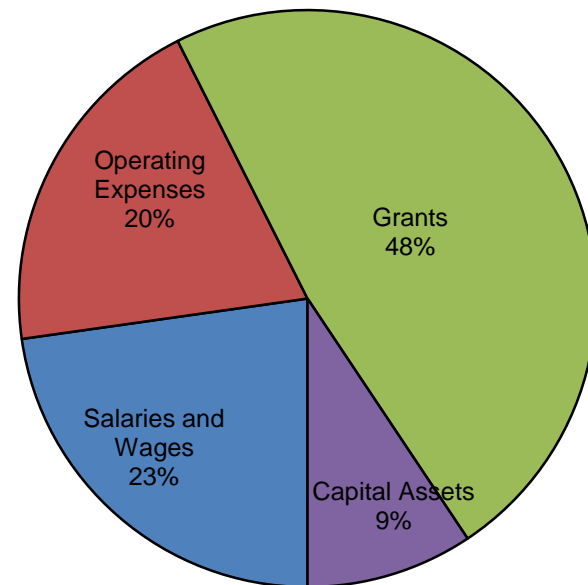
Recommended Funding Source - Total Funds

General fund	\$4,780,662,854
Federal funds	3,579,152,702
Special funds	5,115,530,116
Total	<u>\$13,475,345,672</u>



Recommended Expenditures By Type -Total Funds

Salaries and wages	\$3,067,485,022
Operating expenses	2,669,562,459
Grants	6,476,838,022
Capital assets	1,261,460,169
Total	<u>\$13,475,345,672</u>



General Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$1,651,436,847	\$697,396,206	\$877,182,532 ^{\2}	\$10,980,773
Revenue	\$5,801,797,506	\$5,638,508,192	\$4,920,148,090 ^{\3}	\$4,813,426,208 ^{\3}
Expenditures:				
Original Appropriations - One Time	(\$2,436,378,201)	(\$1,173,663,858)	(\$1,173,663,758)	
Contingent Appropriations - One Time	(11,000,000)		(20,000,000)	
Special Session Appropriation Adjustment			359,487,776	
Original Appropriations - Ongoing	(4,426,209,153)	(4,852,498,820)	(4,852,498,920)	(4,780,662,854)
Adjustments for Emergency Clauses	163,812,041		9,858,196	
Authorized Carryover from Previous Biennium	(89,503,462)		(147,653,143)	
2013 Emergency Appropriations	(9,858,196)			
Supplemental Appropriations	(6,084,026)			
Transportation Funding Distributions				
Obligated Carryover to 2013-15 Biennium				
Unspent Authority/Adjustments	92,432,516		38,120,000	
Total Expenditures	(\$6,722,788,481)	(\$6,026,162,678)	(\$5,786,349,849)	(\$4,780,662,854)
Ending Balance Before Transfers	\$730,445,872	\$309,741,720	\$10,980,773	\$43,744,127
Transfers and Adjustments:				
Transfer to Budget Stabilization Fund			0 ^{\4}	
Adjustments and Cash Certifications	146,736,660			
Total Transfers and Adjustments	\$146,736,660	\$0	\$0	\$0
Ending Balance	\$877,182,532	\$309,741,720	\$10,980,773	\$43,744,127

^{\1} Final revenues and expenditures per state accounting system reports dated June 30, 2015.

^{\2} Actual July 1, 2015 balance, including both obligated and unobligated amounts.

^{\3} Based on actual revenues through October 31, 2016, and estimated revenues for the remainder of the biennium using the November 2016 executive revenue forecast.

^{\4} Transfer based on recommended 2015-17 biennium general fund appropriations and the statutory cap of 9.5 percent of appropriations, as defined in NDCC Section 54-27.2-01.

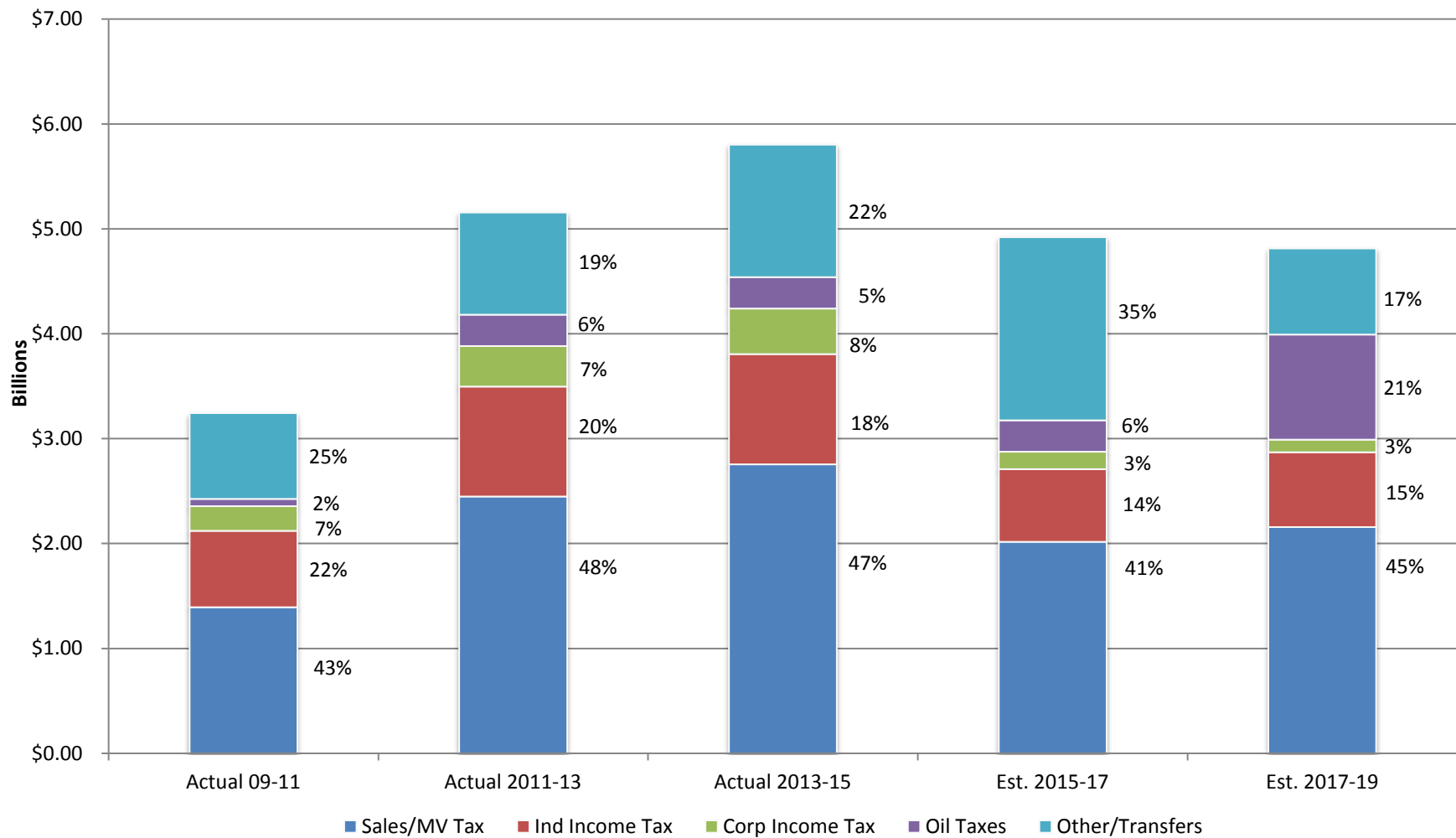
State of North Dakota
Comparison of General Fund Revenue by Major Source
For Bienniums 2009-11 through 2017-19

Revenue Source	Actual 2009-11	Actual 2011-13	Actual 2013-15	Revised Forecast 2015-17	Executive Forecast 2017-19
Tax Revenue:					
Sales and use taxes	\$1,267,211,331	\$2,196,977,793	\$2,478,246,782	\$1,809,642,574	\$1,941,225,000
Motor vehicle excise tax	124,425,401	252,725,403	277,152,752	207,215,785	215,752,000
Individual income tax	729,255,895	1,046,161,236	1,050,062,577	692,124,749	712,631,000
Corporate income tax	234,364,296	385,814,247	435,243,053	165,963,800	121,756,000
Insurance premium tax	63,150,948	82,857,729	92,526,177	106,816,251	128,000,000
Financial institutions tax	6,748,753	11,236,510	(4,985,620)	1,294,077	0
Oil and gas production tax	32,718,333	133,834,000	146,071,108	102,881,583	513,014,882
Oil extraction tax	38,281,667	166,166,000	153,928,892	197,118,417	486,985,118
Gaming tax	16,189,991	11,136,421	7,195,937	6,924,614	7,301,480
Lottery	10,400,000	14,300,000	13,300,000	17,210,000	15,000,000
Cigarette and tobacco tax	46,253,470	53,723,649	60,262,693	57,082,715	54,086,000
Wholesale liquor tax	15,163,855	17,617,501	18,704,869	18,441,988	19,438,000
Coal conversion tax	39,064,299	38,399,414	40,767,149	42,725,976	39,709,000
Mineral leasing fees	17,521,635	43,052,074	41,348,389	25,615,092	30,500,000
Departmental collections	68,577,582	76,994,265	83,270,753	80,642,925	79,731,684
Interest income	43,684,825	13,671,280	38,103,283	18,017,492	16,000,000
Total tax revenue	<u>\$2,753,012,281</u>	<u>\$4,544,667,522</u>	<u>\$4,931,198,794</u>	<u>\$3,549,718,037</u>	<u>\$4,381,130,164</u>
Ongoing Transfers:					
Bank of North Dakota profits				\$100,000,000	\$200,000,000
Legacy fund					160,000,000
Tobacco settlement funds					18,000,000
Transfers from State Mill profits	\$13,902,268	\$9,448,922	\$6,817,200	\$8,834,894	\$22,279,924
Gas tax administration	1,288,000	1,485,000	1,740,815	2,033,800	2,016,120
Total ongoing transfers	<u>15,190,268</u>	<u>10,933,922</u>	<u>8,558,015</u>	<u>110,868,694</u>	<u>402,296,044</u>
One-time Transfers:					
Strategic investment and improvements	35,000,000	305,000,000	520,000,000	30,000,000	30,000,000
Tax relief fund		295,000,000	341,790,000	657,000,000	
Permanent oil tax trust fund	435,000,000				
Budget stabilization fund				572,485,453	
Miscellaneous transfers	4,556,650	253,116	250,698	75,906	
Total one-time transfers	<u>\$474,556,650</u>	<u>\$600,253,116</u>	<u>\$862,040,698</u>	<u>\$1,259,561,359</u>	<u>\$30,000,000</u>
Total Revenues	<u>\$3,242,759,199</u>	<u>\$5,155,854,560</u>	<u>\$5,801,797,507</u>	<u>\$4,920,148,090</u>	<u>\$4,813,426,208</u>

State of North Dakota

Comparison of General Fund Revenue by Major Source

For Bienniums 2009-11 through 2017-19



Bonding Fund Status Statement

	2013-15 Actual	2015-17		2017-19 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$3,408,932	\$3,494,284	\$3,412,483 ^{\1}	\$3,423,670
Revenue:				
Premiums	^{\2}	^{\2}	^{\2}	^{\2}
Investment Revenue	\$164,504	\$300,000	\$200,000	\$200,000
Claims Restitution	43,401	50,000	50,000	50,000
Other Revenue	6,872	7,000	7,000	7,000
Total Revenue	\$214,777	\$357,000	\$257,000	\$257,000
Expenditures:				
Claim Liabilities/Payments/Write-offs	(\$140,593) ^{\3}	(\$150,000)	(\$150,000)	(\$150,000)
Claims Related Expenses	(38,071)	(20,000)	(35,000)	(35,000)
Investment Expense	(7,320)	(10,000)	(10,000)	(10,000)
Administration	(25,242)	(50,813)	(50,813)	(51,432)
Total Expenditures	(\$211,226)	(\$230,813)	(\$245,813)	(\$246,432)
Ending Balance	\$3,412,483 ^{\1}	\$3,620,471	\$3,423,670	\$3,434,238

^{\1} From June 30, 2015, 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} Claims liabilities 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.

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

	2013-15 Actual ^{\1}	2015-17		2017-19 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$583,545,799	\$572,485,454 ^{\2}	\$572,485,454 ^{\2}	\$0
Revenue:				
Transfer from Tax Relief Fund				\$300,000,000
Transfer from SIIF				154,162,971
Transfer from General Fund	0	0	0 ^{\4}	0 ^{\4}
Total Revenue	\$0	\$0	\$0	\$454,162,971
Transfers:				
Transfers to General Fund	(\$11,060,345) ^{\3}	\$0	(\$572,485,454) ^{\5}	\$0 ^{\5}
Ending Balance	\$572,485,454	\$572,485,454	\$0	\$454,162,971

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2015.

\2 Actual July 1, 2015 balance.

\3 Transfer to the General Fund based on appropriations for the 2015-17 biennium and the provisions of NDCC Section 54-27.2-01 requiring a transfer sufficient to bring the balance of the fund to 9.5 percent of appropriations.

\4 Estimated transfer from the General Fund based on recommended appropriations for the 2017-19 biennium and the provisions of NDCC Section 54-27.2-01 requiring a transfer sufficient to bring the balance of the fund to 9.5 percent of appropriations. No transfer is anticipated for the 2015-17 and 2017-19 bienniums.

\5 Actual General Fund collections fell short of revenue projections in the 2015-17 biennium. As provided in Section 54-27.2-03, \$572,484,454 was transferred to the General Fund. No transfer from the Budget Stabilization Fund to the General Fund is anticipated for the 2017-19 biennium.

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 9.5 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.

Capital Building Trust Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	2017-19 Executive Budget
Beginning Balance	\$2,841,003	\$5,903,878 ^{\2}	\$2,448,041
Revenue:			
Rent, Royalties and Bonuses	4,193,372	2,370,167	1,907,661
Governor's Residence Fundraising		1,000,000	
Investment Income	18,413	161,741	100,000
Total Revenue	\$4,211,785	\$3,531,908 ^{\3}	\$2,007,661
Expenditures/Transfers:			
Capitol Grounds Continuing Approp	\$0	(\$175,000) ^{\4}	(\$175,000) ^{\4}
Capitol Grounds Planning Meetings	0	(25,000)	(25,000)
Facilities Management Projects	(1,092,000)		
Facilities Management Projects			
Capitol Building Entrance and Signage		(1,400,000)	
Legislative Electrical and Ceiling Repairs		(310,000)	
Facilities Management Extraordinary Repairs			(1,000,000)
Governor's Residence		(5,000,000) ^{\5}	
Administrative Expense	(50,883)	(70,843)	(84,000)
Income Payments to Counties	(6,027)	(6,902)	(7,266)
Total Expenditures	(\$1,148,910)	(\$6,987,745) ^{\6}	(\$1,291,266)
Ending Balance	\$5,903,878	\$2,448,041	\$3,164,436

^{\1} Final revenues and expenditures per state accounting system reports dated June 30, 2015.

^{\2} Actual July 1, 2015 balance.

^{\3} Based on actual revenues through October 31, 2016 and estimated revenues for the remainder of the biennium using the November 2016 executive revenue forecast.

^{\4} Section 48-10-02 provides a continuing appropriation to the Capitol Grounds Planning Commission to spend up to \$175,000 per biennium of income and interest of the Capitol Building fund. The amount that may be spent may not exceed 50 percent of the unencumbered balance of the fund on the first day of the biennium.

^{\5} Funding of \$4.0 million was appropriated from the Capitol Building fund in 2015 Senate Bill 2304, for the demolition of the existing Governor's residence and the construction of a new residence. The bill also included an appropriation of \$1.0 million from private donations for a total appropriation of \$5.0 million for the project.

^{\6} Estimated expenditures for the 2015-17 biennium.

Community Health Trust Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$47,258	\$429,184	\$429,184 ^{\2}	\$63,964
Revenue:				
Transfers from the Tobacco Settlement Trust	\$4,223,048	\$3,980,000	\$4,026,644	\$4,000,000 ^{\5}
Total Revenue	\$4,223,048	\$3,980,000	\$4,026,644	\$4,000,000
Expenditures:				
Dental Loan Program	(\$360,000)	(\$55,000)	(\$55,000) ^{\3}	
Dental New Practice Grant	(5,000)			
Tobacco Prevention and Control	(3,228,768)	(3,440,864) ^{\4}	(3,440,864) ^{\3,4}	(\$3,200,000) ^{\4}
Women's Way Program	(247,354)	(400,000)	(400,000) ^{\3}	(329,500)
Behavioral Risk Factor State Survey (BRFSS)		(496,000)	(496,000) ^{\3}	(470,500)
Total Expenditures	(\$3,841,122)	(\$4,391,864)	(\$4,391,864)	(\$4,000,000)
Ending Balance	\$429,184	\$17,320	\$63,964	\$63,964

\1 Final revenue and expenditures per state accounting system reports dated June 30, 2015.

\2 Actual July 1, 2015 balance.

\3 Estimated expenditures for the 2015-17 biennium projected by the Health Department.

\4 Approved by voters in 2008, Measure #3 provides that 80.0 percent of the tobacco settlement revenue allocated to the community health trust fund must be spent on tobacco related programs.

\5 Estimated revenues based on average actual receipts during the 2011-13 and 2013-15 biennia.

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, within 30 days of deposit in the fund as follows:

- 10.0 percent to the community health trust fund
- 45.0 percent to the common schools trust fund
- 45.0 percent 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

	2013-15 Actual ¹	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$77,651,986	\$76,770,635	\$75,867,942 ²	\$25,000,000
Revenue:				
Transfers from oil and gas taxes	\$22,000,000 ³	\$16,422,400 ⁴	\$12,959,303 ⁵	\$0 ⁷
Interest earnings	81,030	76,000	70,000	70,000
Miscellaneous reimbursements	1,007,480	200,000	500,000	500,000
Total Revenue	\$23,088,510	\$16,698,400	\$13,529,303	\$570,000
Expenditures:				
Loan Repayment (Disasters 09-11)	(\$1,306,121)			
2009 Flood disaster	(2,530,274)	(\$1,445,359)	(\$391,934)	
January 2010 winter storm	(310,392)			
2010 Flood	(320,896)	(835,146)	(1,310,764)	
April 2010 ice storm	(565,976)	(13,968)	(102,560)	
2011 Flood	(7,430,968)	(12,363,401)	(9,648,906)	(\$3,733,429)
2011 Ice Storm (2013 HB1016)	(616,217)		(925)	
2013 Flood	0	(1,372,954)		
Housing Rehab and Retention (2013 HB1016)	(2,461,072)	(2,080,557)		
Transfer to ND Housing Finance for Flood- Impact Housing Assistance (2013 HB1016)	(1,500,000)		(1,088,468)	
Volunteer Response Coordination	(400,000)	(200,000)	(125,000)	
Road Grade Raising Projects	(91,986)	(4,698,342)	(2,562)	
Flood Mitigation in Incorporated Cities	(1,461,014)	(361,566)		
Disaster Coordination Contract	(1,031,218)	(1,000,000)	(34,810)	
Valley City Flood Protection	(3,000,000)			
Chronic Flooding		(2,000,000)		
Flood Control (2015 SB2020)		(34,000,000)	(34,000,000)	
Double Ditch Historic Sites		(2,000,000)		
2013 Red River Valley Flood Disaster	(1,591,134)		(982,975)	(651,969)
2013 Snow Storm	(36,116)	(859,229)	(465,301)	(408,667)
2014 Summer Flooding	(219,170)	(147,423)	(119,639)	(109,396)
2014 Rain Storms	0			
Infrastructure Repair (2015 SB2016)			(732,578)	
Total Expenditures	(\$24,872,554)	(\$63,377,945)	(\$49,006,422) ⁶	(\$4,903,461)

Ending Balance Before Commitments	\$75,867,942	\$30,091,090	\$40,390,823	\$20,666,539
Less Fund Balance Commitments				
2011 Flood			(3,733,429)	
2013 Red River Valley Flood Disaster			(651,969)	
2013 Snow Storm			(408,667)	
2014 Summer Flooding			(109,396)	
Housing Rehab and Retention (2013 HB1016)			(992,089)	
Disaster Coordination Contract (2013 HB1016)			(433,972)	
Volunteer Response Coordination			(75,000)	
Road Grade Raising Projects			(4,695,780)	
Flood Mitigation in Incorporated Cities			(23,099)	
Disaster Coordination Contract (2015 SB2016)			(1,000,000)	
Double Ditch Historic Sites			(2,000,000)	
Infrastructure Repair (2015 SB2016)			(1,267,422)	
Total Assigned Fund Balance	\$0	\$0	(\$15,390,823)	\$0
Ending Unobligated Balance	\$75,867,942	\$30,091,090	\$25,000,000	\$20,666,539

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

\2 Actual July 1, 2015 balance.

\3 2011 House Bill 1451 provided that \$22.0 million be transferred to the state Disaster Relief Fund if funds become available after making the required transfers to the General Fund, Property Tax Relief Sustainability Fund, and Strategic Investment and Improvement Fund.

\4 Due to the decrease in oil tax revenues it does not appear that the full \$22.0 million listed in NDCC Section 57-51.1-07.5 will be transferred to the Disaster Relief Fund. The anticipated amount that will be allocated to the Disaster Relief Fund is \$16.4 million.

\5 Section 3 of 2015 HB1377 amends NDCC 57-51.1-07.5 and states that the unobligated balance of the Disaster Relief Fund cannot be above \$25.0 million. Based on the November, 2016 revenue forecast the Disaster Relief Fund was to receive \$14.6 million in oil revenue, but this amount puts the balance over the \$25.0 million limit by \$1.7 million. Therefore, the amount to be transferred is reduced to \$12.9 million.

\6 Based on actual expenditures through September 30, 2016 and agency estimated expenditures through June 30, 2017.

\7 Due to the decrease in oil revenues the amount listed in NDCC 57-51.1-07.5 will not be transferred to the Disaster Relief Fund in the 2017-19 biennium.

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. Expenditures from the fund also require approval by the Emergency Commission and Budget Section. Interest and other fund earnings must be deposited in the fund.

Fire and Tornado Fund Status Statement

	2013-15 Actual	2015-17		2017-19 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$24,772,838	\$22,716,331	\$23,173,071 ^{\1}	\$22,212,323
Revenue:				
Premium Revenue	\$5,706,268	\$5,250,000	\$5,700,000 ^{\2}	\$6,000,000 ^{\2}
Investment Revenue (Loss)	3,346,180	5,000,000	5,000,000	5,000,000
Claims Recovery	418,599 ^{\3}	350,000 ^{\3}	400,000 ^{\3}	400,000 ^{\3}
Boiler Inspection Fee	704,529	700,000	700,000	700,000
Total Revenues	<u>\$10,175,576</u>	<u>\$11,300,000</u>	<u>\$11,800,000</u>	<u>\$12,100,000</u>
Expenditures:				
Insurance Claims	(\$3,439,082)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)
Claims Related Payments	(7,047,985)	(6,000,000)	(6,500,000)	(6,500,000)
Administration/Investment Expenses	(1,153,356)	(1,660,748)	(1,660,748)	(1,752,939)
Fire Marshal Inspection Fees	(134,920)	(100,000)	(100,000)	(100,000)
Total Expenditures	<u>(\$11,775,343)</u>	<u>(\$12,260,748)</u>	<u>(\$12,760,748)</u>	<u>(\$12,852,939)</u>
Ending Balance	\$23,173,071 ^{\1}	\$21,755,583	\$22,212,323	\$21,459,384

^{\1} From June 30, 2015, Comprehensive Annual Financial Report (CAFR).

^{\2} The department has instructed agencies to budget assuming premiums will increase by 5.0 percent annually.

^{\3} Claims recovery reflects amounts recovered through re-insurance purchased to cover claims that exceed a specific amount per incident.

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

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$335,364,942	\$614,605,427	\$617,625,443 ^{\2}	\$299,101,714
Revenue:				
Oil Extraction Tax allocations	\$282,260,501	\$176,963,783	\$123,323,690 ^{\3}	\$145,424,692 ^{\4}
Transfers:				
Transfer to State School Aid Program	\$0	\$0	(\$116,053,293) ^{\5}	(\$140,000,000) ^{\10}
Transfer to School Construction Loan Fund	0	0	(200,000,000) ^{\6}	0
Transfer to scholarship Endowment Fund	0	0	(200,000,000) ^{\7}	0
Required Adjustment Needed for SB2039	0	0	74,205,874 ^{\8}	0
Total Transfers	\$0	\$0	(\$441,847,419)	(\$140,000,000)
Ending Balance	\$617,625,443	\$791,569,210	\$299,101,714	\$304,526,406
15% to be Retained in Fund Balance	\$0	\$0	\$252,266,100 ^{\9}	\$265,770,900 ^{\11}

^{\1} Final revenues and expenditures per state accounting system reports, dated June 30, 2015.

^{\2} Actual July 1, 2015 balance.

^{\3} Based on actual revenues through October 31, 2016, and estimated revenues for the remainder of the biennium using the November 2016 executive revenue forecast.

^{\4} Revenue estimates based on the November 2016 executive revenue forecast, which assumes oil prices of \$53.00 per barrel and 900,00 barrels of oil per day (BOPD) for FY 2018; and average price of \$53.00 per barrel and 900,000 BOPD for FY 2019.

^{\5} The Governor ordered two allotments during the 2015-17 biennium. In February, 2016 the allotment was for 4.05 percent. A transfer was made for \$71.7 million to the Department of Public Instruction to cover the state student aid portion of this allotment. The second allotment was in August, 2016 for 2.5 percent. The transfer to cover this allotment was \$44.3 million.

^{\6} Section 9 of 2015 SB2039 requires a transfer be made to a school construction assistance loan fund in the amount equal to the lesser of \$200.0 million or 50 percent of the balance in the foundation aid stabilization fund at December 1, 2016.

^{\7} Section 10 of 2015 SB2039 requires a transfer be made to a scholarship endowment fund in the amount equal to the lesser of \$200.0 million or 50 percent of the balance in the foundation aid stabilization fund at December 1, 2016.

^{\8} The passage of Measure 2 in the November, 2016 general election states that 15 percent of the appropriated General Fund amount for student aid from the last completed biennium needs to be retained in the fund, which equals \$252.7 million. The two transfers required in SB2039 take the fund balance below this required amount so this adjustment is needed to retain 15 percent fund balance:

Balance at December 1, 2016	\$578,060,226
15 percent of the General Fund appropriation for state student aid from the 13-15 biennium (\$1.68 billion)	\$252,266,100
Amount available to transfer	\$325,794,126
Transfer to school construction loan fund	\$200,000,000
Transfer to scholarship endowment fund	\$200,000,000
Amount that exceeds limit available	(\$74,205,874)

- \9 The 15 percent is calculated off of the General Fund appropriation for student aid for the most recently completed biennium. The General Fund amount for the 2013-15 biennium is \$1.68 billion.
- \10 This amount will be used as an additional funding source for state school aid.
- \11 The 15 percent is calculated off of the General Fund appropriation for student aid for the most recently completed biennium. The General Fund amount for the 2015-17 biennium is \$1.77 billion.

Notes:

The Foundation Aid Stabilization Fund was created in 1994 upon voter approval of Article X, Section 24 of the Constitution of North Dakota. This section was amended with the approval of Measure 2 (from 2015 SCR4003) in the 2016 general election so that oil extraction taxes are to be allocated as follows:

10 percent to the Common Schools Trust Fund

10 percent to the Foundation Aid Stabilization Fund

The measure also states that whenever the principal balance of the Foundation Aid Stabilization Fund exceeds 15 percent of the general fund appropriation for state aid to school districts, for the most recently completed biennium, this amount may be used for education-related purposes, as provided by law.

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

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$397,589	\$604,808	\$604,808 ^{\2}	\$834,024
Revenue:				
Investment Earnings	\$1,068	\$1,035	\$1,035	\$1,595
Principal and Interest Repayments	1,224,173	999,499	999,499	1,014,012
Total Revenue	<u>\$1,225,241</u>	<u>\$1,000,534</u>	<u>\$1,000,534</u>	<u>\$1,015,607</u>
Expenditures:				
Bed Layaway Program - DHS	(\$546,786)	(\$546,786)	(\$546,786)	(\$546,786)
Assisted Living Low Income Loans	(425,000)			
Increased Nursing Home per Bed Limit (HB 1234)		(139,405)	(139,405)	(139,405)
Fair Labor Standards Act - Qualified Service Providers (QSPs)				(1,069,672)
Nurse Aid Registry	(46,236)	(85,127)	(85,127)	(93,768)
Total Expenditures	<u>(\$1,018,022)</u>	<u>(\$771,318)</u>	<u>(\$771,318)</u>	<u>(\$1,849,631)</u>
Ending Balance	\$604,808	\$834,024	\$834,024	\$0

\1 Final revenue and expenditures per state accounting system reports dated June 30, 2015.

\2 Actual July 1, 2015 balance.

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

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$0	\$0	\$0 ^{\2}	\$0
Revenue:				
Motor Vehicle Fuel Tax	\$208,366,727	\$208,000,000	\$195,000,000	\$195,000,000
Special Fuel Taxes	239,731,378	249,800,000	187,100,000	187,100,000
Motor Vehicle Registration Fees	198,045,754	183,300,000	178,100,000	176,700,000
Total Revenue	<u>\$646,143,859</u>	<u>\$641,100,000</u> ^{\3}	<u>\$560,200,000</u> ^{\3}	<u>\$558,800,000</u> ^{\3}
Transfers:				
State Highway Fund Allocation	(\$384,986,744)	(\$382,412,670)	(\$332,812,670)	(\$331,889,948)
Counties Allocation	(138,198,479)	(137,200,000)	(119,400,000)	(119,060,000)
Cities Allocation	(78,496,063)	(78,000,000)	(67,900,000)	(67,680,000)
Townships Allocation	(17,007,542)	(16,800,000)	(14,700,000)	(14,590,000)
Transit Allocation	(9,399,745)	(9,400,000)	(8,100,000)	(8,100,000)
Highway Patrol	(6,841,116)	(6,687,330)	(6,687,330)	(6,880,052)
Motorboat Safety Account	(260,220)	(200,000)	(200,000)	(200,000)
State Snowmobile Fund	(157,617)	(200,000)	(200,000)	(200,000)
Hwy-Rail Grade Crossing Safety Projects	(500,000)			
Administrative Assistance to Transferees	(5,500,000)	(5,500,000)	(5,500,000)	(5,500,000)
Ethanol Production Incentive	(4,796,333)	(4,700,000)	(4,700,000)	(4,700,000)
Total Transfers	<u>(\$646,143,859)</u>	<u>(\$641,100,000)</u>	<u>(\$560,200,000)</u>	<u>(\$558,800,000)</u>
Ending Balance	\$0	\$0	\$0	\$0

\1 Final revenues and expenditures per Department of Transportation.

\2 Actual July 1, 2015 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 judgment 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 40 gallons of motor vehicle fuel multiplied by the number of collector snowmobiles and 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 40.0 percent of all sums collected for the registration of farm vehicles (39-04-39). No transfers may be made that would result in the balance of the ethanol production incentive fund exceeding \$7.5 million.

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.

Legacy Fund Status Statement

	2013-15 Actual	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$1,194,228,388 ^{\1}	\$3,242,882,323	\$3,289,089,229	\$4,236,518,250
Revenue:				
Transfers from Oil and Gas Taxes	\$1,860,003,972	\$1,097,524,273	\$817,429,021 ^{\2}	\$949,187,217 ^{\2}
Transfer from SII Fund	21,730,109 ^{\3}			
Realized Investment Earnings	145,255,008	120,000,000	130,000,000 ^{\4}	160,000,000 ^{\4}
Unrealized Investment Earnings	67,871,752			
Total Revenue	\$2,094,860,841	\$1,217,524,273	\$947,429,021	\$1,109,187,217
Expenditures:				
Transfer to General Fund				(\$160,000,000)
Legislative Appropriations	\$0	\$0	\$0	0 ^{\5}
Ending Balance ^{\6}	\$3,289,089,229	\$4,460,406,596 ^{\6}	\$4,236,518,250 ^{\6}	\$5,185,705,467 ^{\6}

^{\1} Actual July 1, 2013 balance per financial statements as they appear on the website for the Retirement and Investment Office.

^{\2} Revenue estimate based on actual collections through November 2016 and the November 2016 executive revenue forecast for oil price and production.

^{\3} Pursuant to HB1451 (2011), once the unobligated balance in the Strategic Investment and Improvement Fund (SIIF) reaches \$300.0 million, 25 percent of fund revenues must be deposited into the legacy fund. Oil and gas taxes amounts reflected on this schedule include the legacy fund's estimated 25 percent share starting in February 2013 and continuing through the end of the 2013-15 biennium. The amount shown as the anticipated transfer from the SII fund represents 25 percent of SIIF revenues other than oil and gas taxes estimated to be received after the unobligated fund balance exceeds the \$300.0 million threshold.

^{\4} Investment earnings estimated by Retirement and Investment Office assuming average balance of \$4.00 billion and average annual earnings of 1.5 percent for the 2015-17 biennium and actual realized earnings of \$65.0 million in the first year of the 2015-17 biennium. Estimated earnings for the 2017-19 biennium are based on average balances between \$4.40 billion and \$5.00 billion.

^{\5} Based on ND Constitution Article X, Section 26, no expenditures of principal or interest may be made from the fund until after June 30, 2017.

^{\6} The ending balance reflects only the oil revenue allocations and actual/estimated earnings of the fund and may not reflect additional activities in the fund. For complete financial statement information for the Legacy Fund refer to the Retirement and Investment Office website.

Notes:

House Concurrent Resolution No. 3054 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 is transferred to the fund. Interest and investment earnings are 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.

ND Outdoor Heritage Fund Status Statement

	2013-15 Actual	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$0 ^{\1}	(\$715,376)	(\$5,217,411)	\$0
Revenue:				
Oil and Gas Production Tax	18,641,973	27,401,685	19,886,685 ^{/2}	10,000,000 ^{/2}
Interest Income	8,182	20,000	17,600	8,800
Total Revenue	18,650,155	27,421,685	19,904,285	10,008,800
Expenditures/Commitments:				
Administrative Expenses	(90,035)	(300,000)	(150,000)	(150,000)
Available for Grant Commitments	(23,777,531)	(26,406,309)	(14,536,874) ^{/3}	(9,858,800) ^{/3}
Total Expenditures and Commitments	(23,867,566)	(26,706,309)	(14,686,874)	(10,008,800)
Ending Balance	(\$5,217,411)	\$0	\$0	\$0

^{\1} The fund is created by passage of 2013 House Bill 1278. No moneys were deposited in the fund until July 2013.

^{\2} Although NDCC section 57-51-15 establishes a maximum allocation of \$20.0 million per year, the current forecast for oil and gas taxes will result in approximately \$19.9 million being allocated to the fund during the 2015-17 biennium. The executive budget recommends decreasing the allocation to \$10.0 million per biennium beginning with the 2017-19 biennium.

^{\3} All moneys in the fund are appropriated on a continuing basis, pursuant to NDCC Section 54-17.8-02. Grant commitments include some projects that will draw down funds over a 10 year period. The amounts shown reflect the estimated amount available for grants and not the amount expended.

Notes:

The 2013 legislature, through passage of House Bill 1278, established the North Dakota Outdoor Heritage Fund. The bill creates chapter 54-17.8 of the NDCC, which establishes an advisory board to administer the fund, provides a continuing appropriation for the fund, and establishes allowable uses of the fund. Moneys in the fund can be used for grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations to:

- Provide access to private and public lands for sportsmen;
- Improve and maintain water quality, soil conditions, and support stewardship practices to enhance farming and ranching;
- Develop wildlife and fish habitat; and
- Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Funds may not be used for:

- Litigation;
- Lobbying; or
- Activities that would interfere with coal mining, sand and gravel extraction, oil and gas operations, or other energy facility or infrastructure development.

Four percent of oil and gas gross production tax revenue, up to the appropriated amount, is deposited into the fund.

Political Subdivision Allocation Fund Status Statement

	2015-17		2017-19
	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$0	\$0	\$0
Revenue:			
Oil and Gas Taxes	92,666,830	14,854,178 ^{\1}	0
Total Revenue	\$92,666,830	\$14,854,178	\$0
Transfers:			
Potential Distribution to Political Subdivisions	(21,028,847)	0 ^{\2}	0
Total Expenditures and Transfers	(\$21,028,847)	\$0	\$0
Ending Balance	\$71,637,983	\$14,854,178 ^{\3}	\$0

- ^{\1} The amount shown reflects the executive budget revenue forecast for the 2015-17 biennium. The executive budget forecast assumes an average price of \$45.61 per barrel and production holding constant at 900,000 BOPD from January 2016 through the end of the 2015-17 biennium.
- ^{\2} Pursuant to House Bill 1377 (2015), if the balance of the fund exceeds \$10.0 million on March 1 and/or August 1 of each odd-numbered year, the entire balance is to be distributed to the political subdivisions in the same proportion that they have received oil and gas allocations over the most recently completed fiscal year.
- ^{\3} This ending balance is expected to be distributed to political subdivisions on August 1, 2017.

Notes:

The Political Subdivision Allocation Fund was created by the 2015 legislature to return additional oil and gas tax revenues to political subdivisions in oil and gas producing counties for revenues collected from oil produced through June 30, 2017. If the balance of this fund exceeds \$10.0 million on March 1 and/or August 1 of each odd-numbered year, the entire balance would be distributed to the political subdivisions in the same proportion that they had received oil and gas allocations over the most recently completed fiscal year.

Resources Trust Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$292,961,846	\$585,250,096	\$576,346,704 ^{\2}	\$259,366,123
Revenue:				
Repayments and Reimbursements	\$11,583,054	\$12,682,000	\$14,576,000	\$12,400,000
Oil Extraction Tax Collections	564,521,002	353,927,567	246,647,381	290,849,384 ^{\5}
Interest	3,438,666	3,445,000	3,500,000	2,700,000
Total Revenue	\$579,542,722	\$370,054,567	\$264,723,381 ^{\3}	\$305,949,384
Expenditures and Transfers:				
Water Commission Expenditures	(\$280,550,000)	(\$755,817,897)	(\$552,850,000) ^{\4}	(\$560,500,000)
Transfer to Renewable Energy Development Fund	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000) ^{\6}
Transfer to Energy Conservation Grant Fund	(1,200,000)	(1,200,000)	(1,189,224)	(1,200,000) ^{\6}
Transfer to Infrastructure Loan Fund	(11,407,864)	(35,392,757)	(24,664,738)	0
Total Expenditures and Transfers	(\$296,157,864)	(\$795,410,654)	(\$581,703,962)	(\$564,700,000)
Ending Balance	\$576,346,704	\$159,894,009	\$259,366,123	\$615,507

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

^{\2} Actual July 1, 2015 balance.

^{\3} Actual revenues through October 31, 2016 plus estimated receipts for the remainder of the biennium, based on the November 2016 executive revenue forecast.

^{\4} Estimated agency expenditures for the 2015-17 biennium.

^{\5} Executive forecast assumes average price of 53.18 per barrel and 900,000 barrels of oil per day (BOPD) for the 2017-19 biennium.

^{\6} SB2014, passed by the 2013 legislature, provides that 5.0 percent of oil extraction taxes deposited in the resources trust fund, up to \$3.0 million per biennium, must be transferred quarterly to the Renewable Energy Development Fund. This bill also provides that 0.5 percent of the amount deposited in the Resources Trust Fund, up to \$1.2 million per biennium, must be transferred to the Renewable Energy Conservation Grant Fund.

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, 10.0 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 20.0 percent of oil extraction tax collections will be deposited in the Resources Trust Fund.

State Aid Distribution Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$26,987,197	\$0	\$0 ^{\2}	\$0
Revenue:				
Sales Tax Revenue	\$226,508,279	\$226,026,428	\$172,441,297	\$184,979,819
Motor Vehicle Excise Tax Revenue	25,125,244	29,493,262	19,745,644	20,559,062
Total Revenue	\$251,633,523	\$255,519,690	\$192,186,941 ^{\3}	\$205,538,881 ^{\4}
Expenditures:				
Distributions to Cities and Counties	(\$278,620,720)	(\$255,519,690)	(\$192,186,941)	(\$205,538,881)
Ending Balance	\$0	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2015. The 2013-15 beginning balance includes a distribution for the 2011-13 biennium which was inadvertently recorded as a 2013-15 biennium transfer.

\2 Actual July 1, 2015 balance.

\3 Based on actual revenues through October, 2016, and estimated receipts for the remainder of the biennium using the November 2016 executive revenue forecast.

\4 Estimated revenues based on the November 2016 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 43.5 percent of an amount determined by multiplying 1 percent, divided by the general sales tax rate, times the net sales, use, and motor vehicle excise tax collections. The calculation results in 8.7 percent 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.

Strategic Investment and Improvements Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$969,920,162	\$508,490,731	\$793,726,995	\$473,226,165
Revenue:				
Mineral Royalties	220,997,679	161,843,440	119,042,489	\$181,694,250
Mineral Rents	290,430	400,000	1,064,838	400,000
Mineral Bonus	22,706,090	8,000,000	14,135,055	8,000,000
Oil and Gas Taxes	1,004,342,045	316,222,602	134,660,279 ^{\2}	70,447,874 ^{\2}
Loan Income	2,533,544	4,000,000		6,258,539
Investment Income	3,775,510	2,621,489	7,873,595	
Total Revenues	<u>\$1,254,645,298</u>	<u>\$493,087,531</u>	<u>\$276,776,256</u>	<u>\$266,800,663</u>
Expenditures:				
Transfer to General Fund	(520,000,000)		(\$30,000,000)	(30,000,000)
Transfer to Legacy Fund	(21,730,109)			
Appropriations	(887,250,000)	(296,975,322)		(\$216,857,971) ^{\3}
Emergency Services loan repayment			(17,079,500)	
Supplemental appropriations			(14,881,979)	
Current Biennium Appropriations			(533,366,904)	
Administrative Expenses	(1,858,356)	(1,980,000)	(1,948,703)	(2,040,000)
Total Expenditures and Transfers	<u>(\$1,430,838,465)</u>	<u>(\$298,955,322)</u>	<u>(\$597,277,086)</u>	<u>(\$248,897,971)</u>
Ending Balance	\$793,726,995	\$702,622,940	\$473,226,165	\$491,128,857
Less Assigned Fund Balance				
Potential Title Disputes	(\$141,197,060)	(\$141,197,060)	(\$142,325,049)	(\$142,325,049)
School Construction Loan Program	(\$150,000,000)			
Medical Facility Loan Program	(\$50,000,000)			
Guarantee Reserve Fund Balance	(18,000,000)	(25,000,000)	(17,181,230)	(17,181,230)
Unassigned Fund Balance	<u>\$434,529,935</u>	<u>\$536,425,880</u>	<u>\$313,719,886</u>	<u>\$331,622,578</u>

^{\1} Final revenue and expenditure information per the Department of Trust Lands.

^{\2} Pursuant to House Bill 1451 (2011), a portion of oil and gas tax revenues is allocated to the Strategic Investment and Improvements Fund. Based on the most current forecast for oil and gas taxes and actual deposits through November 2016, \$134.7 million is anticipated to be deposited into the Strategic Investment and Improvements Fund during the 2015-17 biennium; \$70.4 million during the 2017-19 biennium. The decrease is primarily due to an increase in the allocation of gross production taxes to the General Fund which decreases the amount allocated to the Strategic Investment and Improvements Fund.

^{\3} 2017-19 recommended appropriations and transfers include:

- \$25.4 million to Valley City State University Fine Arts Building related to flood issues;
- \$2.8 million for potential litigation fees for several agencies;
- \$24.1 million for airports;

\$936,000 to the Department of Corrections and Rehabilitation for an electronic medical records system;
\$514,000 to the Highway Patrol for equipment and increased costs;
\$2.0 million to the Department of Commerce for a grant for unmanned aerial systems;
\$1.0 million to the Department of Commerce for base retention;
\$3.0 million for Challenge grants;
\$154.0 million transfer to the Budget Stabilization Fund.
\$3.0 million transfer to the lignite research fund.

Notes:

The Strategic Investment and Improvements Fund was created by the 2011 legislature to replace the lands and minerals trust fund. In addition to income from the sale, lease, and management of certain state owned lands and mineral interests previously allocated to the Lands and Minerals Trust Fund, the Strategic Investment and Improvements Fund receives a portion of state oil and gas taxes.

Tax Relief Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$341,790,000	\$657,000,000	\$657,000,000 ^{\2}	\$300,000,000
Revenue:				
Transfers from the General Fund	\$315,210,000 ^{\3}			
Allocation of Oil Tax Revenue	341,790,000	300,000,000	300,000,000	
Total Revenue	\$657,000,000	\$300,000,000	\$300,000,000	\$0
Expenditures:				
Transfer to the Budget Stabilization Fund				(300,000,000) ^{\5}
Transfer to the General Fund for Property Tax Relief	(341,790,000)	(657,000,000)	(657,000,000) ^{\4}	
Total Expenditures	(\$341,790,000)	(\$657,000,000)	(\$657,000,000)	(\$300,000,000)
Ending Balance	\$657,000,000	\$300,000,000	\$300,000,000	\$0

^{\1} Final revenues and expenditures per state accounting system reports dated June 30, 2015.

^{\2} Actual July 1, 2015 balance.

^{\3} Section 3 of 2013 House Bill 1015 provides for a one-time transfer from the general fund to the Property Tax Relief Fund to set aside money for continuation of property tax relief programs during the 2015-17 biennium.

^{\4} Section 5 of 2013 House Bill 1013 provides for a transfer from the Property Tax Relief Fund to the general fund for property tax relief programs enacted by the 2013 legislature. For the 2013-15 biennium, property tax relief is provided through the integrated school funding formula (House Bill 1013) and through a state-paid property tax credit program (SB2036).

^{\5} The executive budget recommendation removes the transfer of oil and gas tax revenues to the Tax Relief fund and provides for a transfer of the remaining balance in the Tax Relief Fund to the Budget Stabilization Fund.

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. NDCC Section 57-51.1-07.5 provides that the first \$200.0 million of the state share of oil and gas taxes be allocated to the General Fund each biennium. The next \$341.8 million is allocated to the Property Tax Relief Fund.

The 2015 Legislative Assembly changed the name of the fund to the Tax Relief Fund and decreased the amount of the state share of oil and gas tax revenue deposited in the fund from \$341.8 million to \$300.0 million each biennium.

Tobacco Prevention and Control Trust Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$40,654,657	\$49,341,421	\$49,341,421 ^{\2}	\$55,897,620
Revenue:				
Fiscal Year 1 Payments	\$11,205,876	\$11,304,243	11,480,889 ^{\3}	0
Fiscal Year 2 Payments	11,182,354	11,304,243	11,480,889 ^{\4}	0
Investment Income	43,462	56,521	142,460	142,460
Total Revenue	\$22,431,692	\$22,665,007	\$23,104,238	\$142,460
Expenditures:				
Tobacco Center - Appropriated Expenditures	(\$13,744,928)	(\$16,548,039)	(\$16,548,039)	\$0 ^{\5}
<i>Department of Health:</i>				
Local Public Health Units				(4,000,000)
Cancer Programs				(744,804)
Stroke and Cardiac Care				(756,418)
Physician Loan Repayment				(480,000)
Behavioral Health Loan Repayment				(243,640)
Tobacco Program Grant				(500,000)
<i>Department of Human Services:</i>				
Medicaid Grants				(15,000,000)
Opioid Treatment				(1,799,076)
Total Expenditures	(\$13,744,928)	(\$16,548,039)	(\$16,548,039)	(\$23,523,938)
Ending Balance	\$49,341,421	\$55,458,389	\$55,897,620	\$32,516,142

^{\1} Final revenue and expenditures per state accounting system reports dated June 30, 2015.

^{\2} Actual July 1, 2015 balance.

^{\3} Actual revenue received during fiscal year 2016.

^{\4} Estimated revenues based on fiscal year 2016 actual amount.

^{\5} Proposed that North Dakota Century Code 23-42 is repealed which dissolves the Tobacco Prevention and Control agency.

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. After 2017, no additional strategic contribution fund payments are anticipated.

House Bill 1015 (2009), based on the intent of Measure No. 3, created the Tobacco Prevention and Control Committee as a state agency. Section 35, appropriates funding for the 2009-11 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

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$0	\$0	\$0 ^{\2}	\$0
Revenue:				
Fiscal Year 1 Payments	\$22,756,379	\$20,000,000	\$20,466,444 ^{\3}	\$20,100,000 ^{\4}
Fiscal Year 2 Payments	19,474,101	20,000,000	20,000,000 ^{\4}	20,100,000 ^{\4}
Total Revenue	\$42,230,480	\$40,000,000	\$40,466,444	\$40,200,000
Transfers:				
Attorney General		(\$200,000)	(\$200,000)	(\$200,000) ^{\5}
Transfer to Community Health Trust Fund	(\$4,223,048)	(3,980,000)	(4,026,644)	(4,000,000)
Transfer to Water Development Trust Fund	(19,003,716)	(17,910,000)	(18,119,900)	(18,000,000)
Transfer to Common Schools Trust Fund	(19,003,716)	(17,910,000)	(18,119,900)	0
Transfer to General Fund	0	0	0	(18,000,000) ^{\6}
Total Expenditures and Transfers	(\$42,230,480)	(\$40,000,000)	(\$40,466,444)	(\$40,200,000)
Ending Balance	\$0	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2015.

\2 Actual July 1, 2015 balance.

\3 Actual revenues received during fiscal year 2016.

\4 Estimated revenues based on average actual receipts during the 2011-13 and 2013-15 biennia.

\5 Senate Bill 2003 (2015) amended NDCC Section 57-27-25 to allow expenses related to the enforcement of the Master Settlement Agreement to be paid from the fund.

\6 The executive budget recommendation provides for a transfer of 45 percent of the tobacco settlement revenues less any transfers to the Attorney General to the General Fund rather than the Common Schools Trust Fund.

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 percent to the Community Health Trust Fund
- 45 percent to the Common Schools Trust Fund
- 45 percent 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

	2013-15 Actual ^{\1}	2015-17		2017-19 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$1,852,546	\$5,545,263	\$2,070,163 ^{\2}	\$1,825,505
Revenue:				
Fines for Violation of State Laws	\$14,500,522	\$10,800,000	\$12,755,342 ^{\3}	\$13,000,000
Transfers from Common Schools	130,326,000	206,134,000	206,134,000 ^{\4}	288,264,000 ^{\4}
Total Revenue	\$144,826,522	\$216,934,000	\$218,889,342	\$301,264,000
Expenditures:				
Tuition Fund Distributions to Schools	(\$144,608,905) ^{\6}	(\$219,134,000)	(\$219,134,000) ^{\5}	(\$301,264,000)
Ending Balance	\$2,070,163	\$3,345,263	\$1,825,505	\$1,825,505

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2015.

\2 Actual July 1, 2015 balance.

\3 Actual revenues through October 31, 2016 and estimated revenues for the remainder of the biennium.

\4 Common schools trust fund distribution estimates provided by Department of Trust Lands.

\5 Section 4 of 2015 Senate Bill 2015 appropriates additional funds, if they become available.

\6 Actual expenditures for the 2013-15 biennium were \$140,326,000 but \$4,282,905 more revenue was collected in fines and was transferred to the department's operating fund rather than staying in the tuition apportionment fund.

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 Apportionment Fund, pursuant to North Dakota Century Code Section 15.1-28-01. Beginning with the 2007-09 biennium, tuition apportionment payments have been included in state school aid distributions to school districts.

Water Development Trust Fund Status Statement

	2013-15 Actual ^{\1}	2015-17 Legislative Appropriation	Revised Estimate	2017-19 Executive Budget
Beginning Balance	\$26,550,736	\$26,929,452	\$26,929,728 ^{\2}	\$32,429,728
Revenue:				
Transfers from the Tobacco Settlement Trust	\$19,003,716	\$17,910,000	\$18,100,000 ^{\3}	\$20,000,000 ^{\5}
Expenditures:				
Water Commission Expenditures	(\$18,624,724)	(\$34,500,000)	(\$12,600,000) ^{\4}	(\$52,000,000)
Ending Balance	\$26,929,728	\$10,339,452	\$32,429,728	\$429,728

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

\2 Actual July 1, 2015 balance.

\3 Actual revenues received during fiscal year 2016 and estimated revenues for fiscal year 2017 based on average of fiscal year 2015 and 2016 actual amounts.

\4 Estimated expenditures for the 2015-17 biennium, as projected by the State Water Commission.

\5 Estimated revenues based on average of fiscal year 2015 and 2016 actual amounts.

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 are 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.

Comparison of 2013-2015 and 2015-2017 Legislatively Authorized FTE and 2017-2019 Executive Recommendation

Biennium: 2017-2019

Department	Notes	2013-2015 Legislatively Authorized FTE	2015-2017 Legislatively Authorized FTE	Increase (Decrease)	2017-2019 Executive Recommendation
Executive Branch					
101 Office of the Governor		18.00	18.00	0.00	18.00
108 Secretary of State		31.00	34.00	(1.00)	33.00
110 Office of Management and Budget		130.50	122.50	(3.50)	119.00
112 Information Technology		340.30	350.30	(1.00)	349.30
117 Office of the State Auditor		53.80	59.80	(6.00)	53.80
120 Office of the State Treasurer		8.00	8.00	0.00	8.00
125 Office of the Attorney General		215.00	250.00	(16.00)	234.00
127 Office of State Tax Commissioner		134.00	136.00	(3.00)	133.00
140 Office of Administrative Hearings		5.00	5.00	0.00	5.00
188 Commission on Legal Counsel for Indigents		33.00	40.00	0.00	40.00
190 Retirement and Investment Office		19.00	19.00	0.00	19.00
192 Public Employees Retirement System		33.00	34.50	0.00	34.50
Legislative and Judicial Branches					
160 Legislative Council		37.00	37.00	(1.00)	36.00
180 Judicial Branch		363.00	391.00	(36.50)	354.50
Elementary, Secondary & Other Education					
201 Department of Public Instruction		99.75	99.75	(2.00)	97.75
226 Department of Trust Lands		31.00	33.00	(1.00)	32.00
250 State Library		29.75	29.75	0.00	29.75
252 School for Deaf/Res Ctr for Deaf and HoH		44.61	45.61	0.00	45.61
253 ND Vision Services/School for the Blind		30.00	30.00	(0.50)	29.50
270 Career and Technical Education		27.00	26.50	(1.00)	25.50
Higher Education					
215 ND University System		112.91	104.39	44.01	148.40
227 Bismarck State College		126.96	133.53	224.82	358.35
228 Lake Region State College		40.22	50.19	79.42	129.61
229 Williston State College		44.15	49.96	50.79	100.75
230 University of North Dakota		633.60	630.20	1,587.87	2,218.07
232 UND Medical Center		156.55	184.58	251.17	435.75
235 North Dakota State University		491.21	537.10	1,358.56	1,895.66
238 ND State College of Science		171.87	168.30	176.74	345.04
239 Dickinson State University		100.32	120.26	48.64	168.90
240 Mayville State University		62.78	66.23	144.30	210.53
241 Minot State University		201.76	204.10	237.55	441.65
242 Valley City State University		97.29	105.59	97.16	202.75
243 Dakota College at Bottineau		36.12	46.96	37.34	84.30
244 ND Forest Service		28.00	28.96	(1.96)	27.00

Comparison of 2013-2015 and 2015-2017 Legislatively Authorized FTE and 2017-2019 Executive Recommendation

Biennium: 2017-2019

Department	Notes	2013-2015 Legislatively Authorized FTE	2015-2017 Legislatively Authorized FTE	Increase (Decrease)	2017-2019 Executive Recommendation
Health and Human Services					
301 ND Department of Health		354.00	365.00	16.00	381.00
305 Tobacco Prevention and Control		5.00	8.00	(8.00)	0.00
313 Veterans Home		120.72	120.72	0.00	120.72
316 Indian Affairs Commission		5.00	5.00	(1.00)	4.00
321 Department of Veterans Affairs		8.00	9.00	0.00	9.00
325 Department of Human Services		2,200.08	2,211.08	(6.85)	2,204.23
360 Protection and Advocacy		27.50	27.50	0.00	27.50
380 Job Service North Dakota		250.76	237.76	(56.15)	181.61
Regulatory					
401 Office of the Insurance Commissioner		49.50	49.50	(2.50)	47.00
405 Industrial Commission		99.75	121.75	(16.50)	105.25
406 Department of Labor and Human Rights		13.00	15.00	(1.00)	14.00
408 Public Service Commission		44.00	46.00	(1.00)	45.00
412 Aeronautics Commission		6.00	7.00	0.00	7.00
413 Department of Financial Institutions		29.00	30.00	0.00	30.00
414 Securities Department		9.00	9.00	0.00	9.00
471 Bank of North Dakota		179.50	181.50	0.00	181.50
473 ND Housing Finance Agency		46.00	46.00	0.00	46.00
475 ND Mill and Elevator Association		135.00	147.00	6.00	153.00
485 Workforce Safety and Insurance		250.14	260.14	0.00	260.14
Public Safety					
504 Highway Patrol		219.00	215.00	(9.00)	206.00
530 Department of Corrections and Rehabilitation		814.29	836.29	10.00	846.29
540 Office of the Adjutant General		246.00	234.00	0.00	234.00
Agriculture and Economic Development					
601 Department of Commerce		69.25	69.40	(3.00)	66.40
602 Department of Agriculture		77.00	77.00	(2.00)	75.00
627 Upper Great Plains Transportation Institute		53.75	54.98	(11.10)	43.88
628 Branch Research Centers		110.94	120.29	(10.00)	110.29
630 NDSU Extension Service		262.91	265.98	(13.00)	252.98
638 Northern Crops Institute		12.00	12.00	(0.20)	11.80
640 NDSU Main Research Center		351.85	361.12	(25.00)	336.12
649 Agronomy Seed Farm		3.00	3.00	0.00	3.00
670 ND Horse Racing Commission		2.00	2.00	0.00	2.00

Comparison of 2013-2015 and 2015-2017 Legislatively Authorized FTE and 2017-2019 Executive Recommendation

Biennium: 2017-2019

Department	Notes	2013-2015 Legislatively Authorized FTE	2015-2017 Legislatively Authorized FTE	Increase (Decrease)	2017-2019 Executive Recommendation
Natural Resources					
701 Historical Society		69.00	78.00	(1.00)	77.00
709 Council on the Arts		5.00	5.00	0.00	5.00
720 Game and Fish Department		158.00	163.00	0.00	163.00
750 Parks and Recreation Department		55.00	66.00	(1.00)	65.00
770 Water Commission		90.00	97.00	(1.00)	96.00
Transportation					
801 Department of Transportation		1,079.50	1,080.50	(26.49)	1,054.01
Total FTE	1	11,496.89	11,837.57	4,100.12	15,937.69

Notes:

1. State agencies reduced the FTE count by 268.29 and higher education reduced their General Fund FTE count by 315.27 for a total FTE reduction of 583.56.

Three state agencies received additional FTE totaling 32.00.

House Bill 1003, Section 21, which amended NDCC 54-44.1-04 and requires higher education entities to enter all of their budget data (including a pay plan) into the state's budget system in the same manner as other state agencies, increases the FTE count by 4336.41.

The total net change in FTE with state agencies and higher education is 4100.12.

Compensation Package

The recommended compensation package provides for an employee salary increase of 1.0 percent effective July 1, 2018. There is no increase funded for the first year of the biennium.

The compensation package continues full health insurance for state employees and their families. The total cost for health insurance is \$1,249.47 per month per employee. This is a \$119.25 per employee per month increase or 10.55 percent change in the monthly premium over the last biennium.

COMPENSATION PACKAGE ADJUSTMENTS

Biennium: 2017-2019

	Department	Salary Package	Health Incr	Total	Funding Sources		
					General	Federal	Special
101	Office of the Governor	15,466	50,086	65,552	65,552	0	0
108	Secretary of State	19,334	94,446	113,780	110,337	3,443	0
110	Office of Management and Budget	84,292	340,576	424,868	349,287	0	75,581
112	Information Technology	323,298	1,013,148	1,336,446	238,852	0	1,097,594
117	Office of the State Auditor	52,374	163,134	215,508	163,530	22,737	29,241
120	Office of the State Treasurer	7,745	22,898	30,643	30,643	0	0
125	Office of the Attorney General	198,047	695,462	893,509	818,534	8,139	66,836
127	Office of State Tax Commissioner	93,503	380,646	474,149	474,149	0	0
140	Office of Administrative Hearings	5,101	14,310	19,411	0	0	19,411
160	Legislative Council	34,072	8,587	42,659	42,659	0	0
180	Judicial Branch	335,295	1,021,734	1,357,029	1,357,029	0	0
188	Commission on Legal Counsel for	30,989	123,982	154,971	151,219	0	3,752
190	Retirement and Investment Office	19,091	54,376	73,467	0	0	73,467
192	Public Employees Retirement System	25,900	102,885	128,785	0	0	128,785
201	Dept of Public Instruction	77,343	283,332	360,675	111,327	248,202	1,146
215	ND University System	142,439	414,993	557,432	390,250	0	167,182
226	Department of Trust Lands	27,974	91,584	119,558	0	0	119,558
227	Bismarck State College	247,378	1,099,806	1,347,184	519,694	0	827,490
228	Lake Region State College	85,821	408,455	494,276	215,697	0	278,579
229	Williston State College	77,119	258,053	335,172	141,988	0	193,184
230	University of North Dakota	2,175,844	7,535,357	9,711,201	2,540,929	0	7,170,272
235	North Dakota State University	1,569,671	5,466,024	7,035,695	1,724,856	0	5,310,839
238	ND State College of Science	235,991	969,653	1,205,644	595,926	0	609,718
239	Dickinson State University	133,154	421,251	554,405	309,256	0	245,149
240	Mayville State University	117,577	634,269	751,846	247,477	0	504,369
241	Minot State University	298,117	1,283,617	1,581,734	690,363	0	891,371
242	Valley City State University	134,152	595,989	730,141	354,804	0	375,337
243	Dakota College at Bottineau	46,230	231,729	277,959	129,971	0	147,988
244	ND Forest Service	17,977	77,274	95,251	95,251	0	0
250	State Library	16,503	85,861	102,364	89,382	12,982	0
252	School for the Deaf	18,121	8,586	26,707	25,931	776	0
253	ND Vision Services/School for the Blind	9,698	91,584	101,282	101,198	0	84
270	Career and Technical Education	20,401	68,691	89,092	89,092	0	0
301	ND Department of Health	269,084	1,137,650	1,406,734	727,427	552,543	126,764
305	Tobacco Prevention and Control	0	0	0	0	0	0
313	Veterans Home	60,705	412,127	472,832	161,262	0	311,570
316	Indian Affairs Commission	4,183	11,449	15,632	15,632	0	0
321	Department of Veterans Affairs	5,541	25,756	31,297	27,172	4,125	0
325	Department of Human Services	1,402,579	6,376,445	7,779,024	6,526,804	1,245,638	6,582

COMPENSATION PACKAGE ADJUSTMENTS

Biennium: 2017-2019

	Department	Salary Package	Health Incr	Total	Funding Sources		
					General	Federal	Special
360	Protection and Advocacy	22,456	80,140	102,596	49,537	53,059	0
380	Job Service North Dakota	114,511	454,911	569,422	3,815	561,351	4,256
401	Office of the Insurance Commissioner	38,781	134,513	173,294	0	9,736	163,558
405	Industrial Commission	96,796	334,853	431,649	405,777	0	25,872
406	Department of Labor and Human Rights	9,979	40,068	50,047	50,047	0	0
408	Public Service Commission	45,065	125,934	170,999	103,858	59,343	7,798
412	Aeronautics Commission	5,778	20,035	25,813	0	0	25,813
413	Department of Financial Institutions	29,618	85,860	115,478	0	0	115,478
414	Securities Department	7,879	25,758	33,637	0	0	33,637
471	Bank of North Dakota	140,619	520,884	661,503	0	0	661,503
473	ND Housing Finance Agency	34,626	128,790	163,416	0	0	163,416
475	ND Mill and Elevator Association	0	437,886	437,886	0	0	437,886
485	Workforce Safety and Insurance	194,721	775,925	970,646	0	0	970,646
504	Highway Patrol	170,759	575,257	746,016	596,192	64,652	85,172
530	Department of Corrections and Rehabilitation	514,525	2,329,659	2,844,184	2,660,615	40,178	143,391
540	Office of the Adjutant General	152,583	638,219	790,802	317,191	423,824	49,787
601	Department of Commerce	55,234	186,032	241,266	188,901	27,884	24,481
602	Department of Agriculture	50,082	208,923	259,005	142,322	52,968	63,715
627	Upper Great Plains Transportation Institute	46,362	117,342	163,704	41,207	85,410	37,087
628	Branch Research Centers	81,051	334,855	415,906	303,670	0	112,236
630	NDSU Extension Service	192,092	779,440	971,532	495,078	137,011	339,443
638	Northern Crops Institute	9,865	34,344	44,209	37,361	0	6,848
640	NDSU Main Research Center	284,521	1,034,454	1,318,975	851,324	148,047	319,604
649	Agronomy Seed Farm	2,044	8,587	10,631	0	0	10,631
670	ND Horse Racing Commission	1,598	5,724	7,322	7,322	0	0
701	Historical Society	51,598	208,926	260,524	238,240	22,284	0
709	Council on the Arts	3,729	14,310	18,039	18,039	0	0
720	Game and Fish Department	124,970	453,615	578,585	0	216,917	361,668
750	Parks and Recreation Department	48,105	188,889	236,994	228,105	3,283	5,606
770	Water Commission	82,770	277,612	360,382	0	12,668	347,714
801	Department of Transportation	807,704	2,913,485	3,721,189	0	561,522	3,159,667
		11,858,530	45,551,035	57,409,565	26,372,081	4,578,722	26,458,762

Lease Purchase Agreements

Biennium: 2017-2019

Agency		Lease Description	Original Value	Monthly Payment Amount
110	Office of Management and Budget	Color Copier for Central Duplicating	60,000	1,282
127	Office of State Tax Commissioner	Lease of high-volume network printer	68,000	2,215
215	ND University System	Wells Fargo #443 IVN/Video Equipment	232,431	4,743
227	Bismarck State College	Motor Coach Lease	250,515	4,553
230	University of North Dakota	GE #258 - Cessna Citation II 550 aircraft	900,000	9,809
		Minot Family Center - Component Unit	3,680,000	14,139
		Wells Fargo #400	252,081	2,572
		Wells Fargo #401	252,081	2,572
		Wells Fargo #402	252,081	2,572
		West Campus Steamline	3,670,011	28,243
		Wells Fargo #412	99,605	4,121
		Wells Fargo #413	69,687	3,904
		Wells Fargo #414	546,259	9,816
		Wells Fargo #429	325,500	4,503
		Wells Fargo #432	484,272	10,671
		Wells Fargo #434	548,363	5,883
		Wells Fargo #435	548,363	5,883
		Wells Fargo #436	548,363	5,883
		Wells Fargo #439	1,094,180	19,885
		Wells Fargo #441	92,789	2,108
		Wells Fargo #442	135,149	1,436
		Wells Fargo #L004130	252,775	2,639
		Wells Fargo #L004131	252,775	2,639
		GE #198 - EERC addition to building	800,000	8,463
		Energy Improvement 05	2,837,158	14,171
		Aerospace Hanger - Component Unit	2,000,000	4,764
		West Campus Steamline - equipment	115,260	881
		Wells Fargo #405	252,081	4,319
235	North Dakota State University	Appareo Building	720,237	12,229
		Bison Information Network	227,045	5,406
		Dakota Field Athletic Bubble	1,239,944	23,186
		Energy Savings Performance Contract	7,266,959	55,268
		Fargodome-Event Center	331,640	13,700
		NDSU Development Foundation-Barry & Klai Hall	11,910,000	65,063
		NDSU Development Foundation-Criminal Justice	131,388	7,300
		NDSU Development Foundation-Fargodome	3,500,000	27,666
		NDSU Development Foundation-Renaissance Hall	5,600,000	11,167
		Research and Tech Park I	0	9,000

Lease Purchase Agreements

Biennuim: 2017-2019

Agency		Lease Description	Original Value	Monthly Payment Amount
		Research and Tech Park II	0	17,000
		Sanford Health Athletic Complex-Scoreboard	1,313,845	15,641
		Sanford Nursing-Bismarck	775,040	32,294
		Stop-n-Go Center	2,327,920	62,201
		West Building Lease	470,250	15,675
239	Dickinson State University	Konica Press	62,488	1,119
240	Mayville State University	350 Fujitsu Tablet PC's	425,316	18,229
		Air Cooled Chiller Purchase and Installation	144,758	2,795
		Bobcat tool cart	50,426	1,541
		Computers, printers and projectors	133,658	3,947
		Copy Equipment throughout campus	110,104	2,294
		IT infrastructure equipment	210,226	3,897
241	Minot State University	V80 FFPS Flow Server	51,865	942
		X770 Printer for MSU Printing Services	123,332	2,299
		V80 Performance Printer in MSU Printing Servi	100,759	2,213
242	Valley City State University	Liberty - Copier Machines	180,413	2,516
		MacBook Computers	627,816	15,693
		Notebook Computers	511,760	17,311
		Wellness Center Space Rental	314,280	12,888
		Washers and Dryers	336,556	1,210
380	Job Service North Dakota	Unisys Mainframe computer	1,441,172	25,638
628	Branch Research Centers	Case IH Sprayer	150,500	3,432
		Zurn Plot Combine	200,800	1,875
		Zurn 150	338,000	5,500
		Tractor	250,000	5,000
		Plot Combine	300,000	5,000
		Loader Tractor	150,000	5,000
630	NDSU Extension Service	Lanier Pro Color	115,317	3,250
640	NDSU Main Research Center	Forage Wagons	65,002	902
		Loader Tractor	150,000	5,000
		New Holland Loader	114,000	2,509
		Case IH 220	62,377	1,045
		Polt Combine	300,000	5,000
		Zurn Combine	231,832	1,483
		Zurn 150	273,169	1,733

Lease Purchase Agreements**Biennium: 2017-2019**

Agency		Lease Description	Original Value	Monthly Payment Amount
720	Game and Fish Department	Tractor Case IH	125,000	895
		Tractor	250,000	5,000
		Skid Steer	70,000	1,139
		Xerox Printer/Copier-Licensing	76,010	1,866

Capital Assets

The capital budget summarizes the 2017-19 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 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 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 – 2017-19

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
110 Office of Management and Budget	\$800,000	\$1,108,066	\$665,411	\$75,000	\$125,000	\$2,773,477
General Fund	0	108,066	665,411	0	0	773,477
Federal Funds	0	0	0	0	0	0
Special Funds	800,000	1,000,000	0	75,000	125,000	2,000,000
112 Information Technology	\$0	\$0	\$0	\$250,000	\$9,490,000	\$9,740,000
General Fund	0	0	0	0	660,000	660,000
Federal Funds	0	0	0	0	500,000	500,000
Special Funds	0	0	0	250,000	8,330,000	8,580,000
125 Office of the Attorney General	\$0	\$0	\$766,012	\$1,713,910	\$262,450	\$2,742,372
General Fund	0	0	766,012	0	83,450	849,462
Federal Funds	0	0	0	1,713,910	179,000	1,892,910
Special Funds	0	0	0	0	0	0
127 Office of State Tax Commissioner	\$0	\$0	\$0	\$0	\$6,000	\$6,000
General Fund	0	0	0	0	6,000	6,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
150 Legislative Assembly	\$0	\$0	\$0	\$0	\$6,000	\$6,000
General Fund	0	0	0	0	6,000	6,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
160 Legislative Council	\$0	\$0	\$0	\$30,000	\$0	\$30,000
General Fund	0	0	0	30,000	0	30,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
190 Retirement and Investment Office	\$0	\$0	\$0	\$0	\$9,000	\$9,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	9,000	9,000
215 ND University System	\$0	\$0	\$6,605,326	\$0	\$1,072,955	\$7,678,281
General Fund	0	0	6,605,326	0	611,055	7,216,381
Federal Funds	0	0	0	0	461,900	461,900
Special Funds	0	0	0	0	0	0
226 Department of Trust Lands	\$0	\$0	\$0	\$0	\$5,520,000	\$5,520,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	5,520,000	5,520,000

Capital Assets Appropriations by Category – 2017-19

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
227 Bismarck State College	\$0	\$417,673	\$413,900	\$519,188	\$571,800	\$1,922,561
General Fund	0	417,673	0	0	0	417,673
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	413,900	519,188	571,800	1,504,888
228 Lake Region State College	\$0	\$155,367	\$0	\$503,333	\$96,300	\$755,000
General Fund	0	155,367	0	503,333	96,300	755,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
229 Williston State College	\$0	\$197,801	\$1,064,167	\$0	\$0	\$1,261,968
General Fund	0	197,801	0	0	0	197,801
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	1,064,167	0	0	1,064,167
230 University of North Dakota	\$91,000,000	\$4,411,566	\$0	\$6,101,572	\$745,497	\$102,258,635
General Fund	0	4,411,566	0	0	0	4,411,566
Federal Funds	0	0	0	0	0	0
Special Funds	91,000,000	0	0	6,101,572	745,497	97,847,069
232 UND Medical Center	\$0	\$0	\$0	\$1,770,954	\$59,000	\$1,829,954
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	1,770,954	59,000	1,829,954
235 North Dakota State University	\$49,505,000	\$2,732,244	\$0	\$4,829,140	\$237,720	\$57,304,104
General Fund	0	2,732,244	0	0	0	2,732,244
Federal Funds	0	0	0	0	0	0
Special Funds	49,505,000	0	0	4,829,140	237,720	54,571,860
238 ND State College of Science	\$0	\$1,012,379	\$0	\$0	\$0	\$1,012,379
General Fund	0	1,012,379	0	0	0	1,012,379
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
239 Dickinson State University	\$0	\$409,078	\$0	\$0	\$0	\$409,078
General Fund	0	409,078	0	0	0	409,078
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
240 Mayville State University	\$0	\$358,992	\$70,058	\$24,316	\$18,462	\$471,828
General Fund	0	358,992	70,058	24,316	18,462	471,828
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0

Capital Assets Appropriations by Category – 2017-19

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
241 Minot State University	\$0	\$899,620	\$0	\$200,000	\$0	\$1,099,620
General Fund	0	899,620	0	0	0	899,620
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	200,000	0	200,000
242 Valley City State University	\$25,470,500	\$408,318	\$57,520	\$113,939	\$134,396	\$26,184,673
General Fund	0	408,318	10,016	113,939	134,396	666,669
Federal Funds	0	0	0	0	0	0
Special Funds	25,470,500	0	47,504	0	0	25,518,004
243 Dakota College at Bottineau	\$0	\$78,539	\$8,000	\$0	\$0	\$86,539
General Fund	0	78,539	8,000	0	0	86,539
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
244 North Dakota Forest Service	\$0	\$62,480	\$0	\$56,248	\$0	\$118,728
General Fund	0	62,480	0	56,248	0	118,728
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
252 School for the Deaf	\$0	\$1,658,678	\$0	\$28,000	\$30,000	\$1,716,678
General Fund	0	158,678	0	0	0	158,678
Federal Funds	0	0	0	0	0	0
Special Funds	0	1,500,000	0	28,000	30,000	1,558,000
253 ND Vision Services	\$0	\$164,692	\$10,000	\$0	\$0	\$174,692
General Fund	0	39,192	0	0	0	39,192
Federal Funds	0	0	0	0	0	0
Special Funds	0	125,500	10,000	0	0	135,500
301 ND Department of Health	\$0	\$300,350	\$886,877	\$1,933,545	\$1,473,968	\$4,594,740
General Fund	0	62,516	455,931	0	0	518,447
Federal Funds	0	17,134	180,946	975,170	65,968	1,239,218
Special Funds	0	220,700	250,000	958,375	1,408,000	2,837,075
313 Veterans Home	\$0	\$0	\$396,742	\$148,800	\$15,000	\$560,542
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	396,742	148,800	15,000	560,542
321 Department of Veterans' Affairs	\$0	\$0	\$0	\$351,000	\$0	\$351,000
General Fund	0	0	0	15,000	0	15,000
Federal Funds	0	0	0	336,000	0	336,000
Special Funds	0	0	0	0	0	0

Capital Assets Appropriations by Category – 2017-19

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
325 Department of Human Services	\$0	\$1,810,465	\$0	\$883,063	\$0	\$2,693,528
General Fund	0	1,810,465	0	873,063	0	2,683,528
Federal Funds	0	0	0	10,000	0	10,000
Special Funds	0	0	0	0	0	0
380 Job Service North Dakota	\$0	\$0	\$20,000	\$0	\$0	\$20,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	20,000	0	0	20,000
Special Funds	0	0	0	0	0	0
408 Public Service Commission	\$0	\$0	\$0	\$0	\$26,400	\$26,400
General Fund	0	0	0	0	26,400	26,400
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
412 Aeronautics Commission	\$100,000	\$0	\$0	\$0	\$0	\$100,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	100,000	0	0	0	0	100,000
471 Bank of North Dakota	\$0	\$0	\$0	\$250,000	\$560,000	\$810,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	250,000	560,000	810,000
530 Dept of Corrections and Rehabilitation	\$0	\$946,000	\$1,158,679	\$167,000	\$736,500	\$3,008,179
General Fund	0	866,000	1,158,679	0	0	2,024,679
Federal Funds	0	0	0	0	0	0
Special Funds	0	80,000	0	167,000	736,500	983,500
540 Adjutant General	\$63,000,000	\$0	\$224,046	\$569,000	\$0	\$63,793,046
General Fund	0	0	224,046	0	0	224,046
Federal Funds	62,000,000	0	0	569,000	0	62,569,000
Special Funds	1,000,000	0	0	0	0	1,000,000
602 Department of Agriculture	\$0	\$0	\$0	\$0	\$13,000	\$13,000
General Fund	0	0	0	0	8,000	8,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	5,000	5,000
628 Branch Research Centers	\$0	\$0	\$149,660	\$4,300,000	\$0	\$4,449,660
General Fund	0	0	149,660	1,050,000	0	1,199,660
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	3,250,000	0	3,250,000

Capital Assets Appropriations by Category – 2017-19

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
630 NDSU Extension Service	\$0	\$0	\$0	\$250,000	\$0	\$250,000
General Fund	0	0	0	250,000	0	250,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
638 Northern Crops Institute	\$0	\$0	\$0	\$150,000	\$0	\$150,000
General Fund	0	0	0	150,000	0	150,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
640 NDSU Main Research Center	\$0	\$1,340,465	\$421,860	\$5,050,000	\$0	\$6,812,325
General Fund	0	1,340,465	421,860	550,000	0	2,312,325
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	4,500,000	0	4,500,000
649 Agronomy Seed Farm	\$0	\$0	\$0	\$310,000	\$0	\$310,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	310,000	0	310,000
701 Historical Society	\$0	\$478,857	\$1,359,296	\$81,000	\$0	\$1,919,153
General Fund	0	478,857	1,359,296	81,000	0	1,919,153
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
720 Game and Fish Department	\$300,000	\$3,644,511	\$2,163,000	\$1,047,000	\$0	\$7,154,511
General Fund	0	0	0	0	0	0
Federal Funds	0	1,918,420	1,022,250	694,000	0	3,634,670
Special Funds	300,000	1,726,091	1,140,750	353,000	0	3,519,841
750 Parks and Recreation Department	\$0	\$1,141,920	\$73,643	\$840,000	\$0	\$2,055,563
General Fund	0	947,794	73,643	100,000	0	1,121,437
Federal Funds	0	0	0	300,000	0	300,000
Special Funds	0	194,126	0	440,000	0	634,126
770 State Water Commission	\$0	\$0	\$124,698,442	\$96,000	\$25,000	\$124,819,442
General Fund	0	0	0	0	0	0
Federal Funds	0	0	11,914,000	0	0	11,914,000
Special Funds	0	0	112,784,442	96,000	25,000	112,905,442
801 Department of Transportation	\$4,000,000	\$0	\$725,430,007	\$40,592,661	\$94,800	\$770,117,468
General Fund	0	0	0	0	0	0
Federal Funds	0	0	523,076,044	0	0	523,076,044
Special Funds	4,000,000	0	202,353,963	40,592,661	94,800	247,041,424

Capital Assets Appropriations by Category – 2017-19

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
Total All Agencies	\$ 234,175,500	\$ 23,738,061	\$ 866,642,646	\$ 71,463,715	\$ 15,741,248	\$ 1,211,761,170
General Fund	0	16,956,090	11,967,938	3,796,899	1,650,063	34,370,990
Federal Funds	62,000,000	1,935,554	536,213,240	4,598,080	1,206,868	605,953,742
Special Funds	172,175,500	4,846,417	318,461,468	63,068,736	12,884,317	571,436,438

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 - 2017-2019

Biennium: 2017-2019

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds	Bonding
110 Office of Management and Budget	Optional funding for new Surplus Property Building	800,000	0	0	800,000	0
	Total	800,000	0	0	800,000	0
230 University of North Dakota	Chester Fritz Library Renovation	21,000,000	0	0	21,000,000	0
	College of Business Renovation and Addition	70,000,000	0	0	70,000,000	0
	Total	91,000,000	0	0	91,000,000	0
235 North Dakota State University	New Residence Hall	39,505,000	0	0	39,505,000	0
	University Village Replacement-Phase I	10,000,000	0	0	10,000,000	0
	Total	49,505,000	0	0	49,505,000	0
242 Valley City State University	Communication and Fine Arts Building	25,470,500	0	0	25,470,500	0
	Total	25,470,500	0	0	25,470,500	0
412 Aeronautics Commission	Shelter Bldg & Security at Int'l Peace Garden Apt	100,000	0	0	100,000	0
	Total	100,000	0	0	100,000	0
540 Office of the Adjutant General	Federal Construction	30,000,000	0	30,000,000	0	0
	ND National Guard Readiness Center	33,000,000	0	32,000,000	1,000,000	0
	Total	63,000,000	0	62,000,000	1,000,000	0
720 Game and Fish Department	State Fair Shooting Skills Building	300,000	0	0	300,000	0
	Total	300,000	0	0	300,000	0
801 Department of Transportation	Land and Buildings	4,000,000	0	0	4,000,000	0
	Total	4,000,000	0	0	4,000,000	0
	Total All Agencies	234,175,500	0	62,000,000	172,175,500	0

110 – Office of Management and Budget

Surplus Property Building

This \$800,000 appropriation will allow the Office of Management and Budget to pursue the option of either purchasing the building they currently occupy or construct a new 7,000 square foot building with special funds. Operating costs are not expected to change and are paid with special funds.

230 – University of North Dakota

Chester Fritz Library Renovation

This project provides for the complete renovation of the 156,000 square foot Chester Fritz Library with \$21.0 million in special funds. The renovation will update the space to meet the needs of present-day students, faculty and staff. Operating expenses are not expected to increase and may decrease due to increased energy efficiency.

College of Business (Gamble Hall) Renovation and Addition

This project will renovate 66,000 square feet of existing space and provide a 75,570 square foot addition with \$70.0 million in special funds. The addition will provide flexible, collaborative, and adaptable learning space not available in the existing building. The increase in operating will be paid with the agency's budget.

235 – North Dakota State University

New Residence Hall

This project will provide an additional 400 beds to campus housing in an approximately 130,000 square foot multi-story structure. Special funds in the amount of \$39.5 million will be generated through the issuance of revenue bonds. Operating costs are expected to increase by \$520,000 per biennium to be paid with special funds.

University Village Replacement – Phase I

Phase I would include removing approximately eight buildings of the existing 27 and replacing them with one multi-story complex. The project will replace 87 existing units and provide 6 new units. Special funds in the amount of \$10.0 million will be generated through the issuance of revenue bonds. Operating costs are not expected to increase and may decrease due to increased energy efficiency.

242– Valley City State University

Communication and Fine Arts Building

This project will provide a 66,300 square foot facility to house various music, art, and communication programs under one roof. The project originated from the need to vacate and demolish the existing music building located in the permanent flood protection plan. The project also allows the university to vacate McCarthy Hall and demolish the building which has deferred maintenance totaling 70 percent of its

replacement cost. The construction costs total \$25.5 million is recommended to be funded from the Strategic Investment and Improvement Fund. The project will result in additional general fund operating and maintenance expenses of approximately \$182,000 per biennium. The cost to demolish the two buildings (approximately \$1.2 million) has been removed since the work is not anticipated to occur this biennium. No increase in operating is anticipated this biennium.

412 – Aeronautics Commission

Shelter Building and Security at International Peace Garden Airport

This project authorizes \$100,000 in special funds for construction of a minimum maintenance shelter building and a live feed security camera for assisting pilots with real time conditions and security of the airfield and structure. A nominal increase in operating will be paid with special funds.

540 – Adjutant General

Total 100 Percent Federal Construction

This authority request represents the historical expenditures for the Army Guard Contracts line. The spending authority includes \$30.0 million in federal funding. The National Guard Bureau has not yet approved funding or specific projects for the 2017-19 biennium. Any increase in operating and maintenance costs will be paid within the agency's budget.

North Dakota National Guard Readiness Center

This project includes a 98,225 square foot National Guard Readiness Center and a 62,668 square foot unheated Vehicle Storage Building in Fargo. It will replace the current leased facilities. Operating costs are unknown at this time with the building completion estimated in spring 2021.

720 – Game and Fish Department

State Fair Shooting Skills Building

This project will replace the existing shooting range and includes 2,340 square feet for a new shooting range and a separate classroom/meeting room. The project also includes 780 square feet of storage space. The project includes \$300,000 in special funds. The project will result in additional special fund operating and maintenance expenses of \$8,000 per biennium.

801 - Department of Transportation

Land and Buildings

This project includes section/equipment buildings and salt storage buildings. The locations are based on highest needs and priorities. The project includes \$4.0 million in 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 is 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 15.0 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 2.0% = 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 2018, the mid-year in the 2017-19 biennium. For example, if a building was built or renovated in 1973, the building age is 45 (2018-1973).

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 5.0 percent.

Infrastructure Replacement Value

Infrastructure is valued at replacement cost. Expertise from the Facility Management Division of OMB is 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 2017-19 biennium.

Extraordinary Repairs Recommendations 2017-19

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	\$ 9,846,372	\$ 859,712	\$ 10,706,084	\$ 1,108,066	10%	\$ 1,108,066	10%
227	Bismarck State College	2,355,920	1,038,884	3,394,804	417,673	12%	417,673	12%
228	Lake Region State College	885,679	619,805	1,505,484	155,367	10%	155,367	10%
229	Williston State College	1,457,603	602,539	2,060,142	197,801	10%	197,801	10%
230	University of North Dakota	25,260,410	9,772,041	35,032,451	4,411,566	13%	4,411,566	13%
235	North Dakota State University	17,165,565	6,589,859	23,755,424	2,732,244	12%	2,732,244	12%
238	ND State College of Science	5,837,082	2,319,921	8,157,003	1,012,379	12%	1,012,379	12%
239	Dickinson State University	4,053,008	499,042	4,552,050	409,078	9%	409,078	9%
240	Mayville State University	2,438,406	670,226	3,108,632	358,992	12%	358,992	12%
241	Minot State University	5,817,197	1,889,237	7,706,434	899,620	12%	899,620	12%
242	Valley City State University	2,627,455	807,109	3,434,564	408,319	12%	408,319	12%
243	Dakota College - Bottineau	653,757	221,084	874,841	78,539	9%	78,539	9%
244	North Dakota Forest Service	131,359	285,040	416,399	62,480	15%	62,480	15%
252	School for the Deaf	841,050	216,806	1,057,856	1,908,678	180%	1,658,678	157%
253	ND Vision Services	261,282	-	261,282	164,692	63%	164,692	63%
301	ND Department of Health	416,776	-	416,776	300,350	72%	300,350	72%
313	Veterans Home	1,523,692	497,007	2,020,699	-	0%	-	0%
325	Department of Human Services	7,125,438	4,944,328	12,069,766	1,810,465	15%	1,810,465	15%
380	Job Service North Dakota	846,075	-	846,075	-	0%	-	0%
412	Aeronautics Commission	-	140,708	140,708	-	0%	-	0%
471	Bank of North Dakota	634,382	53,545	687,927	-	0%	-	0%
485	Workforce Safety and Insurance	921,750	102,776	1,024,526	-	0%	-	0%
504	Highway Patrol	96,875	-	96,875	-	0%	-	0%
530	Dept of Corrections and Rehabilitation	8,164,931	1,621,840	9,786,771	946,000	10%	946,000	10%
540	Office of the Adjutant General	10,560,381	6,463,987	17,024,368	-	0%	-	0%
640	NDSU Main Research Center	3,140,092	882,291	4,022,383	2,780,930	69%	1,340,465	33%
649	Agronomy Seed Farm	93,436	61,067	154,503	-	0%	-	0%
701	Historical Society	1,870,084	1,322,294	3,192,378	478,857	15%	478,857	15%
720	Game and Fish Department	870,259	-	870,259	3,644,511	419%	3,644,511	419%
750	Parks and Recreation Dept	1,118,763	6,494,036	7,612,799	1,141,920	15%	1,141,920	15%
770	State Water Commission	567,562	69,978	637,540	-	0%	-	0%
801	Dept of Transportation	4,356,442	992,625	5,349,067	-	0%	-	0%
TOTALS		\$ 121,939,083	\$ 50,037,787	\$ 171,976,870	\$ 25,428,527	15%	\$ 23,738,062	14%

Other Capital Payments

Biennium: 2017-2019

Agency	Project Description	Recommendation	General Fund	Federal Funds	Special Funds	Bond Proceeds
110 Office of Management and Budget	Restore Bond Payments for 2017-19	665,411	665,411	0	0	0
125 Office of the Attorney General	Restore Crime Lab bond building payments	766,012	766,012	0	0	0
215 ND University System	Capital Bond Payments	6,605,326	6,605,326	0	0	0
227 Bismarck State College	Special Assessments	413,900	0	0	413,900	0
229 Williston State College	Frontier Hall Revenue Bonds	1,064,167	0	0	1,064,167	0
240 Mayville State University	Special Assessments	70,058	70,058	0	0	0
242 Valley City State University	Special Assessments	57,520	10,016	0	47,504	0
243 Dakota College at Bottineau	Special Assessments	8,000	8,000	0	0	0
253 ND Vision Services/School for the Blind	Additional Specials Assessed for 6th Avenue North	10,000	0	0	10,000	0
301 ND Department of Health	Add 2017-19 Bond Payments	405,589	246,095	159,494	0	0
	Improvements to Non State Owned Property	250,000	0	0	250,000	0
	Remove Prior Biennium Bond Payments	231,288	209,836	21,452	0	0
	Total	886,877	455,931	180,946	250,000	0
313 Veterans Home	Bond & Interest Payments	396,742	0	0	396,742	0
380 Job Service North Dakota	Special Assessments	20,000	0	20,000	0	0
530 Department of Corrections and Rehabilitation	2017-19 DOCR Bond Payments	1,158,679	1,158,679	0	0	0
540 Office of the Adjutant General	Special Assessments and In-Lieu of Taxes	224,046	224,046	0	0	0
628 Branch Research Centers	Add 2017-19 CGREC Capital Bond Payment	56,918	56,918	0	0	0
	Add 2017-19 NCREC Capital Bond Payment	92,742	92,742	0	0	0
	Total	149,660	149,660	0	0	0
640 NDSU Main Research Center	Capital Bond Payments 17-19	421,860	421,860	0	0	0
701 Historical Society	Bond Payment Adjustments	1,359,296	1,359,296	0	0	0

Other Capital Payments

Biennium: 2017-2019

Agency	Project Description	Recommendation	General Fund	Federal Funds	Special Funds	Bond Proceeds
720 Game and Fish Department	In Lieu of Taxes	1,363,000	0	1,022,250	340,750	0
	Land Acquisitions	800,000	0	0	800,000	0
	Total	2,163,000	0	1,022,250	1,140,750	0
750 Parks and Recreation Department	Add 2017-2019 Bond Payments	73,643	73,643	0	0	0
770 Water Commission	NAWS & SWPP	124,698,442	0	11,914,000	112,784,442	0
801 Department of Transportation	Capital Bond Payments	900,000	0	0	900,000	0
	Other Capital Payments	724,530,007	0	523,076,044	201,453,963	0
	Total	725,430,007	0	523,076,044	202,353,963	0
Total All Agencies		866,642,646	11,967,938	536,213,240	318,461,468	0

Financing

The executive recommendation for capital assets expenditures during the 2017-19 biennium is \$1.212 billion. The majority of expenditures relate to highway projects (\$725.4 million) and water projects (\$124.7 million), funded from federal and special funds.

The executive recommendation for capital projects is \$234.2 million. Capital projects are funded with \$62.0 million from federal funds, and \$172.2 million from special funds. There are no projects funded from the General Fund.

Debt Affordability

North Dakota remains a low-debt state. The following chart compares North Dakota debt to the United States mean debt:

Criteria	Debt Affordability	
	<u>United States Mean</u>	<u>North Dakota</u>
2014 per capita debt	\$1,431	\$166
2014 debt to personal income	3.0%	0.3%

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 10.0 percent of an amount, determined by multiplying the quotient of 1.0 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 5.0 percent. Consequently, the state building authority lease payment limitation can be calculated as follows:

$$10.0\% \times 1.0\% / 5.0\% \times \text{Net Sales Tax Collections} = \text{General Fund Payment Limitation}$$

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

Biennium	Current General Fund Debt Obligation	Statutory Debt Limit*	Balance Avail for Additional Debt Service
2017-19	11,655,816	49,342,300	37,686,484
2019-21	10,008,449	49,342,300	39,333,851
2021-23	7,929,009	49,342,300	41,413,291
2023-25	3,006,710	49,342,300	46,335,590
2025-27	0	49,342,300	49,342,300

* Based on the July 2016 forecast with 0.0 percent growth each biennium.

All state funded capital projects recommended in the 2017-19 executive budget are funded with cash. There are no projects funded through bonded indebtedness. Approximately \$37.7 million will be available for additional bond payments in 2019-21 without exceeding the statutory debt limit. The \$37.7 million is the difference between the 2017-19 biennium statutory debt limit of \$49.3 million and the estimated general fund debt obligation of \$11.7 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 \$242.9 million could have been issued during the 2017-19 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.

Summary of Outstanding Bond Indebtedness Issued by ND Bonding Authority

Projects Funded	Bond Issue	Bond Maturity Date	Outstanding Principal June 30, 2017	Debt Service General Fund Payment 2017-19	Debt Service Special Fund Payment 2017-19	Debt Service Energy Savings Payment 2017-19
Authorized in 1997	2006 Series A	12/1/2019	\$2,340,000	\$1,377,801	\$0	\$0
State College of Science - Bute Gym remodeling (\$1,700,000)						
Minot State University Moore Hall renovation (\$4,000,000)						
Youth Correctional Center gymnasium renovation (\$1,400,000)						
Authorized in 1999						
North Dakota State University - Animal facility (\$2,207,500)						
Youth Correctional Center - Pine Cottage (\$1,475,000)						
Authorized in 1999	2006 Series B	12/1/2022	\$5,260,000	\$2,126,367	\$0	\$0
Williston State College - Health and Wellness Center (\$3,000,000)						
Authorized in 2001						
Minot State University - Old Main restoration (\$7,850,000)						
Authorized in 2001	2010 Series AB	12/1/2022	\$2,470,000	\$308,098	\$609,046	\$0
University of North Dakota Energy Conservation Projects (\$3,990,785)						
North Dakota State University Energy Conservation Projects (\$296,348)						
State Department of Health - Laboratory Addition (\$2,700,000)						
Job Service ND - Bismarck service delivery office (\$2,302,000)						
Authorized in 2003	2012 Series A	12/1/2021	\$4,250,000	\$1,793,177	\$0	\$16,285
State Department of Health - Morgue and storage annex (\$960,000)						
James River Correctional Center - Food Service/laundry renovations - Phase II (\$2,662,890)						
Missouri River Correctional Center Energy Conservation Project (\$105,326)						
Dickinson State University - Murphy Hall Phase I (\$5,882,047)						
Mayville State University - Steamline replacement - Phase II (\$1,355,000)						
Valley City State University - Graichen Gymnasium elevator and emergency exits (\$785,300)						

Summary of Outstanding Bond Indebtedness Issued by ND Bonding Authority

Projects Funded	Bond Issue	Bond Maturity Date	Outstanding Principal June 30, 2017	Debt Service General Fund Payment 2017-19	Debt Service Special Fund Payment 2017-19	Debt Service Energy Savings Payment 2017-19
Authorized in 2005	2005 Series A	12/1/2024	\$22,190,000	\$6,050,373	\$33,333	\$491,500
University of North Dakota Energy Conservation Projects (\$2,331,554)						
Office of Management and Budget - Fire suppression system (\$3,155,000)						
Attorney General's Office - Crime Laboratory addition and renovation (\$3,632,691)						
North Dakota State University - Hazardous material handling and storage facility (\$3,500,000)						
North Dakota State College of Science - Electrical Distribution (\$736,000)						
Dickinson State University - Murphy Hall (\$4,100,557)						
Minot State University - Bottineau - Thatcher Hall addition (\$2,500,000)						
James River Correctional Center ET building Improvements (\$980,000)						
James River Correctional Center - Programs building code improvements (\$584,000)						
North Central Research Center - Agronomy laboratory and greenhouse (\$440,000)						
Central Grasslands Research Extension Center - Office addition (\$270,000)						
Main Research Center - Greenhouse Complex (\$2,000,000)						
State Historical Society - Chateau de Mores Interpretive Center (\$1,100,000)						
State Historical Society and Heritage Center - Research collections expansion (\$5,500,000)						
Parks and Recreation Department - Turtle River State Park administrative office (\$350,000)						
Authorized in 2007 and Reauthorized in 2009	2010 Series AB	12/1/2030	\$2,225,000	\$0	\$404,503	\$0
Veterans Home (\$2,575,152)						
Total			\$38,735,000	\$11,655,816	\$1,046,882	\$507,785

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 2017-19 biennium executive recommendation includes \$71.5 million for the purchase of equipment items costing \$5,000 or more. Recommended funding sources are \$3.8 million from the General Fund, \$4.6 million from federal funds, and \$63.1 million from special funds. The executive recommendation includes \$15.7 million for the purchase of IT equipment and software items costing \$5,000 or more. Recommended funding sources for IT equipment purchases are \$1.7 million from the General Fund, \$1.2 million from federal funds, and \$12.9 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 2017-19 biennium.

Equipment Over \$5,000

Biennium: 2017-2019

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
110 Office of Management and Budget	Replace Material Handling Equipment	75,000	75,000	0	0	75,000
112 Information Technology	Copier Replacements for ITD	20,000	20,000	0	0	20,000
	General Office Equipment for ITD	230,000	230,000	0	0	230,000
	Operations					
	Total	250,000	250,000	0	0	250,000
125 Office of the Attorney General	Cell phone extraction devices	60,000	60,000	0	60,000	0
	Crime Lite	20,400	20,400	0	20,400	0
	Crime Scene Vehicle	130,000	130,000	0	130,000	0
	DNA Robot QIAgility	45,000	45,000	0	45,000	0
	Fingerprint devices and Biometric equipment	184,000	184,000	0	184,000	0
	Gas Chromatograph/Mass Spectrophotometer	130,000	130,000	0	130,000	0
	Intoxilyzers	153,010	153,010	0	153,010	0
	Liquid Chromatograph/MS/Mass Spectrometer	295,000	295,000	0	295,000	0
	Maxwell Extraction Robot	25,000	25,000	0	25,000	0
	Thermocyclers	16,000	16,000	0	16,000	0
	TruNarc Kits and Pen Registers	643,000	643,000	0	643,000	0
	Ultraviolet/Visible Light Spectrophotometer	12,500	12,500	0	12,500	0
	Total	1,713,910	1,713,910	0	1,713,910	0
160 Legislative Council	Copier Replacement	30,000	30,000	30,000	0	0
227 Bismarck State College	Equipment over 5000	519,188	519,188	0	0	519,188
228 Lake Region State College	Restore Base Equipment Over \$5000	503,333	503,333	503,333	0	0
230 University of North Dakota	Equipment Over \$5,000	6,101,572	6,101,572	0	0	6,101,572
232 UND Medical Center	Equipment over \$5,000	1,770,954	1,770,954	0	0	1,770,954
235 North Dakota State University	Equipment over 5000	4,829,140	4,829,140	0	0	4,829,140
240 Mayville State University	Base Equipment over \$5,000	24,316	24,316	24,316	0	0

Equipment Over \$5,000

Biennium: 2017-2019

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
241 Minot State University	Equipment over 500000	200,000	200,000	0	0	200,000
242 Valley City State University	Equip over 5k	113,939	113,939	113,939	0	0
244 ND Forest Service	ATV Utility Trailer for State Forests Maintenance	7,248	7,248	7,248	0	0
	All Terrain Vehicle for State Forests Maintenance	11,000	11,000	11,000	0	0
	Chisel Plow for Towner Nursery	10,000	10,000	10,000	0	0
	Tandem Disc for Towner Nursery	28,000	28,000	28,000	0	0
	Total	56,248	56,248	56,248	0	0
252 School for Deaf/Res Ctr for Deaf and HoH	Kitchen Equipment Replacement	12,000	12,000	0	0	12,000
	Replace Lawn Tractor	16,000	16,000	0	0	16,000
	Total	28,000	28,000	0	0	28,000
301 ND Department of Health	Ammonia Analyzer	44,000	44,000	0	0	44,000
	Autoclave	50,000	50,000	0	0	50,000
	Beta Particle Analyzer with Beta Kit	22,375	22,375	0	0	22,375
	Color Photocopier	10,000	10,000	0	0	10,000
	DO/Temp/pH/Conductivity	10,000	10,000	0	10,000	0
	Multiparameter Sonde Meter					
	Digital Fluorescent Microscope	120,000	120,000	0	0	120,000
	Emergency Generator 143KW	180,000	180,000	0	180,000	0
	Emergency Response Health & Medical Tents	420,000	420,000	0	420,000	0
	Emergency Response Health & Medical Trailers (53')	64,000	64,000	0	64,000	0
	GC/MS/MS	200,000	200,000	0	0	200,000
	HPLC System with Fluorescence and PDA Detectors	85,000	85,000	0	0	85,000
	ICP/MS	150,000	150,000	0	0	150,000
	Ion Chromatogram Autosampler	24,000	24,000	0	0	24,000
	Liftgates for Medical Trailers (53')	60,000	60,000	0	60,000	0
	Methane Analyzer	26,000	26,000	0	0	26,000
	Mobile Morgue Trailer 53' 70 body capacity	60,000	60,000	0	60,000	0
	Molecular Analyzer	87,420	87,420	0	87,420	0
	Morgue Racking for Trailer (53')	45,000	45,000	0	45,000	0
	NOX Analyzer	13,000	13,000	0	0	13,000
	Ozone Analyzer	18,000	18,000	0	0	18,000

Equipment Over \$5,000

Biennium: 2017-2019

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Portable Aseptico Dental Express II w/Compressor	18,750	18,750	0	18,750	0
	Rad Canberra Analyzer	95,000	95,000	0	0	95,000
	Refrigerated/Heated Medical Trailer (53')	30,000	30,000	0	30,000	0
	TRF Analyzer	50,000	50,000	0	0	50,000
	Water Purification System	11,000	11,000	0	0	11,000
	X-Ray Equipment	40,000	40,000	0	0	40,000
	Total	1,933,545	1,933,545	0	975,170	958,375
313 Veterans Home	Bobcat hydraulic breaker	6,800	6,800	0	0	6,800
	Oxbow Pump	7,400	7,400	0	0	7,400
	Toro Lawnmowers	16,600	16,600	0	0	16,600
	Tow Behind Boom Lift	28,000	28,000	0	0	28,000
	Upgrade Nurse Call System	82,500	82,500	0	0	82,500
	Walk-Behind Floor Scrubber	7,500	7,500	0	0	7,500
	Total	148,800	148,800	0	0	148,800
321 Department of Veterans Affairs	Grants - Transportation Program	336,000	336,000	0	336,000	0
	Transportation Vans	0	15,000	15,000	0	0
	Total	336,000	351,000	15,000	336,000	0
325 Department of Human Services	Bobcat	31,500	31,500	31,500	0	0
	Car Hoe	353,000	353,000	353,000	0	0
	Chemistry Analyzer	150,000	150,000	150,000	0	0
	Convection Oven	5,000	5,000	5,000	0	0
	Digital X-Ray Machine	96,299	96,299	96,299	0	0
	Dump Trailer	5,000	5,000	5,000	0	0
	Hematology Analyzer	40,000	40,000	40,000	0	0
	Hot/Cold Well	50,000	50,000	50,000	0	0
	Plate/Side Dish Heater	5,000	5,000	5,000	0	0
	Tymp Machines	10,000	10,000	0	10,000	0
	Walk-In Cooler	83,264	83,264	83,264	0	0
	Ward Dispensing Cabinets	54,000	54,000	54,000	0	0
	Total	883,063	883,063	873,063	10,000	0
471 Bank of North Dakota	Replacement of 2 currency counters	30,000	30,000	0	0	30,000
	Replacement of coin sorter machine	20,000	20,000	0	0	20,000
	Replacement of coin wrapping machine	30,000	30,000	0	0	30,000

Equipment Over \$5,000

Biennium: 2017-2019

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Replacement of color laser-jet printers	24,000	24,000	0	0	24,000
	Replacement of high-volume copiers / scanners	36,000	36,000	0	0	36,000
	Replacement of mail folder/inserters	38,500	38,500	0	0	38,500
	Unanticipated Equipment Capital Expenditures	71,500	71,500	0	0	71,500
	Total	250,000	250,000	0	0	250,000
530 Department of Corrections and Rehabilitation	CNC Metal Plasma Cutting Table - RRI	30,000	30,000	0	0	30,000
	Corner Machine - RRI	12,000	12,000	0	0	12,000
	Furniture Cutoff Saw - RRI	20,000	20,000	0	0	20,000
	Furniture Tiger Stop Saw - RRI	15,000	15,000	0	0	15,000
	Heavy Duty Upholstery Sewing Machine - RRI	5,000	5,000	0	0	5,000
	Metal Chop Saw - RRI	5,000	5,000	0	0	5,000
	Saw Dust Collector - RRI	30,000	30,000	0	0	30,000
	Sewing Digitizer - Plotter - RRI	30,000	30,000	0	0	30,000
	Sewing Pattern Machine - RRI	20,000	20,000	0	0	20,000
	Total	167,000	167,000	0	0	167,000
540 Office of the Adjutant General	Emergency Reponse Equipment	569,000	569,000	0	569,000	0
628 Branch Research Centers	2017-2019 Equipment over \$5,000	4,300,000	4,300,000	1,050,000	0	3,250,000
630 NDSU Extension Service	Base funding Equipment over \$5,000	250,000	250,000	250,000	0	0
638 Northern Crops Institute	Base Fundiing equipment	150,000	150,000	150,000	0	0
640 NDSU Main Research Center	2017-2019 Equipment over \$5,000	5,050,000	5,050,000	550,000	0	4,500,000
649 Agronomy Seed Farm	Base Funding Equipment > \$5,000	310,000	310,000	0	0	310,000
701 Historical Society	Equipment	81,000	81,000	81,000	0	0
720 Game and Fish Department	Admin Airplane	250,000	250,000	0	187,500	62,500
	C&C Equip	10,000	10,000	0	0	10,000
	Enforcement Equip	245,000	245,000	0	122,500	122,500
	Fisheries Equip	170,000	170,000	0	170,000	0

Equipment Over \$5,000

Biennium: 2017-2019

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Land Habitat & Deer Dep Replace Equip	100,000	100,000	0	0	100,000
	Lonetree Equip	40,000	40,000	0	40,000	0
	Wildlife Division Replace Equip	232,000	232,000	0	174,000	58,000
	Total	1,047,000	1,047,000	0	694,000	353,000
750 Parks and Recreation Department	Fire Pumper Units - Special Funds	50,000	50,000	0	0	50,000
	Fire Rings - Special Funds	20,000	20,000	0	0	20,000
	Riding Mowers - 72" - Parks (5) - General Fund	100,000	100,000	100,000	0	0
	Riding Mowers - 72" - Parks - Special Funds	140,000	140,000	0	0	140,000
	Skidsteer & Attachments for FRSP - Special Funds	60,000	60,000	0	0	60,000
	Small Work Boats - Special Funds	40,000	40,000	0	0	40,000
	Trail Snow Groomers for Rec Division - Fed/Spec	370,000	370,000	0	300,000	70,000
	Wood Chipper - Parks - Special Funds	60,000	60,000	0	0	60,000
	Total	840,000	840,000	100,000	300,000	440,000
770 Water Commission	Drill Stem for Drill Rig	20,000	20,000	0	0	20,000
	Magnetron	27,500	27,500	0	0	27,500
	Multipoint Resistivity Probe	11,000	11,000	0	0	11,000
	Pipeline Locator	10,000	10,000	0	0	10,000
	TR Tube	27,500	27,500	0	0	27,500
	Total	96,000	96,000	0	0	96,000
801 Department of Transportation	Anritsu S331E	10,165	10,165	0	0	10,165
	Anritsu S362E Analyzer	23,680	23,680	0	0	23,680
	Audio Visual Equipment	22,240	22,240	0	0	22,240
	Automated direct shear	7,000	7,000	0	0	7,000
	Automatic soil compactor for Districts	6,360	6,360	0	0	6,360
	Camera	7,500	7,500	0	0	7,500
	Major Maintenance/Minor Highway & Shop Equipment	5,598,600	5,598,600	0	0	5,598,600
	Microfilm scanner/printer	12,000	12,000	0	0	12,000
	Motor Vehicles	34,658,637	34,658,637	0	0	34,658,637
	R10 GPS Receiver	143,664	143,664	0	0	143,664
	R2 Rover	8,000	8,000	0	0	8,000
	Soil mixer	6,000	6,000	0	0	6,000

Equipment Over \$5,000**Biennuim: 2017-2019**

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Survey Data Collector	5,560	5,560	0	0	5,560
	Tow behind man lift	46,155	46,155	0	0	46,155
	UTV	13,000	13,000	0	0	13,000
	Video editing work station	6,100	6,100	0	0	6,100
	Water deionizer	8,000	8,000	0	0	8,000
	Water distiller	10,000	10,000	0	0	10,000
	Total	40,592,661	40,592,661	0	0	40,592,661
	Total All Agencies	73,219,669	71,463,715	3,796,899	4,598,080	63,068,736

IT Equipment Over \$5,000

Biennium: 2017-2019

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
110 Office of Management and Budget	Software to Manage Central Duplicating Business	125,000	125,000	0	0	125,000
112 Information Technology	Data Center Security Upgrades	1,040,000	1,040,000	0	0	1,040,000
	Disk Purchases for ITD Operations	1,200,000	1,200,000	0	0	1,200,000
	ETC RUS Grant Equipment	500,000	500,000	0	500,000	0
	EduTech & PowerSchool	285,000	285,000	0	0	285,000
	Equipment					
	IT Equipment for K-12 Network	600,000	600,000	600,000	0	0
	Network Equipment Replacements	1,705,000	1,705,000	0	0	1,705,000
	New Intel Servers for Agency Apps and Projects	95,000	95,000	0	0	95,000
	PSAP Equipment	480,000	480,000	0	0	480,000
	Palo Alto Network Equipment	1,000,000	1,000,000	0	0	1,000,000
	Refresh Intel Server Cluster	1,425,000	1,425,000	0	0	1,425,000
	SLDS Servers	60,000	60,000	60,000	0	0
	VOIP Switch Refresh	500,000	500,000	0	0	500,000
	Virtual Tape Library for TSM	600,000	600,000	0	0	600,000
	Total	9,490,000	9,490,000	660,000	500,000	8,330,000
125 Office of the Attorney General	Forensic Investigation Equipment	179,000	179,000	0	179,000	0
	Office Manual Disaster Recovery Failover	83,450	83,450	83,450	0	0
	Total	262,450	262,450	83,450	179,000	0
127 Office of State Tax Commissioner	High volume scanner	6,000	6,000	6,000	0	0
150 Legislative Assembly	Add Funding for IT Equipment Over \$5,000	6,000	6,000	6,000	0	0
190 Retirement and Investment Office	Printer/Copier/Fax	9,000	9,000	0	0	9,000
215 ND University System	2017-19 - IT Equip/Software Over 5000	1,072,955	1,072,955	611,055	0	461,900
226 Department of Trust Lands	Department of Trust Lands IT System Replacement	0	5,520,000	0	0	5,520,000
227 Bismarck State College	IT Equipment over 5000	571,800	571,800	0	0	571,800
228 Lake Region State College	Base IT Equipment Over \$5000	96,300	96,300	96,300	0	0

IT Equipment Over \$5,000

Biennium: 2017-2019

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
230 University of North Dakota	IT Equipment and Software over \$5,000	745,497	745,497	0	0	745,497
232 UND Medical Center	IT Equipment and Software over \$5,000	59,000	59,000	0	0	59,000
235 North Dakota State University	Base IT Equipment and Software over \$5000	237,720	237,720	0	0	237,720
240 Mayville State University	Base IT Equipment over \$5,000	18,462	18,462	18,462	0	0
242 Valley City State University	IT Equip over 5K	134,396	134,396	134,396	0	0
252 School for Deaf/Res Ctr for Deaf and HoH	New Data Base Software for services activities	20,000	20,000	0	0	20,000
	Replacement IVN Equipment at Fargo office	10,000	10,000	0	0	10,000
	Total	30,000	30,000	0	0	30,000
301 ND Department of Health	Arboviral automated testing system	58,468	58,468	0	58,468	0
	EMS Data System	500,000	500,000	0	0	500,000
	Lab Server	10,000	10,000	0	0	10,000
	Medical Marijuana Software	0	898,000	0	0	898,000
	Network Enabled Copier	7,500	7,500	0	7,500	0
	Total	575,968	1,473,968	0	65,968	1,408,000
313 Veterans Home	Remove prior biennium appropriation	15,000	15,000	0	0	15,000
408 Public Service Commission	High Speed Scanner	8,400	8,400	8,400	0	0
	Multi-Function Off Mach Replace	18,000	18,000	18,000	0	0
	Total	26,400	26,400	26,400	0	0
471 Bank of North Dakota	Enterprise Risk Management / GRC Software	375,000	375,000	0	0	375,000
	Fiserv Director Document Storage Software	125,000	125,000	0	0	125,000
	IT Vulnerability / Penetration Software	60,000	60,000	0	0	60,000
	Total	560,000	560,000	0	0	560,000

IT Equipment Over \$5,000

Biennium: 2017-2019

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
530 Department of Corrections and Rehabilitation	Electronic Health Record System Replacement	0	736,500	0	0	736,500
602 Department of Agriculture	Copier	13,000	13,000	8,000	0	5,000
770 Water Commission	Graphic Processor Unit	15,000	15,000	0	0	15,000
	Large Format Printer/Plotter	10,000	10,000	0	0	10,000
	Total	25,000	25,000	0	0	25,000
801 Department of Transportation	Copier/printer/scanner/fax replacements	63,000	63,000	0	0	63,000
	MV Fujitsu Duplex Scanner	31,800	31,800	0	0	31,800
	Total	94,800	94,800	0	0	94,800
Total All Agencies		14,174,748	15,741,248	1,650,063	1,206,868	12,884,317

Large IT Project Recommendations - 2017-2019

Biennium: 2017-2019

Agency/Project	Total Request	Recommendation				
		Project Cost	General Fund	Federal Funds	Special Funds	Related FTE
112 Information Technology						
NDHIN Expansion	19,400,000	19,400,000	0	0	19,400,000	0.00
SIRN	56,554,000					0.00
Total Information Technology	75,954,000	19,400,000	0	0	19,400,000	0.00
226 Department of Trust Lands						
Department of Trust Lands IT System Replacement	2,600,000	2,600,000	0	0	2,600,000	1.00
Total Department of Trust Lands	2,600,000	2,600,000	0	0	2,600,000	1.00
301 ND Department of Health						
Implement WIC EBT	1,739,220	1,739,220	0	1,739,220	0	0.00
Total ND Department of Health	1,739,220	1,739,220	0	1,739,220	0	0.00
325 Department of Human Services						
Child Care Licensing System	3,000,000	3,000,000	0	0	3,000,000	0.00
Health Information Technology/Care Coordination	40,800,000	40,800,000	0	40,800,000	0	0.00
Total Department of Human Services	43,800,000	43,800,000	0	40,800,000	3,000,000	0.00
380 Job Service North Dakota						
Unemployment Insurance (UI) Modernization project	11,200,000	11,200,000	0	11,200,000	0	0.00
Total Job Service North Dakota	11,200,000	11,200,000	0	11,200,000	0	0.00
485 Workforce Safety and Insurance						
CAPS - Claims and Policy System Project	8,120,097	8,120,097	0	0	8,120,097	0.00
Extranet Enhancement Project	538,500	538,500	0	0	538,500	0.00
Oracle Reports Enhancement	275,000	275,000	0	0	275,000	0.00
Total Workforce Safety and Insurance	8,933,597	8,933,597	0	0	8,933,597	0.00
530 Department of Corrections and Rehabilitation						
Electronic Medical Record System Replacement	935,907	935,907	0	0	935,907	0.00
Total Department of Corrections and Rehabilitation	935,907	935,907	0	0	935,907	0.00
801 Department of Transportation						
Real-ID Implementation	1,300,500	1,300,500	0	0	1,300,500	0.00
Total Department of Transportation	1,300,500	1,300,500	0	0	1,300,500	0.00
Total - All Agencies	146,463,224	89,909,224	0	53,739,220	36,170,004	1.00

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. Led the state's efforts to establish in North Dakota a national hub for UAS manufacturing, research and development. North Dakota's Northern Plains UAS Test Site, one of only six in the nation, became the first to be FAA certified as ready to begin the work of integrating unmanned aerial systems into the national airspace.
2. Continued to focus on economic development opportunities that have paid dividends for the people of North Dakota. Despite the downturn in commodity prices, North Dakota continues to have one of the lowest unemployment rates in the nation, and we still have more than 14,000 open and available jobs across the state today. In 2005, North Dakota's per capita personal income was 12.5 percent below the national average. Today our personal income is 14 percent above the national average. Companies like Bobcat continue to expand

their presence in North Dakota. More and more tech companies like Evolution1 and NISC are hiring and expanding their footprints in North Dakota. Today, our tech industry payroll has grown to more than \$1.00 billion a year, providing an average wage of \$79,500. Since 2010, North Dakota's economy has averaged an annual growth rate of 9.2 percent, more than twice the nation's average annual growth rate of 3.5 percent.

3. Enhanced the state's workforce development and retention efforts.
4. Continued to lead the most ambitious infrastructure improvement campaign in state history, including: statewide transportation infrastructure improvements; statewide water supply and flood control projects; the completion of a new medical school and a refurbished law school at UND; a new STEM classroom building at NDSU and additional funding to help our universities and colleges catch up on deferred maintenance.
5. Led the state's successful efforts to reform North Dakota's property tax system. The Legislature achieved lasting property tax reform by adopting the work of the Governor's Task Force for Property Tax Reform.
6. Supported an additional \$397.0 million in tax relief. Provided funding for additional property tax relief by assuming the county share of certain county social service expenses. Since 2009, worked with the Legislature to reduce property taxes and income taxes by more than \$4.00 billion.
7. Led the state's efforts to enhance public safety, including funding for additional Highway Patrol troopers and additional support for the state's judiciary, parole and probation services and the Attorney General's office.

Executive Budget Recommendation

- Reduces \$377,974 from the 2015-17 original legislative ongoing General Fund appropriation of \$4.3 million.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

101 Office of the Governor

Bill#: HB1001

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Governor's Programs and Admin	3,933,694	4,499,475	(538,174)	(12.0%)	3,961,301	(472,622)	(10.5%)	4,026,853
Total Major Programs	3,933,694	4,499,475	(538,174)	(12.0%)	3,961,301	(472,622)	(10.5%)	4,026,853
By Line Item								
Salaries and Wages	3,519,158	3,861,549	(219,504)	(5.7%)	3,642,045	(153,952)	(4.0%)	3,707,597
Operating Expenses	404,498	502,126	(203,670)	(40.6%)	298,456	(203,670)	(40.6%)	298,456
Contingency	0	10,000	0	0.0%	10,000	0	0.0%	10,000
Governors Temporary Housing	0	50,000	(50,000)	(100.0%)	0	0	0.0%	0
Governor's Transition In	0	15,000	(15,000)	(100.0%)	0	0	0.0%	0
Governor's Transition Out	0	50,000	(50,000)	(100.0%)	0	0	0.0%	0
Roughrider Awards	10,038	10,800	0	0.0%	10,800	0	0.0%	10,800
Total Line Items	3,933,694	4,499,475	(538,174)	(12.0%)	3,961,301	(472,622)	(10.5%)	4,026,853
By Funding Source								
General Fund	3,933,694	4,499,475	(538,174)	(12.0%)	3,961,301	(472,622)	(10.5%)	4,026,853
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	3,933,694	4,499,475	(538,174)	(12.0%)	3,961,301	(472,622)	(10.5%)	4,026,853
Total FTE	18.00	18.00	0.00	0.0%	18.00	0.00	0.0%	18.00

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 five 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 553,500 hits over a 12 month period ending June 30, 2016 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. Signed contract to continue the software development of business and licensing system to enable migration of the agency's database from AS/400 platform

created in 1988-92 to a new operating platform. This will allow for on-line filing of many documents and reports which will be very beneficial in the future.

5. Launched North Dakota Central Indexing System (NDCIS) on March 1, 2016. All central indexing filings and searches are now completed online.
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

- Reduces \$807,976 from the 2015-17 original legislative ongoing General Fund appropriation of \$7.0 million. This includes the reduction of 1.00 FTE.
- Provides \$50,000 from other funds for temporary staff.
- Provides \$526,000 from other funds for operational increases related to hosting and maintenance of the new NDCIS system. This amount also includes other funds for increased costs from ITD for hosting of existing systems.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

108 Secretary of State

Bill#: HB1002

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Secretary of State Operations	8,991,584	11,356,044	(4,547,049)	(40.0%)	6,808,995	(3,965,157)	(34.9%)	7,390,887
Public Printing Leg Law Books	258,472	320,500	(32,050)	(10.0%)	288,450	(32,050)	(10.0%)	288,450
Federal Election Reform	3,037,542	2,703,535	(1,513,535)	(56.0%)	1,190,000	(1,510,092)	(55.9%)	1,193,443
Total Major Programs	12,287,598	14,380,079	(6,092,634)	(42.4%)	8,287,445	(5,507,299)	(38.3%)	8,872,780
By Line Item								
Salaries and Wages	4,481,326	4,903,514	(274,637)	(5.6%)	4,628,877	(218,745)	(4.5%)	4,684,769
Operating Expenses	4,375,450	6,154,323	(3,982,205)	(64.7%)	2,172,118	(3,456,205)	(56.2%)	2,698,118
Capital Assets	10,000	0	0	0.0%	0	0	0.0%	0
Petition Review	15,000	8,000	0	0.0%	8,000	0	0.0%	8,000
Bus Process Modeling Services	109,794	290,207	(290,207)	(100.0%)	0	0	0.0%	0
Election Reform	3,037,556	2,703,535	(1,513,535)	(56.0%)	1,190,000	(1,510,092)	(55.9%)	1,193,443
Public Printing	258,472	320,500	(32,050)	(10.0%)	288,450	(32,050)	(10.0%)	288,450
Total Line Items	12,287,598	14,380,079	(6,092,634)	(42.4%)	8,287,445	(5,507,299)	(38.3%)	8,872,780
By Funding Source								
General Fund	8,772,171	10,632,537	(4,209,817)	(39.6%)	6,422,720	(4,203,925)	(39.5%)	6,428,612
Federal Funds	2,871,616	1,508,535	(1,108,535)	(73.5%)	400,000	(1,105,092)	(73.3%)	403,443
Special Funds	643,811	2,239,007	(774,282)	(34.6%)	1,464,725	(198,282)	(8.9%)	2,040,725
Total Funding Source	12,287,598	14,380,079	(6,092,634)	(42.4%)	8,287,445	(5,507,299)	(38.3%)	8,872,780
Total FTE	31.00	34.00	0.00	0.0%	34.00	(1.00)	(2.9%)	33.00

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 and commonly-used office supplies to state agencies; Surplus Property 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 mail room 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 projects including remodel of vacated office space in the judicial wing, restoration of limestone and terrazzo in legislative and judicial wings, restoration of stairs on south side of the capitol, and began construction of the new governor's residence. During FY 2016, the central mail room processed approximately 809,000 pieces of mail and the tour guides provided tours to 11,373 visitors.
2. Fiscal Management: Implemented Absence Management module. Completed upgrade of PeopleSoft payroll and financial systems. Implemented Multifactor Authentication for added security. Assisted agencies through two allotments. Implemented Real Estate module for Facility Management. Completed report of agencies that receive federal funds. Implemented GASB 68 and 72.

Increased p-card rebate to \$700,000 for the general fund. Developed p-card audit cube. Completed all ACA reporting requirements.

3. Human Resource Management Services: Provided guidance to agencies in distribution of salary increases. Advised agencies on employee relations, recruitment, employment law, organizational change, and performance management. Assisted agencies with incident investigations and reduction in force considerations.
4. Risk Management: Maintained the state's actuarially projected funding needs for the 2017-19 biennium at \$1.9 million. Third party claims remained consistent with an average of 147 claims, down from a high of 351 claims in FY2001. State entities reduced their required contributions to the fund by \$1.5 million by participating in the discount program. Provided resources and training to assist approximately 80 percent of state entities to develop Continuity of Operations Plans and implement procedures for emergency notification.
5. Central Services: Reorganized division to eliminate one general fund position without reducing services. Provided procurement support to major information technology projects and established over 30 new state contracts. Expanded procurement services to higher education, political subdivisions and public schools. Collaborated with Job Service North Dakota to create cost savings in printing and mailing operations. Initiated a PeopleSoft Supplier Onboarding solution to automate supplier and bidder self-registration.

Executive Budget Recommendation

- Reduces \$1.6 million from the 2015-17 original legislative ongoing General Fund appropriation of \$31.7 million. This includes the reduction of 3.50 FTE.
- Provides \$800,000 special funding for purchase or construction of a Surplus Property building.
- Provides for a \$275.0 million transfer from the General Fund to the Social Services Property Tax Fund. Property tax relief will be achieved by transferring the cost of operating the county social services programs from county property tax levies to state General Fund appropriations.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

110 Office of Management and Budget

Bill#: HB1015

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	320,963,263	18,669,342	(12,478,317)	(66.8%)	6,191,025	263,666,804	1,412.3%	282,336,146
Facility Management	20,277,905	24,040,604	(11,375,241)	(47.3%)	12,665,363	(11,199,431)	(46.6%)	12,841,173
Fiscal Management	8,457,259	13,663,357	(4,264,404)	(31.2%)	9,398,953	(4,183,664)	(30.6%)	9,479,693
Human Resource Mgmt Service	2,481,926	2,813,448	19,095	0.7%	2,832,543	67,826	2.4%	2,881,274
Risk Management	1,389,711	1,628,525	44,637	2.7%	1,673,162	63,608	3.9%	1,692,133
Central Services	6,127,025	7,710,890	(82,407)	(1.1%)	7,628,483	809,588	10.5%	8,520,478
Total Major Programs	359,697,089	68,526,166	(28,136,637)	(41.1%)	40,389,529	249,224,731	363.7%	317,750,897
By Line Item								
Salaries and Wages	19,273,146	20,029,754	1,845,570	9.2%	21,875,324	2,270,438	11.3%	22,300,192
Operating Expenses	11,397,744	14,206,785	(616,797)	(4.3%)	13,589,988	(479,297)	(3.4%)	13,727,488
Fiscal Management Carryover	982,339	3,835,655	(3,835,655)	(100.0%)	0	0	0.0%	0
State Contingency Fund	0	700,000	(200,000)	(28.6%)	500,000	(200,000)	(28.6%)	500,000
Capital Assets	5,250,384	8,990,010	(7,016,533)	(78.0%)	1,973,477	(6,216,533)	(69.1%)	2,773,477
Capital Construction Carryover	4,202,013	4,231,468	(4,231,468)	(100.0%)	0	0	0.0%	0
Grants	429,500	555,000	(500,000)	(90.1%)	55,000	(501,000)	(90.3%)	54,000
Grants - Guardianships	828,600	1,328,600	(132,860)	(10.0%)	1,195,740	(132,860)	(10.0%)	1,195,740
Prairie Public Broadcasting	1,937,138	1,700,000	(500,000)	(29.4%)	1,200,000	(500,000)	(29.4%)	1,200,000
Energy Develop Impact Funding	0	4,106,163	(4,106,163)	(100.0%)	0	0	0.0%	0
Info Technology Relocation	182,970	0	0	0.0%	0	0	0.0%	0
Student Internship Program	3,255	217,273	(217,273)	(100.0%)	0	0	0.0%	0
Market Equity Funding Pool	0	2,245,000	(2,245,000)	(100.0%)	0	0	0.0%	0
Health Insurance Pool	0	4,880,458	(4,880,458)	(100.0%)	0	0	0.0%	0
State Transfers	315,210,000	1,500,000	(1,500,000)	(100.0%)	0	273,500,000	18,233.3%	275,000,000
Cyber Insurance Pool	0	0	0	0.0%	0	1,000,000	100.0%	1,000,000
Total Line Items	359,697,089	68,526,166	(28,136,637)	(41.1%)	40,389,529	249,224,731	363.7%	317,750,897
By Funding Source								
General Fund	351,400,969	48,790,088	(17,778,451)	(36.4%)	31,011,637	256,707,337	526.1%	305,497,425
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	8,296,120	19,736,078	(10,358,186)	(52.5%)	9,377,892	(7,482,606)	(37.9%)	12,253,472
Total Funding Source	359,697,089	68,526,166	(28,136,637)	(41.1%)	40,389,529	249,224,731	363.7%	317,750,897
Total FTE	130.50	122.50	(3.50)	(2.9%)	119.00	(3.50)	(2.9%)	119.00

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, K-12 Network Connectivity, the Geographic Information System program, and the Health Information Exchange.

Major Accomplishments

1. Rolled out a full-service deployment of desktop and laptop services to 19 state agencies. The comprehensive desktop support service includes computer patching, anti-virus and firewall software, encryption, onsite and remote support, computer procurement, and Microsoft Office 365 among other features. This new level of support greatly reduces the time to resolve problems, which hindered agencies in the past.
2. Renegotiated a new contract for STAGEnet services. The most significant outcome was meeting the bandwidth growth demands in a cost effective manner.
3. Established a security division led by the chief information security officer (CISO). The CISO, key individuals from ITD, and numerous other state

agencies participated in the Cybersecurity Task Force created by the governor. The task force was charged with reviewing the state's current cybersecurity policies and practices, and making policy and resource recommendations needed to ensure the security of state networks and systems.

4. Brought online the Microsoft Office 365 government system, which utilizes a federated directory service. The initiative was completed as a partnership among ITD, Microsoft and agency IT leaders. It allows state agencies to take advantage of Microsoft Office 365 cloud services such as Office, OneDrive and SharePoint.
5. Partnered with the public safety community to achieve a significant milestone within the Firstnet project through the submission of North Dakota's requirements. Firstnet is a planned nationwide wireless data network designed specifically to meet the unique and mission critical requirements of the public safety community.
6. Retired SENDIT Mail, the legacy K12 email system, and replaced it with Microsoft Office 365. EduTech operates a statewide identity management system, which allows universal access to Microsoft Office 365 for all North Dakota K12 school students, teachers, and staff.

Executive Budget Recommendation

- Reduces \$3.8 million from the 2015-17 original legislative ongoing General Fund appropriation of \$24.1 million. This includes the reduction of 1.00 FTE, the position of ETC Director.
- Changes 1.00 FTE, Health Information Technology Director, from General Fund to special fund.
- Removes \$439,405 ETC grants to schools.
- Reduces Statewide Data System funding \$500,000.
- Provides appropriation of \$43.5 million special funding to continue building the ND Health Information Network (NDHIN).

REQUEST/RECOMMENDATION COMPARISON SUMMARY

112 Information Technology

Bill#: SB2021

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ITD General Fund Expenditures	10,101,942	11,225,728	(4,200,088)	(37.4%)	7,025,640	(4,657,290)	(41.5%)	6,568,438
ITD Federal Fund Expenditures	2,949,167	3,088,121	(213,121)	(6.9%)	2,875,000	(213,121)	(6.9%)	2,875,000
ITD K-12 Support	14,490,141	16,309,386	(462,340)	(2.8%)	15,847,046	(1,561,134)	(9.6%)	14,748,252
Center for Distance Education	6,441,885	9,246,605	(549,783)	(5.9%)	8,696,822	(440,206)	(4.8%)	8,806,399
Health Information Exchange	3,231,243	5,380,644	(574,388)	(10.7%)	4,806,256	42,997,608	799.1%	48,378,252
ITD Special Fund Expenditures	123,606,176	135,076,791	(344,758)	(0.3%)	134,732,033	681,839	0.5%	135,758,630
Total Major Programs	160,820,554	180,327,275	(6,344,478)	(3.5%)	173,982,797	36,807,696	20.4%	217,134,971
By Line Item								
Salaries and Wages	50,591,341	58,113,215	1,335,786	2.3%	59,449,001	2,374,178	4.1%	60,487,393
Operating Expenses	64,308,709	72,497,177	(2,934,179)	(4.0%)	69,562,998	(2,934,179)	(4.0%)	69,562,998
Capital Assets	9,715,938	8,850,000	(555,000)	(6.3%)	8,295,000	(555,000)	(6.3%)	8,295,000
Technology Project Carryover	3,704,757	708,249	(708,249)	(100.0%)	0	0	0.0%	0
Center for Distance Education	6,441,885	9,246,605	(549,783)	(5.9%)	8,696,822	(440,206)	(4.8%)	8,806,399
Statewide Data System	1,412,522	6,750,661	(1,780,048)	(26.4%)	4,970,613	(2,253,066)	(33.4%)	4,497,595
Educational Technology Council	1,100,371	2,705,947	(1,150,379)	(42.5%)	1,555,568	(1,882,270)	(69.6%)	823,677
Edutech	8,563,471	9,299,991	1,167,828	12.6%	10,467,819	785,442	8.4%	10,085,433
Wide Area Network	4,834,154	5,003,448	(479,789)	(9.6%)	4,523,659	(464,306)	(9.3%)	4,539,142
Geographic Information System	1,311,843	1,271,338	(116,277)	(9.1%)	1,155,061	(112,256)	(8.8%)	1,159,082
Health Info Technology Office	3,231,243	5,880,644	(574,388)	(9.8%)	5,306,256	42,997,608	731.2%	48,878,252
Criminal Justice Information Sharing	3,113,471	0	0	0.0%	0	0	0.0%	0
Federal Stimulus Funds	2,490,849	0	0	0.0%	0	0	0.0%	0
Total Line Items	160,820,554	180,327,275	(6,344,478)	(3.5%)	173,982,797	36,807,696	20.4%	217,134,971
By Funding Source								
General Fund	24,167,772	28,614,236	(6,754,927)	(23.6%)	21,859,309	(8,116,869)	(28.4%)	20,497,367
Federal Funds	2,949,167	3,088,121	(213,121)	(6.9%)	2,875,000	(213,121)	(6.9%)	2,875,000
Special Funds	133,703,615	148,624,918	623,570	0.4%	149,248,488	45,137,686	30.4%	193,762,604
Total Funding Source	160,820,554	180,327,275	(6,344,478)	(3.5%)	173,982,797	36,807,696	20.4%	217,134,971
Total FTE	340.30	350.30	0.00	0.0%	350.30	(1.00)	(0.3%)	349.30

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 five 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. The divisions of NDUS Performance Audits reviews the adequacy of selected activities of the ND Board of Higher Education. Administration, the fifth 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

- Reduces the original 2015-17 legislative ongoing General Fund appropriation of \$10.5 million by \$1.5 million. This includes the reduction of 6.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

117 Office of the State Auditor

Bill#: HB1004

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	433,725	468,482	10,189	2.2%	478,671	17,830	3.8%	486,312
Division of Local Government Audits	1,442,645	1,808,419	118,929	6.6%	1,927,348	148,170	8.2%	1,956,589
Division of State Audits	7,866,832	9,051,436	(353,082)	(3.9%)	8,698,354	(796,293)	(8.8%)	8,255,143
Mineral Royalty Auditing	1,225,817	1,497,451	(49,807)	(3.3%)	1,447,644	(27,070)	(1.8%)	1,470,381
NDUS Performance Audit	0	1,221,914	(665,502)	(54.5%)	556,412	(655,298)	(53.6%)	566,616
Total Major Programs	10,969,019	14,047,702	(939,273)	(6.7%)	13,108,429	(1,312,661)	(9.3%)	12,735,041
By Line Item								
Salaries and Wages	9,792,628	12,322,192	(797,654)	(6.5%)	11,524,538	(1,146,042)	(9.3%)	11,176,150
Accrued Leave Line	59,088	0	0	0.0%	0	0	0.0%	0
Operating Expenses	788,183	1,195,510	(61,619)	(5.2%)	1,133,891	(86,619)	(7.2%)	1,108,891
Capital Assets	89,931			0.0%	0	0	0.0%	0
Construction carryover	0	80,000	(80,000)	(100.0%)	0	0	0.0%	0
Information Tech Consultants	239,189	450,000	0	0.0%	450,000	0	0.0%	450,000
Total Line Items	10,969,019	14,047,702	(939,273)	(6.7%)	13,108,429	(1,312,661)	(9.3%)	12,735,041
By Funding Source								
General Fund	8,300,557	10,541,832	(1,008,395)	(9.6%)	9,533,437	(1,433,761)	(13.6%)	9,108,071
Federal Funds	1,225,817	1,497,451	(49,807)	(3.3%)	1,447,644	(27,070)	(1.8%)	1,470,381
Special Funds	1,442,645	2,008,419	118,929	5.9%	2,127,348	148,170	7.4%	2,156,589
Total Funding Source	10,969,019	14,047,702	(939,273)	(6.7%)	13,108,429	(1,312,661)	(9.3%)	12,735,041
Total FTE	53.80	59.80	0.00	0.0%	59.80	(6.00)	(10.0%)	53.80

Statutory Authority

ND Constitution Article V, Section 02; Article X, Sections 12, 25 and 26; North Dakota Century Code Sections 4-05.1, 4-24-09, 6-09-15.1, 15-01-01, 15-03-01, 15-10-12, 15-39.1, 15.1-03-03, 16.1-15-33, 20.1-02-16.6, 21-01, 21-04, 21-06-10, 21-10-01, 25-01, 25-01.1-17, 26.1-14-05, 26.1-23, 27-52, 32-15-31, 37-14-14, 37-15, 39-04-10.10, 44-03-01, 50-27-01, 52-2.1, 54-06, 54-11, 54-16-04.1, 54-27, 54-27.2, 54-30, 54-59, 55-01, 57-02, 57-13-01, 57-15-56, 57-20-07.2, 57-32-04, 57-33.2-19, 57-34-05, 57-36-31, 57-37.1, 57-39.2-26.1, 57-43.2-19, 57-51, 57-51.1, 57-60, 57-61, 57-62 and 65-04-30.

Agency Description

The Office of State Treasurer 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 agency is also responsible for distributing accurate and timely tax distributions to over 500 political subdivisions across the state.

Major Accomplishments

1. Updated Tax Distribution Outstanding Check (TDOC) system to accommodate the major changes made to the Oil and Gas Gross Production Tax distributions as spelled out in House Bill 1176 as well as the changes made to the State Aid distributions spelled out in House Bill 1067.
2. Finalized the addition of all four of the Local Option Tax distributions to TDOC.
3. Enhanced our agency website to include additional information regarding the revenue distributions completed by our agency. Also enhanced the information available in regards to the state's operating balance as well as the North Dakota Legacy Fund. These additions, along with additions to our government funds section, have helped auditors, state agencies, legislators and the general public, by giving them a single resource to find a

significant amount of information regarding the state's dollars. These enhancements have brought added transparency to the state's finances.

4. Implemented the use of FileNet as an electronic method of generating and storing all of our archival data. This will not only help move our office to a mostly paperless operation, but will also enhance our ability to retrieve historical data.
5. Provided education, outreach and enhanced cooperation with political subdivisions. Our 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.
6. Maintained and strengthened the line of communication with financial officers throughout state government to address the daily cash needs and expenditures of their agency.
7. Developed new database and report systems.
8. Continued policy and procedure development.
9. Continued cross training of staff.
10. Reviewed and updated the long-range strategic plan.

Executive Budget Recommendation

- Reduces \$380,068 from the 2015-17 original legislative ongoing General Fund appropriation of \$2.0 million.
- Eliminates deputy treasurer position and converts temporary position to FTE through agency reorganization resulting in General Fund savings.
- Removes the Coal Severance Payments line of \$206,000 and repeals the Coal Severance Tax section NDCC 57-62-02(5) that provides allocation of lost revenue to coal-producing counties resulting in decreased revenue due to a school district in an adjoining non-coal-producing county.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

120 Office of the State Treasurer

Bill#: HB1005

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	505,588,546	260,074,435	(258,264,847)	(99.3%)	1,809,588	(258,440,204)	(99.4%)	1,634,231
Total Major Programs	505,588,546	260,074,435	(258,264,847)	(99.3%)	1,809,588	(258,440,204)	(99.4%)	1,634,231
By Line Item								
Salaries and Wages	1,297,007	1,503,722	(151,394)	(10.1%)	1,352,328	(120,751)	(8.0%)	1,382,971
Operating Expenses	392,645	310,713	(59,453)	(19.1%)	251,260	(59,453)	(19.1%)	251,260
Capital Assets	31,944	0	0	0.0%	0	0	0.0%	0
Technology Project Carryover	0	15,000	(15,000)	(100.0%)	0	0	0.0%	0
Surge Bill Funding	297,550,000	0	0	0.0%	0	0	0.0%	0
Coal Severence Payments	274,882	245,000	(39,000)	(15.9%)	206,000	0	0.0%	0
Township Allocation	5,610,000	8,000,000	(8,000,000)	(100.0%)	0	0	0.0%	0
Property Tax Relief Credits	200,432,068	250,000,000	(250,000,000)	(100.0%)	0	0	0.0%	0
Total Line Items	505,588,546	260,074,435	(258,264,847)	(99.3%)	1,809,588	(258,440,204)	(99.4%)	1,634,231
By Funding Source								
General Fund	208,038,546	260,074,435	(258,264,847)	(99.3%)	1,809,588	(258,440,204)	(99.4%)	1,634,231
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	297,550,000	0	0	0.0%	0	0	0.0%	0
Total Funding Source	505,588,546	260,074,435	(258,264,847)	(99.3%)	1,809,588	(258,440,204)	(99.4%)	1,634,231
Total FTE	8.00	8.00	0.00	0.0%	8.00	0.00	0.0%	8.00

Statutory Authority

ND Constitution Article V, Section 12, North Dakota Century Code Chapters and Sections 5-02, 12.1-32, 12.1-41, 12-60, 12-62, 12.1-34, 18-01, 18-13, 19-01, 19-03, 23-15-04, 32-12.2-03, 32-12.2-04, 43-31-14, 51-04, 51-15, 51-28, 53-04.1-03, 53-06.1, 53-12.1, 54-6, 54-12, 57-36-02.

Agency Description

The Office of the Attorney General represents and defends the interest of the citizens of North Dakota by executing the responsibilities charged to the North Dakota Attorney General by the North Dakota Constitution, state statutes and administrative rules, North Dakota and federal case law, and common law. The Attorney General is the chief legal counsel and adviser 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 and Criminal Justice Information Sharing, Lottery, Natural Resources and Indian Affairs, and State and Local Government.

Major Accomplishments

1. Awarded and managed \$16.6 million in the 2013-15 biennium and are handling an additional \$10.0 million this biennium aimed at improving criminal justice programs in oil impacted communities including addressing human trafficking in the state, and providing resources and training for sexual assault nurse examiners
2. Increased the number of 24/7 Sobriety program participants to 14,712, of which 9,044 have completed successfully and 2,348 are currently active participants, as a result of new requirements set forth in 2013 legislative session.
3. Implemented multiple criminal history program changes including a change in the criminal history look back period, longer license length, extending the processing period, and eliminating local law enforcement approval requirements.

4. Teamed with local law enforcement partners in establishing task forces which are having a significant impact on major drug trafficking organizations.
5. Processed 47,358 requests for criminal history record information, an increase of 21.0 percent compared to 2013.
6. Reduced drug chemistry turn-around time to less than 30 days by the addition of a forensic scientist to the staff.
7. Represented and continue to represent the state in proceedings dealing with the Master Settlement Agreement and the state's compliance with the Tobacco Sales Act, which resulted in \$51.6 million collected during the biennium.
8. Represented the Department of Human Services in 245 Medicaid fraud cases and assisted in the recovery of \$3.2 million.
9. Defended the constitutionality of the 2011 House Bill 1297, the Abortion Control Act, and appealed a district court's finding of unconstitutionality to the North Dakota Supreme Court.
10. Sued the United States Forest Service over public access in North Dakota's 1.2 million acres of national grasslands, since the Forest Service has taken unprecedented steps to close unimproved roads and trails and restrict access in the grasslands.
11. Filed complaints against the federal Bureau of Land Management (BLM) in Wyoming Federal District Court in April 2015, with numerous other states, seeking to prevent the BLM's new "fracking" rule from coming into effect.
12. Assisted state officials to develop and implement strategies to significantly reduce pollutants from power plants, and responded to initiatives by the US Environmental Protection Agency (EPA) that are too restrictive, too costly, of uncertain effectiveness, and that usurp state sovereignty and expertise.
13. Implemented a new Lottery players club point for prizes and the new Lucky for Life online Lottery game.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative ongoing General Fund appropriation of \$51.7 million by \$5.5 million. This includes the reduction of 16.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

125 Office of the Attorney General

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Finance and Administration	2,134,603	3,241,409	(585,271)	(18.1%)	2,656,138	(827,913)	(25.5%)	2,413,496
Information Technology	7,957,438	15,966,571	(5,227,635)	(32.7%)	10,738,936	(5,390,518)	(33.8%)	10,576,053
Attorney General Administration	1,240,538	1,411,022	(80,905)	(5.7%)	1,330,117	(64,596)	(4.6%)	1,346,426
Legal Services	8,070,336	13,121,927	(1,119,585)	(8.5%)	12,002,342	(1,134,546)	(8.6%)	11,987,381
Bureau of Criminal Investigation	28,424,182	36,671,403	(8,257,764)	(22.5%)	28,413,639	(8,757,117)	(23.9%)	27,914,286
Crime Lab	7,772,729	10,867,965	(1,660,263)	(15.3%)	9,207,702	(1,717,978)	(15.8%)	9,149,987
Consumer Protection	1,730,284	2,107,968	18,666	0.9%	2,126,634	51,520	2.4%	2,159,488
Gaming	2,888,251	3,705,728	(214,870)	(5.8%)	3,490,858	(162,467)	(4.4%)	3,543,261
Fire Marshal	1,516,530	2,077,874	67,996	3.3%	2,145,870	97,333	4.7%	2,175,207
Lottery	3,202,300	5,282,778	28,801	0.5%	5,311,579	63,344	1.2%	5,346,122
Total Major Programs	64,937,191	94,454,645	(17,030,830)	(18.0%)	77,423,815	(17,842,938)	(18.9%)	76,611,707
By Line Item								
Salaries and Wages	34,315,004	43,517,945	(1,171,974)	(2.7%)	42,345,971	(2,014,123)	(4.6%)	41,503,822
Operating Expenses	12,797,645	25,991,319	(8,976,500)	(34.5%)	17,014,819	(8,976,500)	(34.5%)	17,014,819
Capital Assets	2,213,870	2,671,187	71,185	2.7%	2,742,372	71,185	2.7%	2,742,372
Technology Project Carryover	437,613	1,520,000	(1,520,000)	(100.0%)	0	0	0.0%	0
Grants	2,047,122	2,262,659	177,341	7.8%	2,440,000	177,341	7.8%	2,440,000
Law Enforcement Grants	7,944,814	1,655,186	(1,655,186)	(100.0%)	0	0	0.0%	0
Litigation Fees	123,243	50,000	100,000	200.0%	150,000	100,000	200.0%	150,000
IP Attorney	0	436,994	(12,725)	(2.9%)	424,269	(8,064)	(1.8%)	428,930
Abortion Litigation Fees	233,667	400,000	(400,000)	(100.0%)	0	0	0.0%	0
Medical Examinations	408,890	660,000	0	0.0%	660,000	0	0.0%	660,000
North Dakota Lottery	3,202,300	5,282,778	28,801	0.5%	5,311,579	63,344	1.2%	5,346,122
Arrest and Return of Fugitives	11,187	10,000	0	0.0%	10,000	0	0.0%	10,000
Gaming Commission	1,836	7,490	(1)	0.0%	7,489	0	0.0%	7,490
Cont. Higher Ed Lgl Serv	0	700,000	(700,000)	(100.0%)	0	0	0.0%	0
Criminal Justice Information Sharing	0	5,401,701	(1,848,107)	(34.2%)	3,553,594	(2,010,139)	(37.2%)	3,391,562
Law Enforcement	0	3,887,386	(1,123,664)	(28.9%)	2,763,722	(970,796)	(25.0%)	2,916,590
Remote Alcohol Monitors	1,200,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	64,937,191	94,454,645	(17,030,830)	(18.0%)	77,423,815	(17,842,938)	(18.9%)	76,611,707
By Funding Source								
General Fund	38,845,003	55,377,321	(7,239,781)	(13.1%)	48,137,540	(8,383,351)	(15.1%)	46,993,970
Federal Funds	4,902,699	9,224,049	760,687	8.2%	9,984,736	1,025,315	11.1%	10,249,364
Special Funds	21,189,489	29,853,275	(10,551,736)	(35.3%)	19,301,539	(10,484,902)	(35.1%)	19,368,373
Total Funding Source	64,937,191	94,454,645	(17,030,830)	(18.0%)	77,423,815	(17,842,938)	(18.9%)	76,611,707
Total FTE	215.00	250.00	(6.00)	(2.4%)	244.00	(16.00)	(6.4%)	234.00

Statutory Authority

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

Agency Description

The Office of State Tax Commissioner is responsible for fairly and effectively administering the tax laws of North Dakota. The Office of State Tax Commissioner consists of six separate divisions including:

- The Commissioner's Division: the administrative center of the department.
- The Legal Division: litigates and provides legal advice and counsel to the department and to the State Board of Equalization.
- The Fiscal Management Division: the financial center covering revenue accounting, accounts payable, payroll, asset management, purchasing, and budgeting.
- The Tax Administration Division: administers individual income, corporation income, sales and use, motor fuels, oil and gas gross production, oil extraction, alcoholic beverages, tobacco products, estate, special taxes, telecommunications gross receipts tax, applicable local option taxes, and the collection of delinquent taxes.
- The Property Tax Division: includes property and utility taxes, coal taxes, Homestead Tax Credit and Renter Refund Program, and the Disabled Veterans Property Tax Credit Program, and provides administrative and technical support to the State Board of Equalization.
- The Information Management and Technology Division: responsible for leading the department's technology efforts, managing the processing of tax returns, and safeguarding taxpayer data.

Major Accomplishments

1. Implemented Taxpayer Access Point (TAP) in late 2014. TAP is a taxpayer-facing module within GenTax that provides secure, web-based self-service functions.
2. Updated the "Where's My Refund" Tool on the agency website.
3. Implemented a new version of GenTax, state integrated tax software, in December 2015, which included a fraud manager tool.

4. Completed the roll-out of a new website, with a responsive design to provide an optimal viewing and interaction experience from any device with internet access.
5. Implemented additional business processes to identify and stop fraudulent tax refund claims during the 2015 and 2016 individual income tax processing seasons.
6. Continued membership in e-file services including The Free File Alliance, which is a private-public partnership formed between the IRS, states, and the tax preparation software industry that allows lower income and military taxpayers to receive free electronic filing services.
7. Partnered with the IRS, tax industry, and other stakeholders to ensure that all confidential information is kept secure.
8. Conducted 392 corporate income tax audits resulting in over \$48.0 million in additional assessments. During that same time period there were 448 audits conducted of in-state and out-of-state businesses which resulted in additional Sales and Use Tax assessments of \$56.6 million.
9. Implemented the required software changes as a result of House Bill 1476, which reformed oil extraction taxes by eliminating exemptions, removing the low-price triggered incentive, and lowering the overall tax rate.
10. Administered a new Sales and Use tax in agreement with the Standing Rock Sioux Tribe.
11. Implemented income tax rate reduction that resulted from passage of Senate Bill 2349. This bill was implemented with the necessary changes to tax forms and guidelines and GenTax. The bill was implemented with no additional appropriation to the Department.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative ongoing General Fund appropriation of \$58.8 million by \$7.0 million.
- Removes 3.00 FTE positions.
- Provides \$16.0 million from the General Fund for the Homestead Tax Credit and \$6.9 million from the General Fund for the Disabled Veterans Tax Credit.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

127 Office of State Tax Commissioner

Bill#: HB1006

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Tax Department	28,290,686	31,252,918	(2,771,988)	(8.9%)	28,480,930	(1,811,583)	(5.8%)	29,441,335
Homestead Tax Credit	12,901,093	20,000,000	(4,000,000)	(20.0%)	16,000,000	(4,000,000)	(20.0%)	16,000,000
Disabled Veteran Credit	5,415,042	7,678,000	(767,800)	(10.0%)	6,910,200	(767,800)	(10.0%)	6,910,200
Total Major Programs	46,606,821	58,930,918	(7,539,788)	(12.8%)	51,391,130	(6,579,383)	(11.2%)	52,351,535
By Line Item								
Salaries and Wages	19,883,005	23,007,714	(1,454,559)	(6.3%)	21,553,155	(494,154)	(2.1%)	22,513,560
Accrued Leave Payments	175,443	0	0	0.0%	0	0	0.0%	0
Operating Expenses	8,232,238	8,205,204	(1,283,429)	(15.6%)	6,921,775	(1,283,429)	(15.6%)	6,921,775
Capital Assets	0	40,000	(34,000)	(85.0%)	6,000	(34,000)	(85.0%)	6,000
Homestead Tax Credit	12,901,093	20,000,000	(4,000,000)	(20.0%)	16,000,000	(4,000,000)	(20.0%)	16,000,000
Disabled Veteran Credit	5,415,042	7,678,000	(767,800)	(10.0%)	6,910,200	(767,800)	(10.0%)	6,910,200
Total Line Items	46,606,821	58,930,918	(7,539,788)	(12.8%)	51,391,130	(6,579,383)	(11.2%)	52,351,535
By Funding Source								
General Fund	46,587,141	58,805,918	(7,539,788)	(12.8%)	51,266,130	(6,579,383)	(11.2%)	52,226,535
Federal Funds	19,680	125,000	0	0.0%	125,000	0	0.0%	125,000
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	46,606,821	58,930,918	(7,539,788)	(12.8%)	51,391,130	(6,579,383)	(11.2%)	52,351,535
Total FTE	134.00	136.00	0.00	0.0%	136.00	(3.00)	(2.2%)	133.00

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), North Dakota Century Code Chapter 54-57, specific agency statutes, agency procedural rules, and the Uniform Rules of Administrative Procedure for Adjudicative Proceedings (ND Admin. Code article 98-02).

Major Accomplishments

1. 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 Judiciary, and the Central Panel Directors Conference.
2. Upgraded case management and billing system to the newest version (Fall of 2016).

Executive Budget Recommendation

- Recommends the budget as requested with salary reductions of \$31,618.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

140 Office of Administrative Hearings

Bill#: SB2017

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Office of Administrative Hearings Services	2,268,023	2,965,651	(30,747)	(1.0%)	2,934,904	(11,336)	(0.4%)	2,954,315
Total Major Programs	2,268,023	2,965,651	(30,747)	(1.0%)	2,934,904	(11,336)	(0.4%)	2,954,315
By Line Item								
Salaries and Wages	1,081,833	1,195,284	(16,707)	(1.4%)	1,178,577	2,704	0.2%	1,197,988
Operating Expenses	1,186,190	1,770,367	(14,040)	(0.8%)	1,756,327	(14,040)	(0.8%)	1,756,327
Total Line Items	2,268,023	2,965,651	(30,747)	(1.0%)	2,934,904	(11,336)	(0.4%)	2,954,315
By Funding Source								
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	2,268,023	2,965,651	(30,747)	(1.0%)	2,934,904	(11,336)	(0.4%)	2,954,315
Total Funding Source	2,268,023	2,965,651	(30,747)	(1.0%)	2,934,904	(11,336)	(0.4%)	2,954,315
Total FTE	5.00	5.00	0.00	0.0%	5.00	0.00	0.0%	5.00

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#: SB2001

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND Legislative Assembly	13,073,567	17,432,126	(2,714,358)	(15.6%)	14,717,768	(2,714,358)	(15.6%)	14,717,768
Total Major Programs	13,073,567	17,432,126	(2,714,358)	(15.6%)	14,717,768	(2,714,358)	(15.6%)	14,717,768
By Line Item								
Salaries and Wages	9,405,154	10,067,002	652,003	6.5%	10,719,005	652,003	6.5%	10,719,005
Operating Expenses	3,113,161	5,987,790	(2,245,199)	(37.5%)	3,742,591	(2,245,199)	(37.5%)	3,742,591
Capital Assets	321,966	976,071	(970,071)	(99.4%)	6,000	(970,071)	(99.4%)	6,000
Ntl Conference of State Legislature	233,286	241,263	8,909	3.7%	250,172	8,909	3.7%	250,172
Audio and Visual Equipment	0	160,000	(160,000)	(100.0%)	0	0	0.0%	0
Total Line Items	13,073,567	17,432,126	(2,714,358)	(15.6%)	14,717,768	(2,714,358)	(15.6%)	14,717,768
By Funding Source								
General Fund	13,073,567	17,432,126	(2,714,358)	(15.6%)	14,717,768	(2,714,358)	(15.6%)	14,717,768
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	13,073,567	17,432,126	(2,714,358)	(15.6%)	14,717,768	(2,714,358)	(15.6%)	14,717,768
Total FTE	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00

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#: SB2001

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Fiscal Services	2,068,643	3,082,562	(185,871)	(6.0%)	2,896,691	(175,450)	(5.7%)	2,907,112
Legal Services	2,932,144	3,558,366	(651,547)	(18.3%)	2,906,819	(639,620)	(18.0%)	2,918,746
General and Administrative Services	5,816,924	11,727,062	(5,355,171)	(45.7%)	6,371,891	(5,334,860)	(45.5%)	6,392,202
Total Major Programs	10,817,711	18,367,990	(6,192,589)	(33.7%)	12,175,401	(6,149,930)	(33.5%)	12,218,060
By Line Item								
Salaries and Wages	7,874,620	11,572,490	(2,480,424)	(21.4%)	9,092,066	(2,437,765)	(21.1%)	9,134,725
Accrued Leave Payments	84,610	0	0	0.0%	0	0	0.0%	0
Operating Expenses	2,508,476	6,099,744	(3,046,409)	(49.9%)	3,053,335	(3,046,409)	(49.9%)	3,053,335
Capital Assets	260,395	245,756	(215,756)	(87.8%)	30,000	(215,756)	(87.8%)	30,000
Incarcerations Sudy	0	50,000	(50,000)	(100.0%)	0	0	0.0%	0
Oil and Gas Tax Study	0	400,000	(400,000)	(100.0%)	0	0	0.0%	0
Education Funding Study	89,610	0	0	0.0%	0	0	0.0%	0
Total Line Items	10,817,711	18,367,990	(6,192,589)	(33.7%)	12,175,401	(6,149,930)	(33.5%)	12,218,060
By Funding Source								
General Fund	10,755,532	18,297,990	(6,192,589)	(33.8%)	12,105,401	(6,149,930)	(33.6%)	12,148,060
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	62,179	70,000	0	0.0%	70,000	0	0.0%	70,000
Total Funding Source	10,817,711	18,367,990	(6,192,589)	(33.7%)	12,175,401	(6,149,930)	(33.5%)	12,218,060
Total FTE	37.00	37.00	(1.00)	(2.7%)	36.00	(1.00)	(2.7%)	36.00

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.

The North Dakota Supreme Court is the highest court for the State of North Dakota. It has two major types of responsibilities--adjudicative and administrative. It is primarily an appellate court with jurisdiction to hear appeals from decisions of the district courts. The Court also has original jurisdiction authority and can issue such original and remedial writs as are necessary. In its administrative capacity, the Court is responsible for ensuring the efficient and effective operation of all courts in the state, maintaining high standards of judicial conduct, supervising the legal profession and promulgating procedural rules.

District Courts are the state trials courts of general jurisdiction. Among the types of cases they hear are civil, criminal, domestic relations, small claims, and probate. District Courts also serve as the Juvenile Courts in the state with original jurisdiction over any minor who is alleged to be unruly, delinquent, or deprived. In some districts, judicial referees have been appointed to preside over juvenile child support enforcement and domestic relations proceedings, other than contested

divorces. District Courts are also the appellate courts of first instance for appeals from the decisions of many administrative agencies for criminal convictions in Municipal Courts. There are 51 District Court Judges in North Dakota.

Major Accomplishments

1. Mandated use of electronic filing.
2. Provided web-based access to court records.
3. Implemented rules to expedite appeals of termination of parental rights cases.
4. Revised the rules of criminal procedure.
5. Mandated greater use of alternative dispute resolution processes in district court.
6. Implemented mediation process in Supreme Court.
7. Collected fines/fees through state tax intercept.
8. Implemented self-help center for litigants.
9. Implemented ethics training for interpreters.
10. Expanded interactive television.
11. Expanded digital audio recording.
12. Implemented interactive phone payment system.
13. Implemented paper on demand filing system.
14. Implemented web payment system.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$7.3 million. This includes the reduction of 36.50 FTE.
- Includes budget as submitted.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

180 Judicial Branch

Bill#: SB2002

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Supreme Court	12,430,990	16,015,555	(2,408,248)	(15.0%)	13,607,307	(2,238,169)	(14.0%)	13,777,386
District Court	82,018,098	97,854,758	(9,924,805)	(10.1%)	87,929,953	(8,753,051)	(8.9%)	89,101,707
Judicial Cond Comm and Disc. Board	979,275	1,127,487	36,716	3.3%	1,164,203	51,913	4.6%	1,179,400
Total Major Programs	95,428,363	114,997,800	(12,296,337)	(10.7%)	102,701,463	(10,939,307)	(9.5%)	104,058,493
By Line Item								
Salaries and Wages	70,026,368	83,178,439	(5,603,788)	(6.7%)	77,574,651	(4,261,954)	(5.1%)	78,916,485
Accrued Leave 13-15	350,192	0	0	0.0%	0	0	0.0%	0
Operating Expenses	21,103,102	26,773,318	(3,234,763)	(12.1%)	23,538,555	(3,234,763)	(12.1%)	23,538,555
Capital Assets	1,206,860	3,046,530	(3,046,530)	(100.0%)	0	0	0.0%	0
Supreme Court- Judges Retirement	75,015	79,588	1,176	1.5%	80,764	1,176	1.5%	80,764
District Court- Judges Retirement	459,635	408,649	(65,359)	(16.0%)	343,290	(65,359)	(16.0%)	343,290
Judicial Conduct Comm & Disciplinary Brd	979,275	1,127,487	36,716	3.3%	1,164,203	51,913	4.6%	1,179,400
Mediation	1,147,916	0	0	0.0%	0	0	0.0%	0
Guardianship Program	0	303,789	(303,789)	(100.0%)	0	0	0.0%	0
Und-Grant	80,000	80,000	(80,000)	(100.0%)	0	0	0.0%	0
Total Line Items	95,428,363	114,997,800	(12,296,337)	(10.7%)	102,701,463	(10,939,307)	(9.5%)	104,058,493
By Funding Source								
General Fund	93,581,438	112,630,994	(11,751,373)	(10.4%)	100,879,621	(10,394,340)	(9.2%)	102,236,654
Federal Funds	1,498,187	1,922,150	(583,010)	(30.3%)	1,339,140	(583,012)	(30.3%)	1,339,138
Special Funds	348,738	444,656	38,046	8.6%	482,702	38,045	8.6%	482,701
Total Funding Source	95,428,363	114,997,800	(12,296,337)	(10.7%)	102,701,463	(10,939,307)	(9.5%)	104,058,493
Total FTE	363.00	391.00	(36.50)	(9.3%)	354.50	(36.50)	(9.3%)	354.50

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 staggered 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 eight judicial districts to regulate its program.

Major Accomplishments

1. Opened the administrative office in November 2005, and since then opened eight public defender offices in Grand Forks, Fargo, Bismarck, Minot (2), Williston, Watford City and Dickinson. Hired full time employees, 20 of which are full time public defenders. Those 20 attorneys, plus approximately 60

private attorneys who contract with the agency, provide legal services to indigent clients in criminal and juvenile court in about 14,700 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.
4. Monitored caseloads and addressed changes by not renewing contracts in areas with reduced caseloads, and increasing contract numbers in areas with increasing caseloads. Added a temporary attorney in our Minot Adjunct office to assist with increasing case loads in North Central Judicial District.

Executive Budget Recommendation

- The total General Fund reduction from the original 2015-17 legislative ongoing appropriation is \$547,734. This equals a three percent reduction. General Fund authority of \$1.3 million was added back into the budget after the 10 percent reduction to help cover the increased caseload.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

188 Commission on Legal Counsel for Indigents

Bill#: SB2022

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Counsel for Indigents Operations	15,295,330	20,411,017	(2,037,685)	(10.0%)	18,373,332	(582,714)	(2.9%)	19,828,303
Total Major Programs	15,295,330	20,411,017	(2,037,685)	(10.0%)	18,373,332	(582,714)	(2.9%)	19,828,303
By Line Item								
Accrued Leave Payments	33,215	0	0	0.0%	0	0	0.0%	0
Legal Counsel for Indigents	15,262,115	20,411,017	(2,037,685)	(10.0%)	18,373,332	(582,714)	(2.9%)	19,828,303
Total Line Items	15,295,330	20,411,017	(2,037,685)	(10.0%)	18,373,332	(582,714)	(2.9%)	19,828,303
By Funding Source								
General Fund	12,824,735	18,304,103	(1,847,734)	(10.1%)	16,456,369	(396,515)	(2.2%)	17,907,588
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	2,470,595	2,106,914	(189,951)	(9.0%)	1,916,963	(186,199)	(8.8%)	1,920,715
Total Funding Source	15,295,330	20,411,017	(2,037,685)	(10.0%)	18,373,332	(582,714)	(2.9%)	19,828,303
Total FTE	33.00	40.00	0.00	0.0%	40.00	0.00	0.0%	40.00

Statutory Authority

ND Constitution Article IV, Section 13 and Article X, Section 26; 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 for North Dakota public school teachers and administrators. Benefit funding comes from member and employer contributions and investment earnings. 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 over \$11.00 billion in assets for seven pension funds and 17 insurance and/or non-pension 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, 2015. This was the eighteenth time RIO received this award.

2. Received the 2015 Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council. TFFR has received a PPCC Award since 1992.
3. Implemented new Governmental Accounting Standards Board (GASB) Statements 67 and 68 relating to pension accounting and financial reporting.
4. Approved a reduction of long-term investment return assumption, updated mortality tables, and other minor modifications, based on recommendations from the 5-year Actuarial Experience Review conducted by TFFR plan actuary. Updated assumptions have been incorporated into ND Administrative Code, pension software system, and plan documents.
5. Received results of 5-year Asset Liability Modeling Study conducted by SIB investment consultant. TFFR Board approved minor changes to the plan's asset allocation and investment policy statement which have been implemented.
6. Rated a 3.7 on a 4.0 scale on the SIB client satisfaction surveys during the past two fiscal years.
7. Reduced investment management fees during the past two fiscal years from 0.65 percent in FY13 to 0.47 percent in FY15 (approximately \$17.0 million annual cost reduction based on an average asset base of \$10.00 billion).
8. Generated \$200.0 million of incremental income for SIB clients in the last five years, by successfully employing active investment management.

Executive Budget Recommendation

- Recommends budget as requested.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

190 Retirement and Investment Office

Bill#: HB1022

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Teachers Fund for Retirement	2,603,059	3,049,771	30,209	1.0%	3,079,980	74,398	2.4%	3,124,169
Investment Program	1,758,786	2,363,654	(22,595)	(1.0%)	2,341,059	6,683	0.3%	2,370,337
Total Major Programs	4,361,845	5,413,425	7,614	0.1%	5,421,039	81,081	1.5%	5,494,506
By Line Item								
Salaries and Wages	3,371,070	4,340,551	91,409	2.1%	4,431,960	164,876	3.8%	4,505,427
Accrued Leave Payments	43,904	0	0	0.0%	0	0	0.0%	0
Operating Expenses	884,884	990,874	(90,795)	(9.2%)	900,079	(90,795)	(9.2%)	900,079
Capital Assets	0	0	9,000	100.0%	9,000	9,000	100.0%	9,000
Contingency	61,987	82,000	(2,000)	(2.4%)	80,000	(2,000)	(2.4%)	80,000
Total Line Items	4,361,845	5,413,425	7,614	0.1%	5,421,039	81,081	1.5%	5,494,506
By Funding Source								
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	4,361,845	5,413,425	7,614	0.1%	5,421,039	81,081	1.5%	5,494,506
Total Funding Source	4,361,845	5,413,425	7,614	0.1%	5,421,039	81,081	1.5%	5,494,506
Total FTE	19.00	19.00	0.00	0.0%	19.00	0.00	0.0%	19.00

Statutory Authority

North Dakota Century Code Chapters 39-03.1, 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:

- Six 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. Confirmed results of NDPERS actuary through an actuarial audit.
2. Completed a 5-year experience study in May 2015 and implemented updated actuarial assumptions for the July 2015 actuarial valuations.
3. Submitted legislation for the 2015 session to implement the fourth year of the contribution increases that were part of the Recovery Plan.
4. Implemented legislation allowing a special election for members in the Defined Contribution (DC) Plan to rejoin the Defined Benefit (DB) Plan. Approximately 76.0 percent of the DC plan participants transferred back to the DB plan.
5. Implemented provisions of the Windsor Decision which recognizes same-gender spouses for retirement benefit purposes.
6. Updated the investment policies for the retirement plans.
7. Completed an asset allocation review for the Job Service Retirement Plan.
8. Offered the Financial Essentials Workshop (FEW) to help members start planning for their financial future.
9. Approved a 3-year renewal with Superior Vision for the group vision plan.

10. Continued to work with participating employers on the implementation of the provisions of the Affordable Care Act.
11. Prepared, distributed and reviewed RFP for the group health plan and transitioned to the new Sanford Health Plan by July 1.
12. Implemented legislation that made the retiree health credit portable effective July 2015. ASIFlex was selected as the third party administrator to process the benefit payments.
13. Transitioned the Medicare Part D prescription drug plan to ESI effective January 1, 2016.
14. Completed annual renewals of the Employer Based Wellness Program.
15. Prepared and distributed an RFP for the OPEB valuation.
16. Worked with the Department of Health, Department of Human Services and Indian Affairs Department to prepare a report for the North Dakota Legislature on the status of diabetes efforts in North Dakota.
17. Studied the merits of telehealth for the group health insurance plan.
18. Approved a one-year renewal for 2017 with Delta Dental for the group dental plan.
19. Completed the redesign of Employer Self Service to improve usability of the system.
20. Continued to dedicate resources to working on the backlog of enhancements to the PERSLink system.
21. Redesigned a new website scheduled to go live in the Fall of 2016.
22. Launched a Facebook page and a mobile app for the PERSLink business system in the Summer of 2016.
23. Implemented legislation passed by the 2015 Legislative session and updated administrative rules.
24. Completed annual disaster recovery testing of the PERSLink system and tested restoration of the system.
25. Restructured the organization to split out the COO and CFO positions and reclassified a position to a public information specialist.
26. Completed a review of the agency's records retention schedule and made updates to reflect changes since moving to our new business system.

Executive Budget Recommendation

- Provides \$30,000 one-time funding for office remodel in order to provide member confidentiality and increased office security.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

192 Public Employees Retirement System

Bill#: HB1023

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
PERS	7,280,865	9,496,373	(99,052)	(1.0%)	9,397,321	59,733	0.6%	9,556,106
Total Major Programs	7,280,865	9,496,373	(99,052)	(1.0%)	9,397,321	59,733	0.6%	9,556,106
By Line Item								
Salaries and Wages	5,126,285	6,415,360	(44,682)	(0.7%)	6,370,678	84,103	1.3%	6,499,463
Operating Expenses	2,154,580	2,831,013	(54,370)	(1.9%)	2,776,643	(24,370)	(0.9%)	2,806,643
Contingency	0	250,000	0	0.0%	250,000	0	0.0%	250,000
Total Line Items	7,280,865	9,496,373	(99,052)	(1.0%)	9,397,321	59,733	0.6%	9,556,106
By Funding Source								
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	7,280,865	9,496,373	(99,052)	(1.0%)	9,397,321	59,733	0.6%	9,556,106
Total Funding Source	7,280,865	9,496,373	(99,052)	(1.0%)	9,397,321	59,733	0.6%	9,556,106
Total FTE	33.00	34.50	0.00	0.0%	34.50	0.00	0.0%	34.50

Statutory Authority

North Dakota Century Code Title 15.1, Sections 25-06-02.1, 25-07-01.1, 54-24-01, 23-09-4-01 through 08, 57-64, 12-60-24 and 54-59-17.

Agency Description

Responsibilities charged to the Superintendent of Public Instruction require the enforcement of all state statutes and federal regulations pertaining to the establishment and maintenance of public schools and related programs. Specifically, the duties include:

- Supervise the provision of elementary and secondary education; approve schools; manage a system of background checks for private and parochial schools; approve school construction; approve the school calendar; implement a uniform system of school district accounting, budgeting, and reporting; and administer school district aid and transportation.
- Administer statewide accreditation through AdvancEd, provide guidance relating to home education, and implement principal and teacher evaluation support.
- Develop course content standards and assessments.
- Direct school district annexation, reorganization, and dissolution efforts.
- Communicate administrative rules.
- Collaborate with Departments of Commerce and Human Services to deliver pre-k community grants.
- Administer state and federal programs identified in state law.
- Chair the board of higher education nominating committee.
- Supervise the ND School for the Deaf/Resource Center for Deaf and Hard of Hearing, ND Vision Services/School for the Blind, and the ND State Library.
- Develop teacher contracts and personnel policies needed for administration of state-supported schools (NDSD/RCDHH and NDVS/SB).
- Implement and administer the ND Academic and ND Career and Technical Education Scholarship programs.
- Establish common goals to align and coordinate educational efforts that support the work of the joint board, professional development, early childhood education initiatives, and implementation of minimal graduation requirements.
- Support local education agencies with technical and professional support.

Major Accomplishments

1. Implemented the ND Scholarship Program and awarded scholarships to over 10,557 resident students to date.
2. Provided four scholarships for graduate level speech-language pathologists through the State Personnel Development Grant.
3. Strengthened partnerships among groups interested in promoting science, technology, engineering, arts and mathematics instructions. Teamed up with the ND Science Teacher Association, the ND Council of Teachers of Mathematics, the ND STEM Network and the ND Council of the Arts.

4. Developed a partnership with the National Math and Science Initiative (NMSI), a nonprofit organization supported by America's leading companies, that will commit \$13.0 million.
5. Matched ND high schools with the School Improvement Network to offer coaching and support to high school principals and school improvement teams.
6. Partnered with the Rural Education Laboratory Central to create a Rural Education Research Alliance, which currently includes 23 rural school districts and 2 educational organizations.
7. Implemented mental health/suicide prevention training and awareness.
8. Created the formation of the State Superintendent's Student Cabinet, to provide a forum for our ND students by giving them a greater role and voice.
9. Worked with representatives of teachers, education training programs and ND's teacher licensing board to explore new ways to keep excellent teachers in the profession and bring in new educators.
10. Began updating the state's academic content standards in English language and mathematics, to be completed in the first quarter of 2017. Science and social studies content are slated to be updated in the summer of 2017.
11. Established a "Leveraging the Senior Year" initiative to motivate students to flourish in their senior year of high school and not need remediation.
12. Held the 3rd Annual Indian Education and ND Indian Affairs Commission Summit and worked on the second phase of essential understandings.
13. Partnered with various stakeholders to begin writing our new state accountability plan for the Every Student Succeeds Act enacted by Congress in December 2015.
14. Established summer school programs exclusively for migrant children in Manvel and Grafton.

Executive Budget Recommendation

- Reduces legislatively approved FTE from 99.75 to 97.75.
- Provides a zero and one percent increase in the student integrated formula payment equaling \$9.7 million in General Fund money. This keeps the per student rate for fiscal year 2018 at \$9,646 and increases the rate to \$9,742 for fiscal year 2019.
- Decreases the transportation grants by \$5.7 million.
- Provides an increase of \$2.0 million in special education grants.
- Senate Concurrent Resolution 4003 was passed during the 2015 legislative session. The measure states that whenever the principal balance in the Foundation Aid Stabilization Fund exceeds 15 percent of the General Fund appropriation for state aid to school districts, for the most recently completed biennium, it may be used for education-related purposes. This measure was voted on and passed in the November 8, 2016 general election. The General Fund portion of state school aid for the 2015-17 biennium is \$1.77 billion, 15 percent of this amount is \$265.8 million. A funding source change from the Foundation Aid Stabilization Fund totalling \$140.0 million will be done throughout the biennium to be used for state school aid.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

201 Department of Public Instruction

Bill#: HB1013

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
General Management	12,283,807	8,231,902	(1,572,500)	(19.1%)	6,659,402	(4,344,657)	(52.8%)	3,887,245
Educational Success and Community Support	276,472,674	332,050,439	(17,525,698)	(5.3%)	314,524,741	(16,491,428)	(5.0%)	315,559,011
Information and Administrative Support	6,041,503	10,507,020	(781,077)	(7.4%)	9,725,943	(684,089)	(6.5%)	9,822,931
School Finance	1,779,821,579	1,981,279,885	(849,130)	0.0%	1,980,430,755	23,445,241	1.2%	2,004,725,126
Total Major Programs	2,074,619,563	2,332,069,246	(20,728,405)	(0.9%)	2,311,340,841	1,925,067	0.1%	2,333,994,313
By Line Item								
Salaries and Wages	14,278,371	18,282,070	(251,575)	(1.4%)	18,030,495	109,100	0.6%	18,391,170
Accrued Leave Payments 13-15	50,867	0	0	0.0%	0	0	0.0%	0
Operating Expenses	18,394,649	30,828,192	(623,962)	(2.0%)	30,204,230	(623,962)	(2.0%)	30,204,230
Integrated Formula Payments	1,713,750,463	1,918,242,627	(1,602,627)	(0.1%)	1,916,640,000	28,877,920	1.5%	1,947,120,547
Grants-Special Education	16,500,000	17,300,000	0	0.0%	17,300,000	2,000,000	11.6%	19,300,000
School District Safety Grants	2,150,870	849,130	(849,130)	(100.0%)	0	0	0.0%	0
Grants-Transportation	53,492,406	57,000,000	0	0.0%	57,000,000	(5,700,000)	(10.0%)	51,300,000
Grants-Other Grants	255,878,495	268,617,227	(2,601,111)	(1.0%)	266,016,116	(6,588,861)	(2.5%)	262,028,366
Rapid Enrollment Grants	0	14,800,000	(14,800,000)	(100.0%)	0	0	0.0%	0
Power School	0	6,000,000	0	0.0%	6,000,000	(500,000)	(8.3%)	5,500,000
Transportation Efficiency	3,442	30,000	0	0.0%	30,000	0	0.0%	30,000
National Board Certification	120,000	120,000	0	0.0%	120,000	0	0.0%	120,000
Total Line Items	2,074,619,563	2,332,069,246	(20,728,405)	(0.9%)	2,311,340,841	1,925,067	0.1%	2,333,994,313
By Funding Source								
General Fund	1,684,501,844	1,823,436,773	(21,228,407)	(1.2%)	1,802,208,366	(220,954,282)	(12.1%)	1,602,482,491
Federal Funds	248,534,845	288,125,283	1	0.0%	288,125,284	248,202	0.1%	288,373,485
Special Funds	141,582,874	220,507,190	500,001	0.2%	221,007,191	222,631,147	101.0%	443,138,337
Total Funding Source	2,074,619,563	2,332,069,246	(20,728,405)	(0.9%)	2,311,340,841	1,925,067	0.1%	2,333,994,313
Total FTE	99.75	99.75	(2.00)	(2.0%)	97.75	(2.00)	(2.0%)	97.75

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. Conducted the Listen and Learn Tour with legislators, government and business leaders, campus audiences, media and community organizations to identify higher educational priorities.
2. Initiated the Bakken U Initiative in response to downturn in oil industry, and awarded the first scholarship.
3. Approved the Masters in Teaching program at VCSU in response to the statewide teacher shortage.
4. Conducted Chancellor's Cabinet Studies on mission, shared services, governance, administrative costs, tuition, retention and attainment.
5. Hosted Envision 2030, a system-wide strategic planning initiative, with more than 200 business, government and education leaders, including Governor Jack Dalrymple as keynote speaker.
6. Launched the Open Education Resources initiative, trained faculty and recognized more than \$2.0 million in textbook savings.

7. Implemented Strategic Planning Online software across the system.
8. Reactivated the NDUS Foundation and appointed a new Board.
9. Explored Nexus ND initiative as an opportunity to diversify state's economy through research and higher education in the emerging high-demand fields of cybersecurity, unmanned aerial systems and high-performance computing.
10. Established a trial shared service for student mental health services using telemedicine facilities to ensure quality services for students in smaller communities.
11. Awarded \$23.0 million in student financial assistance.
12. Completed a system-wide space utilization study and instituted space utilization policies.

Executive Budget Recommendation

- Reduces \$15.4 million from the 2015-17 original legislative ongoing General Fund appropriation of \$117.5 million. Reductions made beyond the agency's base budget request include:
 - Removes the Core Technology Services (CTS) General Fund Contingency line (\$283,398).
 - Underfunds agency salaries from System Governance and CTS lines (\$578,097).
 - Removes Commendatory Grants line (\$4,320).
 - Reduces two-year Campus Marketing Program (\$112,500).
 - Reduces Internal Audit Pool line (\$40,500).
 - Reduces Grant Program and Scholarship lines (\$2.6 million).
- Provides \$3.0 million for the ND Higher Education Challenge Grant from the Strategic Investment and Improvement Fund. These funds are to be used to provide matching grants for academic enhancements to NDUS colleges and universities.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

215 ND University System
Biennium: 2017-2019

Bill#: SB2003

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
System Office and Board Operations	12,691,626	10,616,708	(2,984,335)	(28.1%)	7,632,373	(3,040,628)	(28.6%)	7,576,080
Student Grant Programs	40,953,455	59,161,303	(12,804,036)	(21.6%)	46,357,267	(15,121,700)	(25.6%)	44,039,603
System Grant Programs	35,914,145	37,495,690	(29,855,498)	(79.6%)	7,640,192	(27,177,068)	(72.5%)	10,318,622
System Projects	72,004,411	80,287,010	(10,674,096)	(13.3%)	69,612,914	(11,074,866)	(13.8%)	69,212,144
Total Major Programs	161,563,637	187,560,711	(56,317,965)	(30.0%)	131,242,746	(56,414,262)	(30.1%)	131,146,449
By Line Item								
Capital Assets	10,418,701	8,368,836	(1,763,510)	(21.1%)	6,605,326	(1,763,510)	(21.1%)	6,605,326
Deferred Maintenance Pool		4,367,942	(4,367,942)	(100.0%)	0	0	0.0%	0
Master Plan & Space Utilization Study	1,000,000	0	0	0.0%	0	0	0.0%	0
Student Financial Assistance Grants	18,363,110	29,665,465	(6,594,617)	(22.2%)	23,070,848	(7,748,159)	(26.1%)	21,917,306
Veterans Assistance Programs	325,000	325,000	(32,500)	(10.0%)	292,500	(47,125)	(14.5%)	277,875
ND Scholars Program	2,157,742	2,296,266	(394,040)	(17.2%)	1,902,226	(489,151)	(21.3%)	1,807,115
Title II Grants	722,101	1,006,472	0	0.0%	1,006,472	0	0.0%	1,006,472
Native American Scholarship	666,751	649,867	(65,527)	(10.1%)	584,340	(94,544)	(14.5%)	555,323
Commendatory Grants	0	4,800	(480)	(10.0%)	4,320	0	0.0%	0
Core Technology Services	59,781,585	70,789,028	(8,771,440)	(12.4%)	62,017,588	(9,019,210)	(12.7%)	61,769,818
Education Challenge Fund	28,050,453	24,449,547	(24,449,547)	(100.0%)	0	(21,449,547)	(87.7%)	3,000,000
Education Incentive Programs	3,348,172	3,367,883	(353,783)	(10.5%)	3,014,100	(504,490)	(15.0%)	2,863,393
Tribal Community College Grants	1,000,000	1,000,000	(50,000)	(5.0%)	950,000	(97,500)	(9.8%)	902,500
Academic and Tech Ed. Scholarship	11,182,609	17,030,330	(4,381,121)	(25.7%)	12,649,209	(5,013,581)	(29.4%)	12,016,749
Student Exchange Program	3,910,071	4,826,492	(932,448)	(19.3%)	3,894,044	(1,127,150)	(23.4%)	3,699,342
Open Education Resources	0	110,000	(110,000)	(100.0%)	0	0	0.0%	0
Two Year Campus Marketing	804,125	829,146	(109,146)	(13.2%)	720,000	(221,646)	(26.7%)	607,500
Student Mental Health	91,591	506,929	(222,529)	(43.9%)	284,400	(222,529)	(43.9%)	284,400
Competitive Research Program	7,050,000	7,050,000	(705,000)	(10.0%)	6,345,000	(1,022,250)	(14.5%)	6,027,750
Biennium Carryover	212,351	1,098,649	(1,098,649)	(100.0%)	0	0	0.0%	0
System Governance	12,479,275	8,468,059	(835,686)	(9.9%)	7,632,373	(891,979)	(10.5%)	7,576,080
Internal Audit Pool	0	300,000	(30,000)	(10.0%)	270,000	(70,500)	(23.5%)	229,500
Contingent Appropriations		1,050,000	(1,050,000)	(100.0%)	0	0	0.0%	0
Total Line Items	161,563,637	187,560,711	(56,317,965)	(30.0%)	131,242,746	(56,414,262)	(30.1%)	131,146,449
By Funding Source								
General Fund	137,677,200	157,325,716	(52,083,862)	(33.1%)	105,241,854	(55,347,341)	(35.2%)	101,978,375
Federal Funds	722,101	1,006,472	0	0.0%	1,006,472	0	0.0%	1,006,472
Special Funds	23,164,336	29,228,523	(4,234,103)	(14.5%)	24,994,420	(1,066,921)	(3.7%)	28,161,602
Total Funding Source	161,563,637	187,560,711	(56,317,965)	(30.0%)	131,242,746	(56,414,262)	(30.1%)	131,146,449
Total FTE	112.91	104.39	44.01	42.2%	148.40	44.01	42.2%	148.40

Statutory Authority

ND Constitution Article IX, North Dakota Century Code Chapters 15-01 through 15-09, 15-68, 38-09, 38-11, 47.30.1, 61-33 and Sections 48-10-02, 57-02.3-05, 57-62-02 through 57-62-06. ND Constitution Article X Section 21, North Dakota Century Code Sections 15.1-36-02 and 15.1-36-03.

Agency Description

The primary role of the Board of University and School Lands and the Department of Trust Lands is to manage the 13 permanent trust funds under their 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 through the prudent management of trust assets, consisting of approximately 706,500 surface acres, 1.8 million mineral acres, and \$3.70 billion of assets (loans, marketable securities, and cash equivalents). The surface acres are leased to ranchers and farmers. The mineral acres are offered for oil, gas, coal, gravel, and scoria leasing.

The Department also manages six additional funds: the strategic investment and improvements fund, including its 780,000 mineral acres; the coal development trust fund; the capitol building fund; the school construction assistance loan fund; and the Indian cultural education trust. These non-permanent trust funds had total financial assets of \$580.0 million at the end of fiscal year 2016. The oil and gas impact grant fund is also administered by the Department.

The Department also administers the responsibilities outlined in the Uniform Unclaimed Property Act. In this role the Department collects “unclaimed property” (uncashed checks, unused bank accounts, etc.), and processes owners’ claims. This property is held in permanent trust for owners to claim, but the revenue from the investment of the property benefits the common schools trust fund.

The Department also operates the Energy Infrastructure and Impact Office, which provides financial support to political subdivisions that are affected by energy development. Assistance is provided through both the oil and gas impact grant program and the coal impact loan program. The oil and gas impact program was authorized at \$140.0 million for the biennium, though only half of that amount is forecast to be collected and granted; and the program has a cash-flow challenge compounded by legislatively directed grants in excess of available funds. The Office also distributes energy and flood grants carried over from prior biennia.

Major Accomplishments

1. Managed permanent trust fund financial assets, which have grown from \$900.0 million in 2009 to \$3.70 billion in 2016 and “other funds” have increased from \$95.5 million to \$569.0 million.
2. Implemented an entirely revised investment asset allocation strategy and hired 13 additional investment managers to implement.
3. Issued 895 oil and gas leases on 74,761 mineral acres during FY 2015 and 714 leases involving 61,586 mineral acres were issued in FY 2016.
4. Collected oil and gas royalties of \$333.4 million during FY 2015 and \$192.2 million during FY 2016.
5. Managed 9,567 active oil and gas leases with 5,800 producing properties up from 3,700 in 2014.
6. Escrowed disputed royalties, increasing the balance from \$18.7 million at the end of FY 2015 to \$51.5 million in 2016.
7. Implemented an electronic royalty reporting system that eliminated the need for a third party vendor and implemented an oil and gas audit program.
8. Processed 282 applications and issued 248 conveyances for easements, permits and surface damage agreements with a total income of \$4.9 million in FY 2016.
9. Continued a 99.0 percent leasing rate for agricultural tracts, collecting \$7.6 million in surface rental income in FY 2016.
10. Developed online reclamation reporting systems to document, manage and verify reclamation inspections.
11. The Unclaimed Property Division processed 8,438 claims totaling \$8.6 million during 2015-16 compared to 5,891 property claims for \$4.0 million in 2013-14.
12. Administered an expanded energy impact grant program increasing commitments from \$124.3 million during 2011-13; \$239.3 million during 2013-15; and \$139.3 million during 2015-17.
13. Issued 904 energy impact grant reimbursements totaling \$115.2 million in 2016.

Executive Budget Recommendation

- Provides \$5.5 million in special fund authority to replace outdated information technology systems with an integrated information technology system to process and monitor transactions, properties, mineral acres and financial assets.
- Provides \$24.1 million from the Strategic Improvement and Investment Fund for grants to airports impacted by oil and gas development.
- Removes 2.00 vacant FTE positions.
- Adds 1.00 FTE geographical information system specialist position.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

226 Department of Trust Lands

Bill#: SB2013

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Trust Lands	153,089,767	154,232,211	(146,208,724)	(94.8%)	8,023,487	(116,269,061)	(75.4%)	37,963,150
Total Major Programs	153,089,767	154,232,211	(146,208,724)	(94.8%)	8,023,487	(116,269,061)	(75.4%)	37,963,150
By Line Item								
Salaries and Wages	4,584,220	6,131,343	(180,557)	(2.9%)	5,950,786	114,349	1.9%	6,245,692
Accrued Leave Payments	28,391	0	0	0.0%	0	0	0.0%	0
Operating Expenses	1,231,593	2,019,637	(266,939)	(13.2%)	1,752,698	(243,914)	(12.1%)	1,775,723
Capital Assets	4,596	0	0	0.0%	0	5,520,000	100.0%	5,520,000
Constructin Carryover	0	5,981,231	(5,981,231)	(100.0%)	0	0	0.0%	0
Other Grants	126,256,023	139,300,000	(139,300,000)	(100.0%)	0	(115,200,000)	(82.7%)	24,100,000
Flood Infrastructure Develop. Grants	20,173,532	0	0	0.0%	0	0	0.0%	0
Contingencies	200,000	100,000	0	0.0%	100,000	0	0.0%	100,000
Energy Infrastructure & Impact	611,412	700,000	(479,997)	(68.6%)	220,003	(478,265)	(68.3%)	221,735
Total Line Items	153,089,767	154,232,211	(146,208,724)	(94.8%)	8,023,487	(116,269,061)	(75.4%)	37,963,150
By Funding Source								
General Fund	20,173,532	5,981,231	(5,981,231)	(100.0%)	0	(5,981,231)	(100.0%)	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	132,916,235	148,250,980	(140,227,493)	(94.6%)	8,023,487	(110,287,830)	(74.4%)	37,963,150
Total Funding Source	153,089,767	154,232,211	(146,208,724)	(94.8%)	8,023,487	(116,269,061)	(75.4%)	37,963,150
Total FTE	31.00	33.00	(2.00)	(6.1%)	31.00	(1.00)	(3.0%)	32.00

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. Launched the refocused computer science program with a new cybersecurity emphasis and name change. Student demand for the program is already being realized in the fall 2016 registrations.
2. Celebrated 75 years of education and community, including a documentary produced by the BSC production team which tells the BSC story since its establishment in 1939.
3. Landed a highly competitive \$500,000 NEH Challenge grant to support humanities-based workforce skills.
4. Received \$9.9 million TREND Consortium grant from the US Department of Labor to support job-driven technical programs related to energy, transportation and construction.
5. Achieved 100.0 percent pass rate on the national licensure exam, for the 6th year in a row, by the surgical technology students.
6. Recognized numerous students for receiving awards from regional and national organizations and competitions.

7. Recognized student athletes and coaches for various regional and national championships and honors.
8. Received a grant from the DOL that funded a hands-on simulator to train students to drive a semi-truck and trailer in a safe and controlled environment.
9. Collaborated with NDSCS to bring their Pharmacy Tech program to Bismarck. Discussions are in the works regarding BSC programs that will be delivered in Wahpeton and Fargo.
10. Received approval by the SBHE to proceed with a BAS program in Geomatics beginning fall 2017.
11. Completed major renovation to the Student Union to allow more space for student activities/clubs/organizations and bring the retail bookstore operations to the main level.
12. Completed the \$13.3 million communications center, now named LEA Hall - a state of the art facility for the communications and creative arts disciplines.
13. Hosted the 60's Symposium - speakers included Pulitzer Prize winner Lawrence Wright, national television expert Mary Ann Watson and feminist icon Gloria Steinem.
14. Constructed two student apartment buildings were on campus to ease the affordable housing shortage.

Executive Budget Recommendation

- Reduces \$3.6 million from the 2015-17 original legislative ongoing General Fund appropriation of \$36.5 million.
- Includes \$1.0 million from the General Fund for the cost to continue the higher education formula.
- Reduces \$1.8 million from the General Fund by adjusting the student credit hour amount.
- Provides \$519,695 from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$32.6 million from the General Fund for the state share of campus operations at \$99.23 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

227 Bismarck State College
Biennium: 2017-2019

Bill#: HB1003

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Bismarck State College	121,551,094	121,034,386	(14,680,570)	(12.1%)	106,353,816	(15,223,440)	(12.6%)	105,810,946
Total Major Programs	121,551,094	121,034,386	(14,680,570)	(12.1%)	106,353,816	(15,223,440)	(12.6%)	105,810,946
By Line Item								
Campus Operations	100,583,972	111,793,701	(7,362,446)	(6.6%)	104,431,255	(7,905,316)	(7.1%)	103,888,385
Capital Assets	20,967,122	5,345,165	(3,422,604)	(64.0%)	1,922,561	(3,422,604)	(64.0%)	1,922,561
Plant Improvement - Carryover	0	2,284,339	(2,284,339)	(100.0%)	0	0	0.0%	0
Capital Projects Non-State Funded	0	600,000	(600,000)	(100.0%)	0	0	0.0%	0
Capital Projects - Non-State Carryover	0	1,010,040	(1,010,040)	(100.0%)	0	0	0.0%	0
Operating Carryover	0	1,141	(1,141)	(100.0%)	0	0	0.0%	0
Total Line Items	121,551,094	121,034,386	(14,680,570)	(12.1%)	106,353,816	(15,223,440)	(12.6%)	105,810,946
By Funding Source								
General Fund	44,916,203	40,860,372	(6,853,354)	(16.8%)	34,007,018	(8,221,660)	(20.1%)	32,638,712
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	76,634,891	80,174,014	(7,827,216)	(9.8%)	72,346,798	(7,001,780)	(8.7%)	73,172,234
Total Funding Source	121,551,094	121,034,386	(14,680,570)	(12.1%)	106,353,816	(15,223,440)	(12.6%)	105,810,946
Total FTE	126.96	133.53	224.82	168.4%	358.35	224.82	168.4%	358.35

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 though 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 and Williston State College, a Baccalaureate Degree in Criminal Justice in cooperation with Minot State University, and an Associate of Applied Science in Law Enforcement through innovative computer-based training and e-learning technology. LRSC, in cooperation with local law enforcement agencies, offers its Peace Office Training program in Bismarck, Minot, Devils Lake, Grand Forks and Fargo. LRSC also offers its Nursing program in Grand Forks.

Major Accomplishments

1. Reached ND Higher Education Challenge Grant goal to raise \$2.0 million in private grants and gifts for instructional program support and scholarships.
2. Offered a nursing program in Grand Forks to address the nurse shortage.

3. Reached enrollment capacity at the LRSC Dakota Precision Ag Center. Expansion is limited only by available training space.
4. Continued to expand course offerings in the Grand Forks Public School System.
5. Established the Certified Nurse Assistant training program on the Grand Forks Air Force Base.
6. Completed construction of a wind tower and began to provide power to the campus in February 2013. Also used as a training tool in the Wind Energy Technician degree program.
7. Continued expansion of training operations for the Peace Officer Training program. Locations include Devils Lake, Fargo, Grand Forks, Minot and Bismarck.

Executive Budget Recommendation

- Reduces \$1.4 million from the 2015-17 original legislative ongoing General Fund appropriation of \$14.9 million.
- Includes \$625,641 from the General Fund for the cost to continue the higher education formula.
- Reduces \$783,605 from the General Fund by adjusting the student credit hour amount.
- Provides \$215,697 from the General Fund an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$13.5 million from the General Fund for the state share of campus operations at \$99.23 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

228 Lake Region State College

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Lake Region State College	42,731,939	40,748,470	(2,747,042)	(6.7%)	38,001,428	(3,036,371)	(7.5%)	37,712,099
Total Major Programs	42,731,939	40,748,470	(2,747,042)	(6.7%)	38,001,428	(3,036,371)	(7.5%)	37,712,099
By Line Item								
Campus Operations	35,569,641	38,175,226	(928,798)	(2.4%)	37,246,428	(1,218,127)	(3.2%)	36,957,099
Capital Assets	7,162,298	2,522,210	(1,767,210)	(70.1%)	755,000	(1,767,210)	(70.1%)	755,000
Capital Assets-Carryover	0	51,034	(51,034)	(100.0%)	0	0	0.0%	0
Total Line Items	42,731,939	40,748,470	(2,747,042)	(6.7%)	38,001,428	(3,036,371)	(7.5%)	37,712,099
By Funding Source								
General Fund	18,691,306	16,805,800	(2,691,359)	(16.0%)	14,114,441	(3,259,267)	(19.4%)	13,546,533
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	24,040,633	23,942,670	(55,683)	(0.2%)	23,886,987	222,896	0.9%	24,165,566
Total Funding Source	42,731,939	40,748,470	(2,747,042)	(6.7%)	38,001,428	(3,036,371)	(7.5%)	37,712,099
Total FTE	40.22	50.19	79.42	158.2%	129.61	79.42	158.2%	129.61

Statutory Authority

North Dakota Century Code 15-10-01.1.

Agency Description

Williston State College (WSC) 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. Managed student growth without a loss of services and educational opportunities. In the last year, WSC has seen 8 percent growth in head count enrollment and 6 percent growth in FTE enrollment. This growth has been managed without additional full time faculty members, rather by drawing upon an expanding pool of adjunct instructors in northwest North Dakota.
2. Partnered with DSU, MiSU, VCSU, and MaSU for 2+2 articulation of classes. In addition, collaborative agreements that feature faculty sharing agreements are in place with the Dakota Nursing Program and the ND Technology Consortium.

3. Reorganized campus departments and the business office to create a clear chain of command and accountability for deliverable work. The business office is revising policies and procedures to be more congruent with other NDUS colleges.

Executive Budget Recommendation

- Reduces \$1.0 million from the 2015-17 original legislative ongoing General Fund appropriation of \$10.2 million.
- Includes \$67,745 from the General Fund for the cost to continue the higher education formula.
- Reduces \$515,827 from the General Fund by adjusting the student credit hour amount.
- Provides \$141,988 from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$8.9 million from the General Fund for the state share of campus operations at \$99.23 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

229 Williston State College

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Williston State College	56,305,614	28,072,801	936,497	3.3%	29,009,298	755,842	2.7%	28,828,643
Total Major Programs	56,305,614	28,072,801	936,497	3.3%	29,009,298	755,842	2.7%	28,828,643
By Line Item								
Campus Operations	34,590,677	24,432,464	3,512,667	14.4%	27,945,131	3,332,012	13.6%	27,764,476
Capital Assets	21,594,971	1,517,651	(453,484)	(29.9%)	1,064,167	(453,484)	(29.9%)	1,064,167
Plant Improvements - Carryover	30,196	901,343	(901,343)	(100.0%)	0	0	0.0%	0
Capital Projects-Non-State Carryover	89,770	1,221,343	(1,221,343)	(100.0%)	0	0	0.0%	0
Total Line Items	56,305,614	28,072,801	936,497	3.3%	29,009,298	755,842	2.7%	28,828,643
By Funding Source								
General Fund	27,879,246	14,020,618	(4,729,434)	(33.7%)	9,291,184	(5,103,273)	(36.4%)	8,917,345
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	28,426,368	14,052,183	5,665,931	40.3%	19,718,114	5,859,115	41.7%	19,911,298
Total Funding Source	56,305,614	28,072,801	936,497	3.3%	29,009,298	755,842	2.7%	28,828,643
Total FTE	44.15	49.96	50.79	101.7%	100.75	50.79	101.7%	100.75

Statutory Authority

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

Agency Description

Founded in 1883, six years before North Dakota was granted statehood, UND is among the nation's premier regional public research universities and is at an exciting point in its 132-year history. Classified as a "Doctoral University: Higher Research Activity" institution by the Carnegie Foundation for the Advancement of Teaching, UND is characterized by a solid foundation of the liberal arts, 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 and Professional Disciplines, Medicine and Health Sciences, Law, Extended Learning and the School of Graduate Studies.

Major Accomplishments

1. Named one of the top 100 public schools in the nation by U.S. News & World Report.
2. Registered its third largest enrollment in fall 2015, with 14,951 students.
3. Recruited its most academically prepared freshman class in 2015, with an average ACT of 23.9 and an average GPA of 3.42.
4. Dedicated Robin Hall in July 2016, which will house the Center for Unmanned Aircraft Systems (UAS) Research, Education and Training. The building was funded largely by private donations and \$1.5 million in matches from the North Dakota State Board of Higher Education Challenge Fund.
5. Reaccredited the School of Law in 2016. The completion of the \$14.4 million building addition and renovation was critical in securing final approval.

6. Recognized TRIO Programs as one of the longest continuously funded programs in the nation. TRIO Programs celebrated its 50th anniversary assisting students who are primarily low-income and/or first-generation Americans in pursuing successful college careers.
7. Opened the \$13.0 million, 200,000 square-foot High Performance Center in 2015.
8. Dedicated the newly renovated Wilkerson Commons was dedicated in 2015.
9. Established a new petroleum engineering degree and department.
10. Established an accredited Master of Public Administration degree program.
11. Established a Petroleum Research, Education & Entrepreneurship Center.
12. Opened a new interdisciplinary Institute of Energy Studies.
13. Established the nation's only bachelor's degree program addressing the science and technology behind unmanned aircraft systems (UAS).

Executive Budget Recommendation

- Reduces \$16.6 million from the 2015-17 original legislative ongoing General Fund appropriation of \$166.4 million.
- Includes \$6.2 million from the General Fund for the cost to continue the higher education formula.
- Reduces \$11.8 million from the General Fund by adjusting the student credit hour amount.
- Provides \$2.5 million from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$146.7 million from the General Fund for the state share of campus operations at \$62.52 per adjusted student credit hour.
- Provides \$21.0 million of authority from other funds for the Chester Fritz Library renovation project.
- Provides \$70.0 million of authority from other funds for the Gamble Hall (College of Business) renovation and addition project.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

230 University of North Dakota

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
University of North Dakota	1,037,067,881	1,120,042,238	(240,345,526)	(21.5%)	879,696,712	(151,459,417)	(13.5%)	968,582,821
Total Major Programs	1,037,067,881	1,120,042,238	(240,345,526)	(21.5%)	879,696,712	(151,459,417)	(13.5%)	968,582,821
By Line Item								
Campus Operations	900,231,590	973,756,375	(98,471,229)	(10.1%)	875,285,146	(100,585,120)	(10.3%)	873,171,255
Capital Assets	84,939,739	67,171,690	(62,760,124)	(93.4%)	4,411,566	(62,760,124)	(93.4%)	4,411,566
Capital Assets-Carryover	2,661,000	3,791,407	(3,791,407)	(100.0%)	0	0	0.0%	0
Capital Projects - Off System	31,422,260	6,000,000	(6,000,000)	(100.0%)	0	85,000,000	1,416.7%	91,000,000
Capital Projects Carryover - Non-State	17,813,292	69,322,766	(69,322,766)	(100.0%)	0	0	0.0%	0
Total Line Items	1,037,067,881	1,120,042,238	(240,345,526)	(21.5%)	879,696,712	(151,459,417)	(13.5%)	968,582,821
By Funding Source								
General Fund	237,283,743	232,969,585	(76,938,344)	(33.0%)	156,031,241	(86,222,507)	(37.0%)	146,747,078
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	799,784,138	887,072,653	(163,407,182)	(18.4%)	723,665,471	(65,236,910)	(7.4%)	821,835,743
Total Funding Source	1,037,067,881	1,120,042,238	(240,345,526)	(21.5%)	879,696,712	(151,459,417)	(13.5%)	968,582,821
Total FTE	633.60	630.20	1,587.87	252.0%	2,218.07	1,587.87	252.0%	2,218.07

Statutory Authority

ND Constitution Articles VIII and IX; North Dakota Century Code Chapter 15-52.

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 is a model for high-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 medical lab science, athletic training, physical therapy, occupational therapy, physician assistant program and public health. Further, the SMHS is acknowledged for its leadership in providing education in health professions through its commitment to American Indians.

Major Accomplishments

1. Implemented the Healthcare Workforce Initiative and new SMHS building on-time and on-budget.
2. Completed LCME medical student accreditation with next regular re-accreditation visit in 2022.
3. 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.
4. Ranked by U.S. News & World Report as one of the best in the nation, ranking 3rd for its commitment to rural medicine.

5. Continued to implement the RuralMed program to mitigate medical student debt and encourage the choice of a rural family medicine practice location for graduating medical students.
6. Increased grant proposals by 10 percent.
7. Progressed in building research infrastructure with INBRE and COBRE grants.
8. Supervised the Tobacco Quitline.
9. Provided services to all 53 counties and all 33 rural hospitals by the Center for Rural Health and Rural Assistance Center.
10. Improved school governance by emphasizing participatory and engaged faculty involvement.
11. Enhanced bidirectional school communication through multiple approaches.
12. Evaluated and remediated medical school third-year clerkships where student satisfaction is in the 50th percentile compared with other medical schools.

Executive Budget Recommendation

- Reduces \$5.8 million from the 2015-17 original legislative ongoing General Fund appropriation of \$58.1 million.
- Includes \$4.5 million from the General Fund for the cost to continue the higher education formula.
- Provides \$56.9 million from the General Fund for the state share of Medical Center operations.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

232 UND Medical Center

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
UND-Medical Center	176,347,237	219,082,388	(22,392,487)	(10.2%)	196,689,901	(22,392,487)	(10.2%)	196,689,901
Total Major Programs	176,347,237	219,082,388	(22,392,487)	(10.2%)	196,689,901	(22,392,487)	(10.2%)	196,689,901
By Line Item								
Campus Operations	176,347,237	219,082,388	(22,392,487)	(10.2%)	196,689,901	(22,392,487)	(10.2%)	196,689,901
Total Line Items	176,347,237	219,082,388	(22,392,487)	(10.2%)	196,689,901	(22,392,487)	(10.2%)	196,689,901
By Funding Source								
General Fund	60,177,395	76,705,245	(19,787,108)	(25.8%)	56,918,137	(19,787,108)	(25.8%)	56,918,137
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	116,169,842	142,377,143	(2,605,379)	(1.8%)	139,771,764	(2,605,379)	(1.8%)	139,771,764
Total Funding Source	176,347,237	219,082,388	(22,392,487)	(10.2%)	196,689,901	(22,392,487)	(10.2%)	196,689,901
Total FTE	156.55	184.58	251.17	136.1%	435.75	251.17	136.1%	435.75

Statutory Authority

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

Agency Description

North Dakota State University (NDSU) is the first and remains the only North Dakota university ranked in the National Science Foundation's top 100 public research universities (and has climbed to 84th), with over \$154.0 million in annual scholarly research activity reported for the most recent NSF HERD survey. Those rankings have opened up a steady progression of new partnerships and funding opportunities with other leading universities, private entities and federal agencies, never before possible for a North Dakota university.

NDSU is proud of its tradition as the state's student focused, land-grant, research 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, as well as the nation's current and future interests.

The University hosts a large, steadily growing and increasingly diverse student profile and is home for the largest full-time, on campus enrollment in the state's university system. NDSU is located in a vibrant and growing area of the state, and the city of Fargo is regularly cited in national publications as one of the best college towns in the nation, best locations for entrepreneurial business start-ups, and best places for young professionals. The three K-12 school districts in the Fargo-Moorhead area are collectively experiencing net new enrollment growth of over 1,200 students a year—projected to continue for at least eight more years. In partnership with the community and with a growing number of major corporate partners, NDSU 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 the university.

Major Accomplishments

1. Ranked top ND research university in the nation based on NSF.
2. Completed, opened and have now "named" a new, state funded 120,000 sq. ft. STEM Classroom building to meet student demand in the science, technology, engineering and math disciplines.
3. Continued demand by prospective undergraduate and graduate students, has been reflected in new full time student enrollment records every year for the past decade, with the fall of 2016 enrollment anticipated at over 14,600 students.
4. Became the North Dakota post-secondary institution of choice for North Dakota high school graduates, and similarly the institution of choice for out of state high school graduates.
5. Continued diversity of the NDSU student body, including in the fall of 2015 1,005 international students representing 79 countries, and an increasing

number of U.S. born students reflecting ethnic, cultural and geographical diversity.

6. Achieved a record 89 percent success in student job placement in their major field of study.
7. Initiated and continued efforts for student success through improved sense of welcome and support; study of and implementation of interventions which have successfully led to improved retention and graduation rates; focus on students from historically under-represented populations, veterans, and others; and addressed high risk behaviors and other student issues.
8. Completed construction of various major athletic non-state funded facilities that collectively represent the largest collection of proximal indoor event space in a multi-state region.
9. Expanded academic collaborations include development of undergraduate and graduate programs representing the most extensive list of collaborative arrangements in North Dakota's 11-campus higher education system.
10. Positioned to efficiently provide services to sister institutions through an increasing number of NDSU shared services, by blending system resources with the campus-based expertise requisite to major research university environments.
11. Continued involvement with the Research and Technology Park and emerging technology firms that have created several thousand new jobs.
12. Solidified NDSU as one of the most successful overall NCAA Division-I athletic programs in the nation. NDSU has been one of the top ten winningest overall Division-I athletic programs in the nation. The football team, with five national championships in a row, has set a new record in NCAA and American college football history.

Executive Budget Recommendation

- Reduces \$15.7 million from the 2015-17 original legislative ongoing General Fund appropriation of \$157.4 million.
- Includes \$2.8 million from the General Fund for the cost to continue the higher education formula.
- Reduces \$8.0 million from the General Fund by adjusting the student credit hour amount.
- Provides \$1.7 million from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$138.2 million from the General Fund for the state share of campus operations at \$62.52 per adjusted student credit hour.
- Provides \$39.5 million of authority from other funds for new residence hall.
- Provides \$10.0 million of authority from other funds for University Village Replacement - Phase 1 Project.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

235 North Dakota State University

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
North Dakota State University	755,667,721	810,119,578	(57,540,653)	(7.1%)	752,578,925	(9,027,177)	(1.1%)	801,092,401
Total Major Programs	755,667,721	810,119,578	(57,540,653)	(7.1%)	752,578,925	(9,027,177)	(1.1%)	801,092,401
By Line Item								
Campus Operations	697,152,619	748,923,645	(4,143,824)	(0.6%)	744,779,821	(5,135,348)	(0.7%)	743,788,297
Capital Assets	58,515,102	6,436,844	1,362,260	21.2%	7,799,104	50,867,260	790.3%	57,304,104
Capital Assets Carryover	0	21,091,860	(21,091,860)	(100.0%)	0	0	0.0%	0
Capital Projects - Non-State	0	11,000,000	(11,000,000)	(100.0%)	0	0	0.0%	0
Capital Projects Carryover - Non-State	0	22,667,229	(22,667,229)	(100.0%)	0	0	0.0%	0
Total Line Items	755,667,721	810,119,578	(57,540,653)	(7.1%)	752,578,925	(9,027,177)	(1.1%)	801,092,401
By Funding Source								
General Fund	155,748,855	181,907,000	(37,350,725)	(20.5%)	144,556,275	(43,653,088)	(24.0%)	138,253,912
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	599,918,866	628,212,578	(20,189,928)	(3.2%)	608,022,650	34,625,911	5.5%	662,838,489
Total Funding Source	755,667,721	810,119,578	(57,540,653)	(7.1%)	752,578,925	(9,027,177)	(1.1%)	801,092,401
Total FTE	491.21	537.10	1,358.56	252.9%	1,895.66	1,358.56	252.9%	1,895.66

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. Developed and assessed improvement plans.
2. Expanded programs and flexible scheduling.
3. Researched needs and developed a NDSCS-Fargo Business Plan to better meet the needs of North Dakota and the greater Fargo area.
4. Selected third class of the NDSCS Leadership Academy.
5. Increased graduation rate to 63 percent in 2013; adult aged (25-49) enrollments increased by 8.4 percent to 572 enrollments; placement rate was at 99 percent.

6. Ranked third among the nations' two-year colleges by Washington Monthly magazine in 2013 and the sixth best college among large two-year public institutions for college graduation rates in 2014 Chronicle of Higher Education.
7. Achieved a 100 percent passing rate on the NCLEX exam in both the Practical Nursing and the Registered Nursing students in spring 2014.
8. Added Information Technology Support Certificate, Information Systems Administrator AAS Degree; Web Design Certificate/Web Development AAS Degree; and Welding Technology AAS Degree.
9. Developed a marketing campaign targeted at the Fargo area adult working population.
10. Solicited campus wide feedback and identified focus areas related to pedagogical and professional development objectives.

Executive Budget Recommendation

- Reduces \$4.4 million from the 2015-17 original legislative ongoing General Fund appropriation of \$44.7 million.
- Reduces \$1.2 million from the General Fund for the cost to continue the higher education formula from a decrease in adjusted student credits.
- Reduces \$2.1 million from the General Fund by adjusting the student credit hour amount.
- Provides \$595,926 from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$37.4 million from the General Fund for the state share of campus operations at \$99.23 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

238 ND State College of Science

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND State College of Science	102,526,000	119,882,274	(23,753,014)	(19.8%)	96,129,260	(24,712,319)	(20.6%)	95,169,955
Total Major Programs	102,526,000	119,882,274	(23,753,014)	(19.8%)	96,129,260	(24,712,319)	(20.6%)	95,169,955
By Line Item								
Campus Operations	86,662,389	99,545,204	(4,428,323)	(4.4%)	95,116,881	(5,387,628)	(5.4%)	94,157,576
Capital Assets	14,117,772	17,749,472	(16,737,093)	(94.3%)	1,012,379	(16,737,093)	(94.3%)	1,012,379
Capital Assets-Carryover	1,745,839	2,453,464	(2,453,464)	(100.0%)	0	0	0.0%	0
Capital Assets Carryover - Non-State	0	134,134	(134,134)	(100.0%)	0	0	0.0%	0
Total Line Items	102,526,000	119,882,274	(23,753,014)	(19.8%)	96,129,260	(24,712,319)	(20.6%)	95,169,955
By Funding Source								
General Fund	47,570,195	60,713,770	(21,718,287)	(35.8%)	38,995,483	(23,287,310)	(38.4%)	37,426,460
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	54,955,805	59,168,504	(2,034,727)	(3.4%)	57,133,777	(1,425,009)	(2.4%)	57,743,495
Total Funding Source	102,526,000	119,882,274	(23,753,014)	(19.8%)	96,129,260	(24,712,319)	(20.6%)	95,169,955
Total FTE	171.87	168.30	176.74	105.0%	345.04	176.74	105.0%	345.04

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 230 faculty and staff with an enrollment of approximately 1,350 students. More than 40 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 are also an important component of the student body.

Major Accomplishments

1. Formed DSU Heritage Foundation in December 2015. The DSU Heritage Foundation has raised more than \$2.5 million toward scholarship goals.
2. Offered for the first time in the fall of 2016, merit based scholarships to new students enrolling in DSU. These scholarships will be provided by the DSU Heritage Foundation.
3. Named to Victory Media's 2016 military friendly schools list.
4. Received \$1.4 million grant to continue hosting TRiO Student Support Services program for academic years 2015-16 through 2019-20. This funding will be used to provide assistance to 200 students each year for the next five years.

5. Received two prestigious awards. Recently recognized as the Mountain-Plains Business Education Association's 2016 Business Education Program of the Year. In 2014, the American Institute of Certified Public Accountants (AICPA) bestowed the George Krull/Grant Thornton Teaching Innovation Award upon the CPA Experience.
6. Hosted several community events over the spring and summer 2016: Arts on the Western Edge, Dickinson Roughrider Days Fair and Expo, the 2016 Ukrainian Festival, community outdoor summer movies at the Biesiot Activities Center, and community Pokémon days.

Executive Budget Recommendation

- Reduces \$2.6 million from the 2015-17 original legislative ongoing General Fund appropriation of \$26.2 million.
- Reduces \$3.8 million from the General Fund for the cost to continue the higher education formula from a decrease in adjusted student credits.
- Reduces \$1.0 million from the General Fund by adjusting the student credit hour amount.
- Provides \$2.3 million from the General Fund to extend the sunset provision on the 96 percent of the formula payment from NDCC 15-18.2.06.
- Provides \$309,255 from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$21.3 million from the General Fund for the state share of campus operations at \$92.74 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

239 Dickinson State University
Biennium: 2017-2019

Bill#: HB1003

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dickinson State University	58,961,069	88,592,013	(39,238,472)	(44.3%)	49,353,541	(37,385,249)	(42.2%)	51,206,764
Total Major Programs	58,961,069	88,592,013	(39,238,472)	(44.3%)	49,353,541	(37,385,249)	(42.2%)	51,206,764
By Line Item								
Campus Operations	58,017,387	59,455,663	(10,511,200)	(17.7%)	48,944,463	(8,657,977)	(14.6%)	50,797,686
Capital Assets	943,682	1,313,746	(904,668)	(68.9%)	409,078	(904,668)	(68.9%)	409,078
Capital Assets Carryover	0	640,760	(640,760)	(100.0%)	0	0	0.0%	0
Capital Projects Non-State Funded	0	11,500,000	(11,500,000)	(100.0%)	0	0	0.0%	0
TR Presidential Library	0	15,000,000	(15,000,000)	(100.0%)	0	0	0.0%	0
Biennium Carryover	0	681,844	(681,844)	(100.0%)	0	0	0.0%	0
Total Line Items	58,961,069	88,592,013	(39,238,472)	(44.3%)	49,353,541	(37,385,249)	(42.2%)	51,206,764
By Funding Source								
General Fund	27,693,395	41,243,203	(21,459,079)	(52.0%)	19,784,124	(19,851,005)	(48.1%)	21,392,198
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	31,267,674	47,348,810	(17,779,393)	(37.5%)	29,569,417	(17,534,244)	(37.0%)	29,814,566
Total Funding Source	58,961,069	88,592,013	(39,238,472)	(44.3%)	49,353,541	(37,385,249)	(42.2%)	51,206,764
Total FTE	100.32	120.26	48.64	40.4%	168.90	48.64	40.4%	168.90

Statutory Authority

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

Agency Description

Mayville State University (MaSU) is a regional institution of higher education established in 1889 with a focus on teaching and learning. MaSU is one of the 11 public colleges and universities that make up the North Dakota University System (NDUS). The State Board of Higher Education (SBHE) is responsible for system governance to ensure that each campus fulfills its roles and responsibilities to the system, as well as to the citizens of North Dakota. While the University maintains its historical mission of teacher education, other programs are available to prepare students for careers in business, health & physical fitness, science and mathematics careers, nursing, and for continuing study in professional and graduate schools. Distance and online education has allowed MaSU to expand its course and program offerings to the region while continuing to meet the current needs of students in North Dakota. These opportunities offer accessible courses and degrees via a variety of delivery methods, so that working adults in North Dakota have the flexibility to further their education while remaining close to their homes, families, and jobs. Through this evolutionary process, MaSU institutional identity and direction have been guided by its mission statement, vision, and purposes. MaSU has defined itself as the school of “personal service”, and fosters a campus community that provides a variety of programs and services that are designed to nurture a student’s academic and personal success.

Major Accomplishments

1. Completed a 17,000 sq. ft. \$5.8 million Health, Physical Education, and Recreation Facilities project.

2. Completed the Larson Alumni Center funded by \$900,000 in donations.
3. Increased student enrollment setting another record of 1,100 students (2015–16).
4. Increased growth in distance student learners: 2014–15 grew by 18.9 percent, degree seeking by 34 percent, and spring 2015-16 degree seeking grew by 11.9 percent.
5. Exceeded the system requirement for reserves.
6. Eliminated an additional 14,000 sq. ft. of inefficient outdated space.
7. Received Higher Learning Commission (HLC) reaccreditation of 10 years and also has been approved to offer the Master of Arts in Teaching (MAT) Degree.
8. Received Commission on Collegiate Nursing Education (CCNE) accreditation for MaSU’s new Nursing Degree Program.

Executive Budget Recommendation

- Reduces \$1.6 million from the 2015-17 original legislative ongoing General Fund appropriation of \$16.7 million.
- Includes \$766,659 from the General Fund for the cost to continue the higher education formula.
- Reduces \$880,096 from the General Fund by adjusting the student credit hour amount.
- Provides \$247,477 from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$15.1 million from the General Fund for the state share of campus operations at \$92.74 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

240 Mayville State University

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Mayville State University	46,367,347	52,289,882	(6,561,251)	(12.5%)	45,728,631	(6,689,501)	(12.8%)	45,600,381
Total Major Programs	46,367,347	52,289,882	(6,561,251)	(12.5%)	45,728,631	(6,689,501)	(12.8%)	45,600,381
By Line Item								
Campus Operations	41,813,140	46,480,008	(1,180,427)	(2.5%)	45,299,581	(1,308,677)	(2.8%)	45,171,331
Capital Assets	3,881,980	827,104	(398,054)	(48.1%)	429,050	(398,054)	(48.1%)	429,050
Capital Assets Carryover	12,640	4,949,798	(4,949,798)	(100.0%)	0	0	0.0%	0
Capital Projects Non-State Funded	43,820	32,972	(32,972)	(100.0%)	0	0	0.0%	0
Capital Projects Carryover - Non-State	615,767	0	0	0.0%	0	0	0.0%	0
Total Line Items	46,367,347	52,289,882	(6,561,251)	(12.5%)	45,728,631	(6,689,501)	(12.8%)	45,600,381
By Funding Source								
General Fund	18,198,023	22,052,739	(6,220,849)	(28.2%)	15,831,890	(6,853,468)	(31.1%)	15,199,271
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	28,169,324	30,237,143	(340,402)	(1.1%)	29,896,741	163,967	0.5%	30,401,110
Total Funding Source	46,367,347	52,289,882	(6,561,251)	(12.5%)	45,728,631	(6,689,501)	(12.8%)	45,600,381
Total FTE	62.78	66.23	144.30	217.9%	210.53	144.30	217.9%	210.53

Statutory Authority

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

Agency Description

Minot State University (MiSU) 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. Received a \$2.0 million commitment from private donors that was matched by the North Dakota Challenge grant to further support and expand the Severson Entrepreneurship Academy.
2. Received reaffirmation of Minot State's Business programs accreditation by the International Assembly for Collegiate Business Education.
3. Collaborated with Lake Region State College and the North Dakota School for the Deaf/Resource Center for Deaf and Hard of Hearing to offer a new interpreting and sign language studies undergraduate degree.

4. Partnered with the University of Social Science and Humanities in Poland to offer exchange programs, student abroad programs and faculty exchanges.
5. Began working with Dakota College at Bottineau on a shared services arrangement for administrative functions to achieve efficiencies and improve services for students.
6. Increased freshman, transfer and new graduate student enrollments for the second straight year.

Executive Budget Recommendation

- Reduces \$4.8 million from the 2015-17 original legislative ongoing General Fund appropriation of \$48.7 million.
- Includes \$282,587 from the General Fund for the cost to continue the higher education formula.
- Reduces \$2.4 million from the General Fund by adjusting the student credit hour amount.
- Provides \$690,363 from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$42.4 million from the General Fund for the state share of campus operations at \$92.74 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

241 Minot State University

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Minot State University	125,051,534	120,794,648	(15,265,102)	(12.6%)	105,529,546	(16,138,500)	(13.4%)	104,656,148
Total Major Programs	125,051,534	120,794,648	(15,265,102)	(12.6%)	105,529,546	(16,138,500)	(13.4%)	104,656,148
By Line Item								
Campus Operations	113,585,997	109,867,980	(5,438,054)	(4.9%)	104,429,926	(6,311,452)	(5.7%)	103,556,528
Capital Assets	5,186,132	1,774,005	(674,385)	(38.0%)	1,099,620	(674,385)	(38.0%)	1,099,620
Capital Assets Carryover	2,078,959	1,671,895	(1,671,895)	(100.0%)	0	0	0.0%	0
Capital Projects Non-state funded	4,141,978	0	0	0.0%	0	0	0.0%	0
Capital Projects Carryover - Non-State	58,468	7,480,768	(7,480,768)	(100.0%)	0	0	0.0%	0
Total Line Items	125,051,534	120,794,648	(15,265,102)	(12.6%)	105,529,546	(16,138,500)	(13.4%)	104,656,148
By Funding Source								
General Fund	50,055,400	50,854,235	(6,689,285)	(13.2%)	44,164,950	(8,454,053)	(16.6%)	42,400,182
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	74,996,134	69,940,413	(8,575,817)	(12.3%)	61,364,596	(7,684,447)	(11.0%)	62,255,966
Total Funding Source	125,051,534	120,794,648	(15,265,102)	(12.6%)	105,529,546	(16,138,500)	(13.4%)	104,656,148
Total FTE	201.76	204.10	237.55	116.4%	441.65	237.55	116.4%	441.65

Statutory Authority

ND Constitution, Article VIII, Section 6.

Agency Description

Valley City State University (VCSU), 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. Achieved an all-time record high enroll in the fall of 2015 of 1,422 students.
2. Realized a 90 percent retention rate in the fall-to-spring semester of 2015-16.
3. Moved the business department, learning center, and student support services took into Vangstad.
4. Received a \$1.5 million gift for scholarships.
5. Increased student satisfaction and collectively saved our students \$82,000 in textbook costs by the significant utilization of OER (open educational resources).
6. Received accreditation approval letters for athletic training, teacher education, and our institutional fourth-year Assurance Review by the Higher Learning Commission.
7. Received national rankings for best online teaching programs, affordable online education, an outstanding master's of education program, and best online bachelor's programs.

8. Allocated a record \$1.3 million in scholarships this academic year by the VCSU Foundation.
9. Named VCSU the #1 public regional college in the Midwest for 2016 by U.S. News and World Report. Also named a U.S. News "Best College" for the 18th consecutive year.
10. Celebrated our 125th anniversary in 2015-16.

Executive Budget Recommendation

- Reduces \$2.5 million from the 2015-17 original legislative ongoing General Fund appropriation of \$25.4 million.
- Reduces \$224,696 from the General Fund for the cost to continue the higher education formula from a decrease in adjusted student credits.
- Reduces \$1.2 million from the General Fund by adjusting the student credit hour amount.
- Provides \$354,804 from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$21.7 million from the General Fund for the state share of campus operations at \$92.74 per adjusted student credit hour.
- Recommends \$25.4 million from the Strategic Investment and Improvement Fund for construction of a new communication and fine arts building.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

242 Valley City State University

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Valley City State University	57,063,998	92,160,761	(41,289,843)	(44.8%)	50,870,918	(16,350,986)	(17.7%)	75,809,775
Total Major Programs	57,063,998	92,160,761	(41,289,843)	(44.8%)	50,870,918	(16,350,986)	(17.7%)	75,809,775
By Line Item								
Campus Operations	51,798,677	53,352,100	(3,120,185)	(5.8%)	50,231,915	(3,651,828)	(6.8%)	49,700,272
Capital Assets	3,990,640	31,565,065	(30,926,062)	(98.0%)	639,003	(5,455,562)	(17.3%)	26,109,503
Capital Assets Carryover	1,274,681	2,536,759	(2,536,759)	(100.0%)	0	0	0.0%	0
Capital Projects Carryover - Non-State	0	4,706,837	(4,706,837)	(100.0%)	0	0	0.0%	0
Total Line Items	57,063,998	92,160,761	(41,289,843)	(44.8%)	50,870,918	(16,350,986)	(17.7%)	75,809,775
By Funding Source								
General Fund	25,286,475	42,361,822	(19,663,817)	(46.4%)	22,698,005	(20,570,797)	(48.6%)	21,791,025
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	31,777,523	49,798,939	(21,626,026)	(43.4%)	28,172,913	4,219,811	8.5%	54,018,750
Total Funding Source	57,063,998	92,160,761	(41,289,843)	(44.8%)	50,870,918	(16,350,986)	(17.7%)	75,809,775
Total FTE	97.29	105.59	97.16	92.0%	202.75	97.16	92.0%	202.75

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 resources 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 at Bottineau, the institution has prepared men and women to become contributing members of society. The college has adopted a "Nature, Technology, and Beyond" focus that reflects its efforts 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 University. That affiliation continues to grow even stronger.

Major Accomplishments

1. Received a 5-year federal Department of Education grant in the amount of \$1.1 million to provide academic and general support services to low-income, first-generation or disabled college students.
2. Accepted into the Higher Learning Commission's (HLC) Persistence and Completion Academy.
3. Started a practical nursing program and associate degree nursing program in Minot during Fall 2015, in collaboration with Minot State University and Trinity Health.
4. Published in a national photography book were two DCB photography students that were selected as finalists from over 17,000 entries in the Photographer's FORUM national college photo contest.
5. Celebrated the DCB Hockey Team's NJCAA Region XIII win and the National NJCAA Hockey Championship.
6. Served as hosts for a North Central Education Cooperative (NCEC) professional education workshop on Water Education for Teachers (WET).

7. Renovated the Nelson Science Center's heating, ventilation and air conditioning systems. Equipment in the building's mechanical room was replaced and updated with new technology. Ventilation upgrades were made to the Center's chemistry lab, electrical panels were replaced and the building's restrooms were updated. The project was funded by an appropriation of approximately \$1.1 million that approved during the 2015 legislative session.
8. Rated nursing students in the top echelon in the state in national licensing exam pass rates. In the second quarter testing period Associate Degree Nursing (RN) graduates posted a perfect 100.0 percent pass rate. All student nurse graduates that took the National Council Licensure Examination passed on the first attempt.
9. Collaborated with Dickinson State University (DSU) on a \$272,500 grant from the United States Department of Agriculture to add specialty crop production into DSU's agriculture curriculum and allow DCB's associate degree graduates to seamlessly transfer into DSU's agriculture and technical studies program.
10. Secured over \$430,400 in grants to support various programs.
11. Collaborated with the NDUS and received funding from the Russ Grant for IVN equipment.
12. Increased enrollment in online registrations. Spring enrollment registrations for 2016 increased 20.0 percent over 2015.
13. Continued to offer the "Campus Read" program.

Executive Budget Recommendation

- Reduces \$870,362 from the 2015-17 original legislative ongoing General Fund appropriation of \$8.7 million.
- Includes \$671,607 from the General Fund for the cost to continue the higher education formula.
- Reduces \$472,172 from the General Fund by adjusting the student credit hour amount.
- Provides \$129,971 from the General Fund for an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$8.1 million from the General Fund for the state share of campus operations at \$99.23 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

243 Dakota College at Bottineau

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dakota College at Bottineau	21,496,905	31,267,048	(13,254,703)	(42.4%)	18,012,345	(13,448,916)	(43.0%)	17,818,132
Total Major Programs	21,496,905	31,267,048	(13,254,703)	(42.4%)	18,012,345	(13,448,916)	(43.0%)	17,818,132
By Line Item								
Campus Operations	19,247,646	18,735,282	(809,476)	(4.3%)	17,925,806	(1,003,689)	(5.4%)	17,731,593
Capital Assets	2,191,982	12,043,092	(11,956,553)	(99.3%)	86,539	(11,956,553)	(99.3%)	86,539
Capital Assets Carryover	57,277	88,674	(88,674)	(100.0%)	0	0	0.0%	0
Biennium Carryover	0	400,000	(400,000)	(100.0%)	0	0	0.0%	0
Total Line Items	21,496,905	31,267,048	(13,254,703)	(42.4%)	18,012,345	(13,448,916)	(43.0%)	17,818,132
By Funding Source								
General Fund	9,582,489	10,355,181	(1,850,320)	(17.9%)	8,504,861	(2,192,521)	(21.2%)	8,162,660
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	11,914,416	20,911,867	(11,404,383)	(54.5%)	9,507,484	(11,256,395)	(53.8%)	9,655,472
Total Funding Source	21,496,905	31,267,048	(13,254,703)	(42.4%)	18,012,345	(13,448,916)	(43.0%)	17,818,132
Total FTE	36.12	46.96	37.34	79.5%	84.30	37.34	79.5%	84.30

Statutory Authority

North Dakota Constitution, Article VIII, Section 6. North Dakota Century Code 4-19,18-10 and 57-57.

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 13,290 acres of state forest lands.

Major Accomplishments

1. Assisted 12 percent of 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. Awarded \$1.4 million forestry-based economic benefits for forestry practices serving 89 percent of the financial assistance needs of communities, fire districts and private forest landowners. Practices included tree planting, community forestry development, fire protection and forest restoration.
3. Enhanced community wildfire protection resulted in the preparation of 17 County Wildfire Protection Plans encompassing 32 percent of North Dakota's counties.
4. Enhanced rural fire department capacity through wildland firefighter training provided to 335 or 89 percent of rural fire departments.

5. Provided wildland fire awareness and prevention programs including firewise concepts to 53 or 100 percent of North Dakota's counties.
6. Raised public awareness through information and education and fostered individual responsibility for conserving forest resources by delivering environmental education to 1,454 K-12 teachers (20 percent) and 25,909 K-12 students (23 percent).
7. Promoted professionalism in the tree care industry through training provided to 45 arborists (35 percent) certified according to International Society of Arboriculture standards.
8. Supplied conservation tree planting needs from 99 percent of Towner State Nursery customers through the sale of 1,041,997 nursery seedlings.
9. Sustained North Dakota's natural resources through the active forest management and protection services for 73,348 acres or 14 percent of privately-owned forest lands.
10. Served 236 or 63 percent of North Dakota's communities benefiting 90 percent of the state's residents with sustainable community forestry programs including the planting and care of street and park trees.
11. Ensured the health and sustainability of 341,449 acres of "at risk" forest resources through continuous surveys for damaging pests and agents.
12. Provided quality outdoor state forest experiences on 2,792 acres or 21 percent of the state forests under multiple use management.

Executive Budget Recommendation

- Reduces \$615,383 from the 2015-17 original legislative General Fund appropriation of \$5.0 million. This includes the reduction of 2.00 FTE.
- Provides \$250,000 in other fund authority for revenue generated at the Towner State Nursery.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

244 ND Forest Service

Bill#: HB1003

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Operations	9,899,869	15,616,307	(500,337)	(3.2%)	15,115,970	(519,685)	(3.3%)	15,096,622
Capital Assets	885,404	274,958	(156,230)	(56.8%)	118,728	(156,230)	(56.8%)	118,728
Total Major Programs	10,785,273	15,891,265	(656,567)	(4.1%)	15,234,698	(675,915)	(4.3%)	15,215,350
By Line Item								
Campus Operations	9,747,783	15,236,762	(120,792)	(0.8%)	15,115,970	(140,140)	(0.9%)	15,096,622
Capital Assets	885,404	154,270	(35,542)	(23.0%)	118,728	(35,542)	(23.0%)	118,728
Biennium Carryover	152,086	500,233	(500,233)	(100.0%)	0	0	0.0%	0
Total Line Items	10,785,273	15,891,265	(656,567)	(4.1%)	15,234,698	(675,915)	(4.3%)	15,215,350
By Funding Source								
General Fund	5,385,834	5,508,077	(924,126)	(16.8%)	4,583,951	(943,475)	(17.1%)	4,564,602
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	5,399,439	10,383,188	267,559	2.6%	10,650,747	267,560	2.6%	10,650,748
Total Funding Source	10,785,273	15,891,265	(656,567)	(4.1%)	15,234,698	(675,915)	(4.3%)	15,215,350
Total FTE	28.00	28.96	(1.96)	(6.8%)	27.00	(1.96)	(6.8%)	27.00

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 libraries and 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 through grants and technical assistance; facilitating interlibrary loan for all libraries and citizens statewide; distributing grants on a competitive basis; and coordinating Online Library Resources for libraries and citizens. State Library staff provide technical assistance and library development services to public and school libraries statewide.

Major Accomplishments

1. Established partnerships through the Library Vision 2020 initiative, which provides a long-range plan for coordinated library services in North Dakota.
2. Assisted in adding additional libraries to the statewide online library catalog through the cataloging of materials and training of staff, through the use of Library Vision 2020 grants.
3. Continued development of an extensive interlibrary loan system, acting as the "hub" for the state; facilitated over 50,000 interlibrary loan requests last biennium.

4. Provided professional reference services to librarians, state agencies, and citizens statewide; provided informational databases available to all North Dakotans.
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; provided three statewide training workshops for librarians and board members.
6. Continued the establishment of an electronic state document retrieval and delivery service.
7. Administered Library Vision 2020 (LV2020) grant funds and federal Library Services and Technology Act (LSTA) training grant funds; administered the State Aid to Public Libraries grant program; and developed and administered a Renovation and Repair grant program for public library buildings.
8. Provided Talking Book services to 1,600 registered North Dakotans.
9. Provided library development services which includes a department of five professional librarians who provide technical assistance to public and school libraries throughout the state in all areas of librarianship, including long-range planning, disaster planning, policies and procedures establishment, budgeting, and personnel development.
10. Established a statewide digitization program.
11. Led librarians statewide in two national and regional professional training initiatives: ILEAD and L3.

Executive Budget Recommendation

- Reduces the original 2015-17 General Fund ongoing legislative appropriation by \$540,633.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

250 State Library
Biennium: 2017-2019

Bill#: HB1013

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	631,474	740,974	11,086	1.5%	752,060	25,744	3.5%	766,718
Services	5,118,474	5,850,932	(539,710)	(9.2%)	5,311,222	(452,004)	(7.7%)	5,398,928
Programs	2,004,000	2,620,500	(463,300)	(17.7%)	2,157,200	(463,300)	(17.7%)	2,157,200
Total Major Programs	7,753,948	9,212,406	(991,924)	(10.8%)	8,220,482	(889,560)	(9.7%)	8,322,846
By Line Item								
Salaries and Wages	3,673,235	4,181,180	134,027	3.2%	4,315,207	236,391	5.7%	4,417,571
Accrued Leave Payments	13,022	0	0	0.0%	0	0	0.0%	0
Operating Expenses	1,548,899	1,895,726	(281,651)	(14.9%)	1,614,075	(281,651)	(14.9%)	1,614,075
Grants	2,518,792	3,135,500	(844,300)	(26.9%)	2,291,200	(844,300)	(26.9%)	2,291,200
Total Line Items	7,753,948	9,212,406	(991,924)	(10.8%)	8,220,482	(889,560)	(9.7%)	8,322,846
By Funding Source								
General Fund	5,813,119	6,773,655	(790,633)	(11.7%)	5,983,022	(701,251)	(10.4%)	6,072,404
Federal Funds	1,891,086	2,346,899	(201,291)	(8.6%)	2,145,608	(188,309)	(8.0%)	2,158,590
Special Funds	49,743	91,852	0	0.0%	91,852	0	0.0%	91,852
Total Funding Source	7,753,948	9,212,406	(991,924)	(10.8%)	8,220,482	(889,560)	(9.7%)	8,322,846
Total FTE	29.75	29.75	0.00	0.0%	29.75	0.00	0.0%	29.75

Statutory Authority

ND Constitution Article IX, Section 12; North Dakota Century Code Chapter 25-07.

Agency Description

North Dakota School for the Deaf/Resource Center for Deaf and Hard of Hearing (NDSD/RCDHH) provides education to persons of all ages who are deaf/hard of hearing.

NDSD/Resource Center for Deaf and Hard of Hearing is fully accredited and specializes in speech and language development for students who are deaf or hard of hearing. Children birth to 3 years of age are served through the Parent/Infant program (specialized instruction in the homes). Elementary and middle school students are served through the Model School programming at NDSD or by outreach specialists in their home schools. Educational services for grade 9 through graduation are provided in partnership with the district of residence or Devils Lake Public Schools (if living at NDSD).

In addition to the school's traditional role as an educational institution, NDSD/RCDHH has become a state resource center for deafness. Through collaborative ventures with other agencies, NDSD/RCDHH outreach programs have increased delivery of services including: assessments, evaluations, consultations, instruction and in-service training specific to the hearing loss.

The North Dakota Dual Sensory Project provides technical assistance, resource library and in-service training.

Major Accomplishments

1. Began strategic planning for 2017-2021.
2. Replaced boiler, kitchen cooler/freezer and added two ADA bathrooms.
3. Hired a third position specific for adult services statewide.
4. Renovated student dormitory.
5. Provided training for professionals working with adults who are deaf or hard of hearing, for agencies and conferences such as Vocational Rehabilitation, directors of assisted living facilities, and hospitals.
6. Partnered with Lake Region State College and Minot State University to develop a four year program for sign language/interpreters.
7. Refocused the residential school as a Model School with a professional learning community for students who are deaf or hard of hearing and teachers who teach students who are deaf or hard of hearing in schools in North Dakota.
8. Implemented a second Interactive Video Network (ITV) outreach American Sign Language site in Fargo to increase classes provided to families and ND communities.
9. Provided support and professional development of educational interpreters in the state through the partnership of NDSD/RCDHH and Lake Region College

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$921,657.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

252 School for Deaf/Res Ctr for Deaf and HoH

Bill#: HB1013

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Education and Outreach	8,914,099	11,054,037	852,945	7.7%	11,906,982	529,652	4.8%	11,583,689
Total Major Programs	8,914,099	11,054,037	852,945	7.7%	11,906,982	529,652	4.8%	11,583,689
By Line Item								
Salaries and Wages	6,151,069	7,714,330	(75,466)	(1.0%)	7,638,864	(48,759)	(0.6%)	7,665,571
Accrued Leave Payments	15,828	0	0	0.0%	0	0	0.0%	0
Operating Expenses	1,612,003	2,048,296	73,144	3.6%	2,121,440	(26,856)	(1.3%)	2,021,440
Capital Assets	1,008,777	867,174	1,099,504	126.8%	1,966,678	849,504	98.0%	1,716,678
Capital Construction Carry	0	74,511	(74,511)	(100.0%)	0	0	0.0%	0
Grants	126,422	349,726	(169,726)	(48.5%)	180,000	(169,726)	(48.5%)	180,000
Total Line Items	8,914,099	11,054,037	852,945	7.7%	11,906,982	529,652	4.8%	11,583,689
By Funding Source								
General Fund	7,578,089	9,290,313	(771,380)	(8.3%)	8,518,933	(1,045,449)	(11.3%)	8,244,864
Federal Funds	304,081	336,545	3,211	1.0%	339,756	3,987	1.2%	340,532
Special Funds	1,031,929	1,427,179	1,621,114	113.6%	3,048,293	1,571,114	110.1%	2,998,293
Total Funding Source	8,914,099	11,054,037	852,945	7.7%	11,906,982	529,652	4.8%	11,583,689
Total FTE	44.61	45.61	0.00	0.0%	45.61	0.00	0.0%	45.61

Statutory Authority

ND Constitution, Article IX, Section 12; NDCC Chapter 25-06.

Agency Description

North Dakota Vision Services/School for the Blind (NDVS/SB) 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 and mobility, braille, daily living skills, technology, career/vocational, recreation/leisure and functional vision). Infants, preschool children, students, and adults with visual impairment are all eligible for consultative service and direct instruction through regional outreach as well as at our facility in Grand Forks. Services provided via the Vision Resource Center include adaptive materials and equipment, 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, summer camp and in-service training.

Major Accomplishments

1. Expanded Transition Services by hiring a part-time Transition Specialist to assist students with college and career planning. Partnership with Vocational Rehabilitation via the Workforce Innovation Opportunity Act has been a major initiative.
2. Developed a new Learning Media Assessment (LMA) process that benefitted dozens of students. North Dakota has not previously had a uniform method of assessing visually impaired students to determine best medium for literacy.
3. Collaborated with the North Dakota Association of the Blind to hold a lead role in organizing the annual Ski for Light program and the Walk for Vision.
4. Conducted the agency's first low vision clinic in Grand Forks, Spring 2016.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$487,324. This includes the reduction of 0.50 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

253 ND Vision Services/School for the Blind

Bill#: HB1013

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Education	7,986,919	5,706,809	(35,664)	(0.6%)	5,671,145	164,118	2.9%	5,870,927
Total Major Programs	7,986,919	5,706,809	(35,664)	(0.6%)	5,671,145	164,118	2.9%	5,870,927
By Line Item								
Salaries and Wages	3,996,115	4,760,149	91,598	1.9%	4,851,747	192,880	4.1%	4,953,029
Accrued Leave Payments	21,186	0	0	0.0%	0	0	0.0%	0
Operating Expenses	683,822	864,706	(121,500)	(14.1%)	743,206	(121,500)	(14.1%)	743,206
Capital Assets	3,285,796	81,954	(5,762)	(7.0%)	76,192	92,738	113.2%	174,692
Total Line Items	7,986,919	5,706,809	(35,664)	(0.6%)	5,671,145	164,118	2.9%	5,870,927
By Funding Source								
General Fund	7,485,793	5,081,484	(287,324)	(5.7%)	4,794,160	(386,126)	(7.6%)	4,695,358
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	501,126	625,325	251,660	40.2%	876,985	550,244	88.0%	1,175,569
Total Funding Source	7,986,919	5,706,809	(35,664)	(0.6%)	5,671,145	164,118	2.9%	5,870,927
Total FTE	30.00	30.00	(0.50)	(1.7%)	29.50	(0.50)	(1.7%)	29.50

Statutory Authority

North Dakota Century Code Chapter 15-20.1-3 and Carl D Perkins Career and Technical Act of 2006.

Agency Description

The Department of Career & Technical Education (CTE) provides leadership, technical assistance and fiscal support of career technical education to public school districts, area career and technology centers, state colleges and universities, state institutions and tribal colleges. CTE 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. CTE's 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. Continued integration of student and school data collection into the STARS system, which is the Department of Public Instruction data collection system. This will effectively eliminate duplicate 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, revised and consolidated many of the coordinated plans of study to simplify the career planning process and qualifying for the CTE scholarship.
4. Established and administered STEM grants to schools and incorporated STEM programming into existing programs.
5. Developed an online budget and reimbursement process to streamline reporting and fiscal process for schools.
6. Created broader access for CTE programming in schools. There are more than 93 schools sharing CTE programming making more options available for ND students.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$3.6 million. This includes the reduction of 1.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

270 Career and Technical Education

Bill#: SB2019

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	3,413,790	4,295,763	(658,221)	(15.3%)	3,637,542	(607,080)	(14.1%)	3,688,683
Technical Assistance	37,766,346	39,453,990	(2,872,443)	(7.3%)	36,581,547	(3,184,491)	(8.1%)	36,269,499
Total Major Programs	41,180,136	43,749,753	(3,530,664)	(8.1%)	40,219,089	(3,791,571)	(8.7%)	39,958,182
By Line Item								
Salaries and Wages	4,195,394	5,103,504	(307,389)	(6.0%)	4,796,115	(218,296)	(4.3%)	4,885,208
Accrued Leave Payments	45,115	0	0	0.0%	0	0	0.0%	0
Operating Expenses	755,479	1,563,929	(323,340)	(20.7%)	1,240,589	(323,340)	(20.7%)	1,240,589
Grants	30,695,212	32,675,066	(2,459,210)	(7.5%)	30,215,856	(2,609,210)	(8.0%)	30,065,856
Postsecondary Grants	789,134	707,452	(70,745)	(10.0%)	636,707	(120,745)	(17.1%)	586,707
Adult Farm Management	699,802	699,802	(69,980)	(10.0%)	629,822	(119,980)	(17.1%)	579,822
Workforce Training	4,000,000	3,000,000	(300,000)	(10.0%)	2,700,000	(400,000)	(13.3%)	2,600,000
Total Line Items	41,180,136	43,749,753	(3,530,664)	(8.1%)	40,219,089	(3,791,571)	(8.7%)	39,958,182
By Funding Source								
General Fund	32,283,712	33,920,062	(3,317,638)	(9.8%)	30,602,424	(3,578,546)	(10.5%)	30,341,516
Federal Funds	8,770,246	9,542,913	(81,222)	(0.9%)	9,461,691	(81,221)	(0.9%)	9,461,692
Special Funds	126,178	286,778	(131,804)	(46.0%)	154,974	(131,804)	(46.0%)	154,974
Total Funding Source	41,180,136	43,749,753	(3,530,664)	(8.1%)	40,219,089	(3,791,571)	(8.7%)	39,958,182
Total FTE	27.00	26.50	(1.00)	(3.8%)	25.50	(1.00)	(3.8%)	25.50

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 and respond to injury, illness and disease through various state and federal programs.
- Manages programs leading to the detection, diagnosis, analysis, reporting, intervention/treatment, referral and coordinated 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 those with intellectual disabilities, and clinical laboratory services.

Major Accomplishments

1. Placed 32 health professionals in shortage areas.
2. Received "Fit Friendly" award from American Heart Association.
3. Enrolled 5,438 people in NDQuits in FY 2016, 905 more than were enrolled in FY 2015.
4. Screened 1,320 women for breast and/or cervical cancer through Women's Way local coordinating units and approved providers. Facilitated 255 screens through patient navigation services for women that transitioned to Medicaid Expansion.
5. Provided funding to 20 domestic violence/rape crisis agencies to provide crisis intervention, shelter and other services to 1,041 primary victims of sexual assault, 5,356 new victims of domestic violence and 2,215 children impacted by domestic violence.
6. Provided suicide prevention funding of \$840,000 to various agencies.
7. Provided 7,831 sealant applications and 5,687 fluoride varnish applications to students ages four through 18 in 42 schools statewide during the 2015-16 school year.
8. Provided 223 cribs to the Cribs for Kids Program sites, a statewide safe sleep education and crib distribution program for low-income families. The Cribs for

Kids Program has distributed nearly 1,500 cribs to families in need since the program began in 2010.

9. Served 2,500 children with special health care needs and their families.
10. Added Severe Combined Immune Deficiency (SCID) to the state newborn screening panel.
11. Achieved an adolescent vaccination rate for Tdap and meningococcal vaccinations of 92.1 percent and 91.8 percent, respectively.
12. Continued enhanced disease surveillance activity or investigations for three major infectious disease outbreaks including hepatitis C, syphilis and tuberculosis.
13. Provided emergency staff and support for 13 community events.
14. Distributed \$8.2 million in grants to ambulance services and hospitals.
15. Continued to maintain high compliance rates above national levels for all environmental health regulatory programs while responding to increased needs related to the energy industry.
16. Reviewed approximately 1,650 environmental spill reports since July 1, 2015 by conducting field investigations, remediation oversight and enforcement.
17. Developed and implemented the Food and Lodging Licensure Information Management System.
18. Coordinated Ebola and Zika virus response with key state stakeholders.

Executive Budget Recommendation

- Reduces \$8.6 million from the 2015-17 original legislative ongoing General Fund appropriation of \$51.5 million. This includes the reduction of 1.00 FTE.
- Provides \$3.0 million from the Tobacco Prevention Fund to be distributed to Local Public Health Units for tobacco programs.
- Changes funding of \$3.2 million from the General Fund to the Tobacco Prevention Fund for cancer, stroke, cardiac, local public health and loan repayment programs.
- Reduces EMS rural assistance and training grants to 90 percent.
- Changes \$500,000 EPA lawsuit funding from the General Fund to the Strategic Investment and Improvement Fund.
- Provides 17.00 FTE and \$7.0 million including \$2.0 million from the General fund for a new Medical Marijuana Section. Funding and FTE are included in order to comply with Measure 5, Medical Use of Marijuana, passed by ND voters on November 8, 2016.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

301 ND Department of Health

Bill#: SB2004

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Support	15,149,147	16,215,538	(445,581)	(2.7%)	15,769,957	2,702,185	16.7%	18,917,723
Medical Services	16,895,869	19,416,394	(2,108,933)	(10.9%)	17,307,461	(1,980,498)	(10.2%)	17,435,896
Health Resources	8,796,504	10,730,721	(240,945)	(2.2%)	10,489,776	(58,888)	(0.5%)	10,671,833
Community Health	54,734,709	69,832,247	(2,322,530)	(3.3%)	67,509,717	(2,127,556)	(3.0%)	67,704,691
Environmental Health	44,238,999	54,041,208	(490,341)	(0.9%)	53,550,867	132,786	0.2%	54,173,994
Emergency Preparedness and Response	21,696,812	26,072,691	(3,701,221)	(14.2%)	22,371,470	(4,190,310)	(16.1%)	21,882,381
Medical Marijuana	0	0	0	0.0%	0	7,057,644	0.0%	7,057,644
Total Major Programs	161,512,040	196,308,799	(9,309,551)	(4.7%)	186,999,248	1,535,363	0.8%	197,844,162
By Line Item								
Salaries and Wages	52,501,208	62,997,066	483,454	0.8%	63,480,520	1,814,823	2.9%	64,811,889
Operating Expenses	34,109,269	44,520,564	(6,026,106)	(13.5%)	38,494,458	(6,026,106)	(13.5%)	38,494,458
Capital Assets	2,047,181	3,719,232	(272,492)	(7.3%)	3,446,740	(272,492)	(7.3%)	3,446,740
Grants	49,197,269	57,961,760	(2,264,270)	(3.9%)	55,697,490	173,910	0.3%	58,135,670
Tobacco Prevention & Control	5,520,815	6,910,177	(1,230,137)	(17.8%)	5,680,040	(1,212,416)	(17.5%)	5,697,761
WIC Food Payments	18,005,616	20,200,000	0	0.0%	20,200,000	0	0.0%	20,200,000
Medical Marijuana	0	0	0	0.0%	0	7,057,644	100.0%	7,057,644
Federal Stimulus Funds	130,682	0	0	0.0%	0	0	0.0%	0
Total Line Items	161,512,040	196,308,799	(9,309,551)	(4.7%)	186,999,248	1,535,363	0.8%	197,844,162
By Funding Source								
General Fund	44,574,293	51,883,959	(4,647,654)	(9.0%)	47,236,305	(6,206,908)	(12.0%)	45,677,051
Federal Funds	99,160,673	123,057,440	(4,619,303)	(3.8%)	118,438,137	(4,066,760)	(3.3%)	118,990,680
Special Funds	17,777,074	21,367,400	(42,594)	(0.2%)	21,324,806	11,809,031	55.3%	33,176,431
Total Funding Source	161,512,040	196,308,799	(9,309,551)	(4.7%)	186,999,248	1,535,363	0.8%	197,844,162
Total FTE	354.00	365.00	(1.00)	(0.3%)	364.00	16.00	4.4%	381.00

Statutory Authority

North Dakota Century Code 23.42.01 through 23.42.08; North Dakota Century Code 54.27.25; North Dakota Century Code 23.12.09 through 23.12.11.

Agency Description

Tobacco Prevention and Control Executive Committee, created by the passage of statewide initiated measure in 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, evaluates the effectiveness of the implementation of the statewide plan to assure accountability.
3. Provides for an independent review of the plan to assure it is consistent with CDC Best Practices for Comprehensive Tobacco Control Programs, and reports the results to the Governor and State Health Officer each biennium.
4. Develops and implements the most effective programs and model 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. Collaborates with other state and local tobacco prevention efforts that are part of the comprehensive plan, including the North Dakota Department of Health tobacco use cessation and surveillance efforts.
6. Advocates for use of the most effective programs and policies and encourages innovation consistent with CDC Best Practices with other state, local and tribal agencies involved in tobacco cessation and prevention that is funded by federal cooperative agreements or other sources and not directly funded by the Tobacco Prevention and Control Executive Committee.

Major Accomplishments

1. Reduced smoking by North Dakota high school students from 19.0 percent in 2013 to 11.7 percent in 2015.
2. Reduced smokeless tobacco use by North Dakota high school students from 13.8 percent in 2013 to 10.6 percent in 2015.
3. Reduced smoking by North Dakota adults from 21.2 percent in 2013 to 18.7 percent in 2015.
4. Conducted a statewide public information campaign on the new e-cigarette youth protection law.

5. Increased by 17 the number of Local Education Agencies that adopted comprehensive tobacco-free school policies.
6. Distributed 27,000 free smoke-free state law signs.
7. Increased by 73 the number of smoke-free privately owned multi-unit housing buildings.
8. Enacted 11 tobacco-free grounds policies.
9. Provided a \$500,000 grant to N.D. Department of Health to promote cessation among pregnant women and American Indians through NDQuits.
10. Funded NDSU to conduct and study education of chiropractors to identify clients who use tobacco and refer to NDQuits.
11. Granted more than half of the agency budget, or a total of \$7.6 million to all 28 local public health units to provide a workforce of 32.0 local FTEs for local services.
12. Managed 3 grant programs and supported 63 annual grant awards, granting \$9.9 million to statewide organizations and all local public health units.
13. Managed 7 professional service contracts totaling \$2.2 million for public education, evaluation, technical assistance and training, and grant reporting systems.
14. Increased the tobacco state aid grants program in local public health units from \$941,081 in FY2015 to \$1.1 million per year.

Executive Budget Recommendation

- Repeals North Dakota Century Code 23-42 to eliminate the agency.
- Eliminates 8.00 FTE and \$18.3 million special fund appropriation authority from the Tobacco Prevention and Control Trust Fund.
- Provides \$15.0 million funding to the Department of Human Services for Medicaid expenses.
- Provides \$1.8 million funding to the Department of Human Services for Medicaid coverage of a new opioid treatment program.
- Provides funding to the Department of Health for the following programs:
 - \$4.0 million for grants to local public health units;
 - \$744,804 for cancer related programs;
 - \$756,418 for stroke and cardiac programs;
 - \$480,000 for the Physician Loan Repayment Program;
 - \$243,640 for the Behavioral Health Loan Repayment Program; and
 - maintains \$500,000 funding for cancer related programs, previously received as a grant from the Tobacco Prevention agency.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

305 Tobacco Prevention and Control

Bill#: SB2024

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Tobacco Prevention and Control Program	13,744,928	16,548,039	1,706,884	10.3%	18,254,923	(16,548,039)	(100.0%)	0
Total Major Programs	13,744,928	16,548,039	1,706,884	10.3%	18,254,923	(16,548,039)	(100.0%)	0
By Line Item								
Comprehensive Tobacco Control	13,744,928	16,548,039	1,706,884	10.3%	18,254,923	0	0.0%	0
Total Line Items	13,744,928	16,548,039	1,706,884	10.3%	18,254,923	(16,548,039)	(100.0%)	0
By Funding Source								
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	13,744,928	16,548,039	1,706,884	10.3%	18,254,923	(16,548,039)	(100.0%)	0
Total Funding Source	13,744,928	16,548,039	1,706,884	10.3%	18,254,923	(16,548,039)	(100.0%)	0
Total FTE	5.00	8.00	0.00	0.0%	8.00	(8.00)	(100.0%)	0.00

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. 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 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 and/or their spouses.
2. Developed standards of care where residents age in place.
3. Received deficiency-free surveys from the State Health Department and the Department of Veterans Affairs.
4. Finished demolition of old veterans home and landscaped site.
5. Awarded bids for a resident workshop. Construction to start Fall 2016.
6. Achieved copper, bronze and silver milestones in the Quality Milestones Recognition program. This program tracks the nursing home's quality improvement efforts and recognizes achievements.

Executive Budget Recommendation

- Reduces \$2.7 million from the 2015-17 original legislative ongoing General Fund appropriation of \$8.6 million.
- Recommends budget without base extraordinary repair funding as submitted in budget request.
- Includes changing \$2.0 million general funding for salaries to special funds.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

313 Veterans Home
Biennium: 2017-2019

Bill#: SB2007

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	2,286,988	2,235,053	73,919	3.3%	2,308,972	95,667	4.3%	2,330,720
Plant Operations	3,349,851	3,676,142	(1,256,941)	(34.2%)	2,419,201	(1,239,518)	(33.7%)	2,436,624
New Veterans Home	569,450	234,679	(234,679)	(100.0%)	0	(234,679)	(100.0%)	0
Dietary	1,565,060	1,716,162	27,800	1.6%	1,743,962	44,301	2.6%	1,760,463
Nursing Basic Care	4,390,083	5,283,848	86,540	1.6%	5,370,388	236,451	4.5%	5,520,299
Nursing Skilled Care	7,592,411	8,214,509	513,551	6.3%	8,728,060	711,361	8.7%	8,925,870
Resident Services	242,439	280,947	6,234	2.2%	287,181	12,823	4.6%	293,770
Social Services	1,177,500	1,284,924	44,072	3.4%	1,328,996	74,408	5.8%	1,359,332
Housekeeping	546,310	542,513	20,968	3.9%	563,481	34,395	6.3%	576,908
Laundry	234,832	348,348	(8,254)	(2.4%)	340,094	870	0.2%	349,218
Pharmacy	951,034	1,276,702	12,728	1.0%	1,289,430	22,691	1.8%	1,299,393
Total Major Programs	22,905,958	25,093,827	(714,062)	(2.8%)	24,379,765	(241,230)	(1.0%)	24,852,597
By Line Item								
Salaries and Wages	15,946,127	17,739,457	562,766	3.2%	18,302,223	1,035,598	5.8%	18,775,055
Operating Expenses	4,693,368	5,311,000	206,000	3.9%	5,517,000	206,000	3.9%	5,517,000
Capital Assets	1,697,013	896,043	(335,501)	(37.4%)	560,542	(335,501)	(37.4%)	560,542
Capital Construction Carryover	559,601	912,648	(912,648)	(100.0%)	0	0	0.0%	0
New Veterans Home	9,849	234,679	(234,679)	(100.0%)	0	0	0.0%	0
Total Line Items	22,905,958	25,093,827	(714,062)	(2.8%)	24,379,765	(241,230)	(1.0%)	24,852,597
By Funding Source								
General Fund	7,795,751	8,932,404	(1,056,336)	(11.8%)	7,876,068	(2,895,077)	(32.4%)	6,037,327
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	15,110,207	16,161,423	342,274	2.1%	16,503,697	2,653,847	16.4%	18,815,270
Total Funding Source	22,905,958	25,093,827	(714,062)	(2.8%)	24,379,765	(241,230)	(1.0%)	24,852,597
Total FTE	120.72	120.72	0.00	0.0%	120.72	0.00	0.0%	120.72

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 2016 ND 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 ND American Indian Business Development Office with the ND Department of Commerce. Established micro marketing grants for business

plans geared toward development of small private businesses on/off reservations. Completed inventory of all native American owned businesses and identified 1,400 Indian owned businesses in North Dakota. Established a regional native-owned business directory in North and South Dakota and Montana.

3. Developed the new Indian Business Alliance of North Dakota and hosted Tribal Economic Summits/Conference.
4. Co-Sponsored with the ND Department of Public Instruction (DPI) a two-day ND Indian Education Summit.
5. Continued creating partnerships and memorandums of agreements and understanding between tribal entities and non-tribal entities.
6. Continued building and fostering working relations between state government agencies and tribal agencies.
7. Updated the Resource Information Guide (formerly the Indian Affairs Directory) that became available in the fall of 2009. The NDIAC Resource Information Guide can be viewed on the NDIAC website. This guide will be updated every tribal election.
8. Established and continued to co-chair the ND Indian Education Advisory Committee in partnership with DPI, and continued to work directly with all ND Tribal Colleges and the ND University Systems.

Executive Budget Recommendation

- Reduces \$105,978 from the 2015-17 original legislative ongoing General Fund appropriation of \$1.2 million. This includes the reduction of 1.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

316 Indian Affairs Commission

Bill#: SB2005

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Indian Affairs Administration	989,152	1,217,245	(115,753)	(9.5%)	1,101,492	(100,121)	(8.2%)	1,117,124
Total Major Programs	989,152	1,217,245	(115,753)	(9.5%)	1,101,492	(100,121)	(8.2%)	1,117,124
By Line Item								
Salaries and Wages	836,318	933,039	(95,251)	(10.2%)	837,788	(79,619)	(8.5%)	853,420
Operating Expenses	152,834	284,206	(20,502)	(7.2%)	263,704	(20,502)	(7.2%)	263,704
Total Line Items	989,152	1,217,245	(115,753)	(9.5%)	1,101,492	(100,121)	(8.2%)	1,117,124
By Funding Source								
General Fund	989,152	1,217,245	(115,753)	(9.5%)	1,101,492	(100,121)	(8.2%)	1,117,124
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	989,152	1,217,245	(115,753)	(9.5%)	1,101,492	(100,121)	(8.2%)	1,117,124
Total FTE	5.00	5.00	(1.00)	(20.0%)	4.00	(1.00)	(20.0%)	4.00

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 over 61,000 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 in electronic form. NDDVA provides certified and true copies to the veterans upon request.

The department is responsible for assisting counties with training of 65 County Veterans Service Officers (CVSOs) and their assistants who serve 53 counties, and are appointed by their respective County Commissions, as well as assisting in the training of 9 Tribal Service Officers from four 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 veteran's preference law.

A Veterans Aid Loan Program, Transportation Program, and Hardship medical and non-medical Grant Programs 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, website, social 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 four training conferences for County Veteran Service Officers (CVSOs) and Tribal Veteran Service Officers (TVSOs).
2. Continued to archive DD214s into electronic data base for safe keeping and easy access.
3. Continued to improve veteran's claims management program which allows NDDVA and CVSOs to maintain, track, process and submit claims to the federal VA electronically. NDDVA's was the first in North Dakota to submit an entirely paperless electronic claim to the VARO.
4. Maintained women's veteran support groups around the state, provide brochures, website information and mailer information.
5. Maintained NDDVA staff member as the minority veterans coordinator. Have established great working relationships with all Native American tribes in North Dakota.
6. Involved in legislative changes that resulted in improvements to benefits in: education - resident tuition for spouse and dependents of veterans to comply with new GI Bill, created patriotic license plates which will add funding to the Post War Trust Fund, improved Veterans preference laws by reducing many exemptions which results in more veterans eligible for the preference; secured funding - Agent Orange outreach program, stand down program, purchase of transportation vans, grants for purchasing PTSD service dogs for 4 ND veteran's; license plates - exemption to fees for purple heart plates; and property tax - added credit towards the value of the land.
7. Implemented many changes to improve transportation for Veterans to medical appointments.
8. Applied for and received federal grant for transportation services in 36 of North Dakotas highly rural counties.

Executive Budget Recommendation

- Reduces \$213,794 from the 2015-17 original legislative ongoing General Fund appropriation of \$1.5 million.
- Continues \$15,000 from the General Fund for vans to transport Veterans to medical appointments.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

321 Department of Veterans Affairs

Bill#: SB2025

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Veterans Affairs Administration	2,025,987	3,234,134	149,454	4.6%	3,383,588	207,391	6.4%	3,441,525
Total Major Programs	2,025,987	3,234,134	149,454	4.6%	3,383,588	207,391	6.4%	3,441,525
By Line Item								
Technology Project Carry	7,933	4,756	(4,756)	(100.0%)	0	0	0.0%	0
Transport Vans	30,000	15,000	(15,000)	(100.0%)	0	0	0.0%	15,000
Grants - Agent Orange	50,000	50,000	(50,000)	(100.0%)	0	0	0.0%	0
Veterans' Affairs Administration	1,372,307	1,522,495	(127,329)	(8.4%)	1,395,166	(88,517)	(5.8%)	1,433,978
Contingent Service Dogs	0	25,000	(25,000)	(100.0%)	0	0	0.0%	0
State Approving Agency	0	288,018	(19,116)	(6.6%)	268,902	(14,991)	(5.2%)	273,027
Grants - Transportation Program	315,747	1,328,865	390,655	29.4%	1,719,520	390,655	29.4%	1,719,520
General Fund Transfer	250,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	2,025,987	3,234,134	149,454	4.6%	3,383,588	207,391	6.4%	3,441,525
By Funding Source								
General Fund	1,710,240	1,617,251	(222,085)	(13.7%)	1,395,166	(268,273)	(16.6%)	1,348,978
Federal Funds	315,747	1,616,883	371,539	23.0%	1,988,422	475,664	29.4%	2,092,547
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	2,025,987	3,234,134	149,454	4.6%	3,383,588	207,391	6.4%	3,441,525
Total FTE	8.00	9.00	0.00	0.0%	9.00	0.00	0.0%	9.00

Statutory Authority

North Dakota Century Code Chapters 6-09.16, 11-23, 12.1-01, 14-08.1, 14-09, 14-10, 14-12.2, 14-13, 14-15, 14-15.1, 14-19, 14-20, 15.1-02, 15.1-32, 15.1-34, 19-03.1, 23-02.1, 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, 25-16.2, 25-17, 25-18, 26.1-36, 26.1-45, 26.1-54, 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, 50-10.1, 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, 50-24.6, 50-24.7, 50-25.1, 50-25.2, 50-27, 50-28, 50-29, 50-30, 50-31, 50-32, 50-33, 54-38, 54-44.3, 54-44.8 and 57-15.

Agency Description

The North Dakota Department of Human Services (DHS) is an umbrella agency headed by an executive director appointed by the gGovernor. The executive director and the deputy director oversee the operations of four organizational components consisting of Program and Policy, Medical Services, Behavioral Health, and Administration and Support.

Administration and Support includes Fiscal Administration, Human Resources, Information Technology Services, Legal Advisory Unit, Risk Management, the Executive Office, and Public Information.

Program and Policy is comprised of seven major areas: Aging Services, Children and Family Services (includes adoption, foster care, child care licensing, and child protective services), Child Support, Developmental Disabilities (including long-term community-based residential and support services for people with the developmentally disabilities), Economic Assistance, and Vocational Rehabilitation. North Dakota's economic assistance programs are supervised by the state, but administered by the county social service boards. Additionally, many aging services and children and family services are provided through county social service boards or contracted providers.

Behavioral Health consists of the eight regional human service centers, two institutions (Life Skills and Transition Center and North Dakota State Hospital), and the Behavioral Health Division.

Direct delivery of services to individuals and families is provided through eight regional human service centers located in each of the governor's designated planning regions. The human service centers provide an array of outpatient services including mental health services, substance use disorder services, emergency behavioral health services, outreach, developmental disabilities case management, other human services, and vocational rehabilitation services, which include employment services, supported employment, independent living, and various third-party programs providing cooperative rehabilitation services. The human service centers also provide supervision and direction to county agencies in

the provision of social services, and are responsible for coordination of the Aging Services program, including the Long-Term Care Ombudsman Program.

Inpatient treatment services for substance use disorders and mental illness, institutional secure services for sexual offenders, and contracted residential substance use disorder treatment for Department of Corrections and Rehabilitation inmates are provided by the North Dakota State Hospital. The Life Skills and Transition Center in Grafton provides residential services, health services, and support services, including behavior analyst services for persons with intellectual disabilities on site and to sustain people in communities.

Medical Services is responsible for the Title XIX Medicaid program, including medical review, Early and Periodic Screening, Diagnosis and Treatment, the Children's Health Insurance Program (CHIP), long-term care qualified service provider enrollment, claims, and audits; Money Follows the Person; Medically Fragile Children's waiver and Children's Hospice waiver; Medicaid expansion, and autism services.

Major Accomplishments

1. Implemented the ND Health Enterprise Medicaid Management Information System (MMIS).
2. Added a 16-bed unit at the State Hospital to expand the Tompkins Rehabilitation Program to 106 beds.
3. Collaborated with schools and partners to meet Workforce Innovation and Opportunity Act (WIOA) requirements related to transition-age youth with disabilities and community employment at or above minimum wage.
4. Implemented Open Access walk-in behavioral health assessments at four regional human service centers to increase access to services and reduce wait times and no-show rates.
5. Extended a contract with ShareHouse Inc., to operate the Robinson Recovery Center to sustain long-term residential treatment services.
6. Met with behavioral health stakeholders periodically to listen to concerns, provide training, to build capacity.
7. Collaborated with the Reducing Pharmaceutical Narcotics Task Force, the Governor's Office, and other partners on the "Stop Overdose" campaign.
8. Launched the Substance Use Disorder Voucher program.
9. Licensed the first Opioid Treatment Program in ND.
10. Conducted statewide training and submitted a Revised Transition Plan on the final rule on home and community-based services issued by the Centers for Medicare and Medicaid Services (CMS) that affects how services are provided for people with intellectual disabilities and other disabilities.
11. Amended the Medicaid 1915(c) Traditional Individuals with Intellectual Disabilities and Developmental Disabilities Home and Community-Based Services Waiver to increase the number of people who could be served, and to adjust homemaker services rates.

12. Transitioned 73 individuals from institutions to community living through the Money Follows the Person (MFP) program and received CMS approval for ND's MFP Sustainability Plan that includes the Tribal Initiative.
13. Achieved 94.3 percent utilization rate in electronic new hire reporting by employers to the Child Support Division in 2015. Offered a two-month amnesty pilot project for parents behind in child support to encourage regular monthly payments.
14. Received a three-year accreditation by CMS and Joint Commission for the ND State Hospital.
15. Implemented a psychiatric residency program at the ND State Hospital.
16. Received a four-year accreditation for the LSTC from the Council on Quality and Leadership (CQL) recognizing LSTC for person-centered services and practices that promote quality of life and community integration.
17. Achieved the third best Temporary Assistance for Needy Families program work participation rate in the nation at 71.1 percent.
18. Implemented phase one of the Self-Service Portal and Consolidated Eligibility System (SPACES), which focused on Affordable Care Act and Children's Health Insurance Program eligibility.
19. Amended the Medicaid State Plan to include federally-required, autism-specific intervention services for Medicaid eligible individuals, and amended the ND Autism Spectrum Disorder waiver to increase the age of children served through nine years of age.
20. Submitted the new federally-required Medicaid Access Monitoring Plan to measure and track access to health care providers and services for Medicaid recipients.
21. Received federal approval on amendments to the Medicaid 1915b waiver authorizing DHS to provide Medicaid Expansion as a Managed Care Organization program, and the Medicaid 1115 waiver allowing ND to operate only one managed care plan in urban areas.
22. Adopted new policy regarding Medicaid coverage for foster care youth who turned 18 while in care to address a gap in coverage.
23. Held meetings with Tribal Health and Indian Health Services (IHS) staff to discuss ongoing efforts to address needs in Indian Country, and new federal guidance on 100 percent federal funding for services referred through IHS.
24. Amended administrative rules and adjusted practices to meet federal Childcare Development Fund Reauthorization Act requirements and address federal requirements for "prudent parent standards."

Executive Budget Recommendation

- Provides \$1.3 million with \$666,724 from the General Fund for physical, occupational and speech therapy rate increase.
- Funds specialized services for individuals with developmental disabilities with \$350,307 from the General Fund, total funding of \$710,973.

- Includes \$727,650 with \$173,250 from the General Fund for employment and training programs.
- Increases the age of the autism waiver through 11 years with \$734,531 total funding and \$367,256 from the General Fund.
- Restores Early Childhood Enhanced Services-Child Care Quality contract with \$850,000 general funding.
- Restores Family Subsidy Program with \$317,688 from the General Fund.
- Provides general funding of \$160,000 for assistive technology.
- Implements a 5 percent Long Term Care Provider Assessment. \$42.7 million revenue provides funding for the following programs:
 - Money Follows the Person - \$527,954 assessment dollars for a total of \$1.1 million increase.
 - Long term care provider inflationary increase of 0 percent and 1 percent; \$2.9 million is from assessment revenue for total funding of \$5.7 million.
 - Restores nursing home rate reductions in rebasing, operating margins and incentives; \$10.6 million from revenue for a total increase of \$21.2 million.
 - Restores basic care rate reductions with \$1.8 million assessment funding and total funding of \$2.1 million.
 - Restores 10 percent rate reductions to homemaker services; with \$293,915 assessment funding and total funding of \$322,983.
 - Restores community of care funding of \$120,000.
 - Long term care cost and caseload of \$26.4 million.
- Provides \$6.5 million for a 0 percent and 1 percent inflationary increase to other providers, with \$3.5 million from the General Fund.
- Includes \$15.0 million funding for traditional Medicaid cost and caseload from the Tobacco Prevention Control Fund.
- Provides \$3.6 million for opioid treatment; \$1.8 million is from the Tobacco Prevention Control Fund.
- Reduces funding for Part B premiums by \$3.6 million including \$1.7 million from the General Fund.
- Provides \$22.5 million from the General Fund to continue Medicaid expansion. The program will be administered as a fee for service arrangement within the department, (same as traditional Medicaid) transitioning from the current managed care arrangement.
- Funds \$275.0 million of property tax relief by transferring the cost of operating the county social services programs from county property tax levies to General Fund appropriations. Establishes a Social Services Property Tax Fund with a transfer of \$275.0 million from the General Fund.
- Reduces 6.85 FTE positions.
- Includes \$40.8 million federal and special funding for the North Dakota Health Information Network/Care Coordination program.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

325 Department of Human Services

Bill#: HB1012

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Management	105,530,080	276,865,439	(126,638,989)	(45.7%)	150,226,450	(84,027,934)	(30.3%)	192,837,505
Program and Policy	2,540,031,174	3,051,136,335	(58,068,859)	(1.9%)	2,993,067,476	(17,420,138)	(0.6%)	3,033,716,197
Human Service Centers	172,468,665	201,371,171	(6,242,469)	(3.1%)	195,128,702	(3,006,348)	(1.5%)	198,364,823
Institutions	129,667,849	143,858,357	(4,172,541)	(2.9%)	139,685,816	(1,421,619)	(1.0%)	142,436,738
Property Tax Relief	0	0	0	0.0%	0	275,000,000	0.0%	275,000,000
Total Major Programs	2,947,697,768	3,673,231,302	(195,122,858)	(5.3%)	3,478,108,444	169,123,961	4.6%	3,842,355,263
By Line Item								
Salaries and Wages	78,357,888	89,369,107	2,349,364	2.6%	91,718,471	6,591,260	7.4%	95,960,367
Operating Expenses	151,215,656	207,835,826	35,433,813	17.0%	243,269,639	76,042,710	36.6%	283,878,536
Capital Assets	0	36,000	(26,000)	(72.2%)	10,000	(26,000)	(72.2%)	10,000
Tech and Capital Construction Carryover	27,000,479	152,315,504	(152,315,504)	(100.0%)	0	0	0.0%	0
Grants	396,551,186	465,349,912	(75,144)	0.0%	465,274,768	(30,936,769)	(6.6%)	434,413,143
Human Service Centers / Institutions	302,136,514	344,284,179	(9,469,661)	(2.8%)	334,814,518	(3,482,618)	(1.0%)	340,801,561
Grants-Medical Assistance	1,992,436,045	2,414,040,774	(71,019,726)	(2.9%)	2,343,021,048	(1,749,118)	(0.1%)	2,412,291,656
Property Tax Relief	0	0	0	0.0%	0	275,000,000	100.0%	275,000,000
Total Line Items	2,947,697,768	3,673,231,302	(195,122,858)	(5.3%)	3,478,108,444	169,123,961	4.6%	3,842,355,263
By Funding Source								
General Fund	1,151,140,059	1,360,278,929	10,867,014	0.8%	1,371,145,943	(30,362,617)	(2.2%)	1,329,916,312
Federal Funds	1,668,391,730	2,198,340,053	(231,261,100)	(10.5%)	1,967,078,953	(176,784,882)	(8.0%)	2,021,555,171
Special Funds	128,165,979	114,612,320	25,271,228	22.0%	139,883,548	376,271,460	328.3%	490,883,780
Total Funding Source	2,947,697,768	3,673,231,302	(195,122,858)	(5.3%)	3,478,108,444	169,123,961	4.6%	3,842,355,263
Total FTE	2,200.08	2,211.08	(23.85)	(1.1%)	2,187.23	(6.85)	(0.3%)	2,204.23

Statutory Authority

North Dakota Century Code Chapter 25-01.3.

Agency Description

The Protection and Advocacy Project (P&A) is governed by a seven-member board named the Committee on Protection & Advocacy. The appointments to the Committee are made by the Legislative Council (2), the Governor (2), Mental Health America of ND (1), The Arc of ND (1), and an entity selected by the Committee (1). The Committee selected Family Voices of ND. An advisory council provides stakeholder input, regarding the Mental Health Advocacy Program (MH), to the governing board and P&A staff. Current federal programs include the: 1) Developmental Disabilities Advocacy Program (DD); 2) Mental Health Advocacy Program (MH); 3) Protection and Advocacy for Individual Rights (PAIR - for individuals with disabilities who are not eligible for the DD or MH advocacy programs); 4) Assistive Technology Advocacy Program (AT); 5) Protection and Advocacy for Beneficiaries of Social Security (PABSS); 6) Traumatic Brain Injury Advocacy Program (TBI); 7) Help America Vote Act (HAVA); 8) Client Assistance Program (CAP) which is a contract from the ND DHS/Vocational Rehabilitation Division. P&A investigates allegations of abuse, neglect and exploitation of individuals with disabilities. Advocacy services are directed to individuals with disabilities who experience rights violations or those who are not receiving services for which they should be eligible.

Major Accomplishments

1. Continued membership in the North Dakota Disabilities Advocacy Consortium, (NDDAC), a non-profit corporation representing about twenty disability-related advocacy organizations across the state. The work is done by the membership. The NDDAC developed its first Legislative Training Institute (LTI), which was held in October 2014. The LTI was a three-day conference with the goal of teaching individuals with disabilities, family members, and advocates, about the legislature and how they can be involved. It was an interactive event, with participants forming their own “state government” and serving in the roles of Legislators in the Senate and the House. Individuals drafted bills and took them through the legislative process, including committee hearings.
2. Worked with parents, students, schools, advocacy organizations, the American Diabetes Association, the ND Board of Nursing, and a diabetes coalition to resolve issues relating to administering Glucagon to students with diabetes. Glucagon can be a life-saving drug for someone with diabetes. The issue arose due to misinterpretations related to legislation passed regarding school medication administration. P&A legal staff completed extensive research and provided detailed information in response to questions related to Glucagon administration in schools.

Executive Budget Recommendation

- Reduces \$153,778 from the 2015-17 original legislative ongoing General Fund appropriation of \$3.1 million.

REQUEST/RECOMMENDATION COMPARISON SUMMARY**360 Protection and Advocacy****Bill#: HB1014****Biennium: 2017-2019**

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Protection and Advocacy Program	5,358,390	6,559,739	(164,008)	(2.5%)	6,395,731	(61,412)	(0.9%)	6,498,327
Total Major Programs	5,358,390	6,559,739	(164,008)	(2.5%)	6,395,731	(61,412)	(0.9%)	6,498,327
By Line Item								
Protection and Advocacy Services	5,358,390	6,559,739	(164,008)	(2.5%)	6,395,731	(61,412)	(0.9%)	6,498,327
Total Line Items	5,358,390	6,559,739	(164,008)	(2.5%)	6,395,731	(61,412)	(0.9%)	6,498,327
By Funding Source								
General Fund	2,531,406	3,126,886	(153,778)	(4.9%)	2,973,108	(104,241)	(3.3%)	3,022,645
Federal Funds	2,826,984	3,432,853	(10,230)	(0.3%)	3,422,623	42,829	1.2%	3,475,682
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	5,358,390	6,559,739	(164,008)	(2.5%)	6,395,731	(61,412)	(0.9%)	6,498,327
Total FTE	27.50	27.50	0.00	0.0%	27.50	0.00	0.0%	27.50

Statutory Authority

North Dakota Century Code Chapters 52-01 through 52-11.

Agency Description

Job Service North Dakota (JSND) is responsible for administering 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. Implemented JobServiceND mobile job search app, which allows job seekers to discover and access over 14,000 job openings in North Dakota on their mobile devices.
2. Established a new Eligible Training Provider list incorporating in-demand occupations as required by the Department of Labor.
3. Continued assisting employers with recruiting potential employees from a local to national level. An active presence on web and social media allows Job Service to promote job openings and fairs on a higher level than ever before. Job Service's active presence on Twitter, Facebook, and LinkedIn has built a stronger network of community, business outreach and partnerships that attribute to enhancing the state's workforce.
4. Assisted employers and job seekers make connections that will help support our state's workforce needs. Reverse job fairs to connect employers with employees who have received a notice of layoff, individualized services to veterans to translate military skills to civilian skills which highlights the employment needs of employers. Received national recognition for service to veterans from veteran service organizations for staff and Fargo local office.
5. Created the Unmanned Aerial Systems (UAS) Featured Jobs document to highlight and promote the growing UAS industry in the Grand Forks region and the state.
6. Wrote 150 Workforce 20/20 contracts for the 2013-15 biennium. These projects provided upgrade and training to 1,290 North Dakota workers. Of the

1,290 trained, 1024 employees had an average increase in wages of \$2.11/hr (to an average wage of \$27.60/hr).

7. Wrote 19 new jobs training agreements in the 2013-15 biennium with 522 planned jobs created. For calendar year 2015, a total of 11 projects were written, which created 374 new jobs.
8. Provided, collected, analyzed, and published a wide array of information about North Dakota's labor market. Published a report on North Dakota's oil and gas economy which melds together oil and gas production statistics, labor market information, and other related economic indicators to provide a current, quick-and-easy overview.
9. Participated in the development of the Statewide Longitudinal Data System (SLDS); a system which provides comprehensive workforce supply and demand information. Also, created a data sharing agreement in order to help with the evaluation of tax incentives by the Department of Commerce.
10. Designed, built, and implemented necessary UI claims taking automation to continue the administration of the UI system in North Dakota. This automation positioned Job Service in the best way possible to deal with continued federal funding shortfalls and the resulting loss of UI staff. The automation that was implemented leveraged, modified, and enhanced our existing UI ICE web-based UI application and our automated interactive voice response system to allow claimants to file claims and certify weekly eligibility without the need for human interaction.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative ongoing General Fund appropriation of \$2.0 million by \$1.1 million.
- Reduces the total funding available for the Workforce 20/20 Program to \$500,000.
- Provides \$11.2 million of federal fund authority for the continuing development of the unemployment insurance system modernization project.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

380 Job Service North Dakota

Bill#: SB2016

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Job Service	52,901,904	72,591,257	(17,034,980)	(23.5%)	55,556,277	(17,346,604)	(23.9%)	55,244,653
Total Major Programs	52,901,904	72,591,257	(17,034,980)	(23.5%)	55,556,277	(17,346,604)	(23.9%)	55,244,653
By Line Item								
Salaries and Wages	33,497,381	39,667,438	(12,922,257)	(32.6%)	26,745,181	(12,368,947)	(31.2%)	27,298,491
Accrued Leave Payments	235,770	0	0	0.0%	0	0	0.0%	0
Operating Expenses	13,935,225	13,512,657	(2,761,402)	(20.4%)	10,751,255	(2,761,402)	(20.4%)	10,751,255
Capital Assets	3,848	20,000	0	0.0%	20,000	0	0.0%	20,000
Grants Benefits and Claims	3,833,744	5,404,326	54,245	1.0%	5,458,571	54,245	1.0%	5,458,571
Work Force 20/20	1,259,966	1,579,836	(198,790)	(12.6%)	1,381,046	(1,076,927)	(68.2%)	502,909
Reed Act - Unemployment	0	12,407,000	(1,206,776)	(9.7%)	11,200,224	(1,193,573)	(9.6%)	11,213,427
Federal Stimulus Funds 2009	135,970	0	0	0.0%	0	0	0.0%	0
Total Line Items	52,901,904	72,591,257	(17,034,980)	(23.5%)	55,556,277	(17,346,604)	(23.9%)	55,244,653
By Funding Source								
General Fund	1,779,338	2,123,391	(297,146)	(14.0%)	1,826,245	(1,174,377)	(55.3%)	949,014
Federal Funds	50,997,375	69,777,470	(17,090,420)	(24.5%)	52,687,050	(16,529,069)	(23.7%)	53,248,401
Special Funds	125,191	690,396	352,586	51.1%	1,042,982	356,842	51.7%	1,047,238
Total Funding Source	52,901,904	72,591,257	(17,034,980)	(23.5%)	55,556,277	(17,346,604)	(23.9%)	55,244,653
Total FTE	250.76	237.76	(56.15)	(23.6%)	181.61	(56.15)	(23.6%)	181.61

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: Administration, Agent Licensing, Consumer Assistance, Examinations and Company Licensing, Legal and Enforcement, Product Filing, and Special Funds. The Department has 49.50 full-time equivalent positions. 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. The Department also collects insurance premium taxes which are deposited into the Insurance Tax Distribution Fund, makes the legislatively appropriated disbursements and then transfers the remainder to the General Fund, and is responsible for several other special funds.

Major Accomplishments

1. Responded to consumer issues resulting in over \$7.8 million in consumer relief.
2. Closed out 322 agent and company complaints resulting in \$9.9 million in consumer relief.
3. Responded to 381 insurance fraud cases, resulting in over 20 prosecutions, criminal charges and restitution for victims.
4. Completed 15 market analyses each year to identify general market disruptions and specific market conduct problems.
5. Collected over \$866.0 million from 10 insurance companies for using the Death Master File for their financial advantage and not in the best interest of their policyholders.
6. Had 13 administrative rules adopted by the Administrative Rules Committee, two of which were a result of 2013 legislation and three of which were the result of 2015 legislation.
7. Provided low-cost insurance through the State Fire and Tornado Fund to approximately 1,155 state entities and political subdivisions.
8. Reduced the State Fire and Tornado premium for the state and political subdivisions by 50.0 percent in 2015 and maintained those rates in 2016.
9. Completed inspections on 5,721 boilers in 2014 and 6,265 in 2015.
10. Analyzed and closed 6,470 insurance form and rate filings in 2014 and 6,544 in 2015.
11. Collected and deposited into the general fund \$92.5 million of premium tax and transferred \$9.6 million from the Insurance Regulatory Trust Fund to the General Fund.
12. Disbursed \$14.5 million in fire district payments to an average of 369 certified fire districts in North Dakota.
13. Completed six financial examinations in 2014 and seven in 2015 on domestic insurance companies.
14. Participated in the discussion and implementation of the federal health care reform activities under the Affordable Care Act (ACA) through many interim legislative committee meetings, public presentations and consumer inquiries.
15. Implemented a new boiler inspection software program.

Executive Budget Recommendation

- Removes the retention bonuses from the pay plan.
- Removes 2.50 FTE.
- Provides \$150,000 from the Insurance Tax Distribution Fund to the ND Firefighters Association, which brings the biennial total to \$951,000. The additional funds are for office space rent and secure equipment storage.
- Reduces the grant payment from the Insurance Tax Distribution Fund to fire districts by \$1.5 million, which brings the biennial total to \$14.1 million.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

401 Office of the Insurance Commissioner

Bill#: HB1010

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Grants To Local Fire Departments	15,296,919	16,701,207	(219,000)	(1.3%)	16,482,207	(1,637,121)	(9.8%)	15,064,086
Regulatory and Administration	8,521,958	11,545,138	(822,933)	(7.1%)	10,722,205	(659,239)	(5.7%)	10,885,899
Total Major Programs	23,818,877	28,246,345	(1,041,933)	(3.7%)	27,204,412	(2,296,360)	(8.1%)	25,949,985
By Line Item								
Salaries and Wages	7,005,510	8,943,096	(375,668)	(4.2%)	8,567,428	(211,974)	(2.4%)	8,731,122
Operating Expenses	1,516,448	2,512,042	(357,265)	(14.2%)	2,154,777	(357,265)	(14.2%)	2,154,777
Capital Assets	0	90,000	(90,000)	(100.0%)	0	0	0.0%	0
Grants to Fire Districts	15,296,919	16,701,207	(219,000)	(1.3%)	16,482,207	(1,637,121)	(9.8%)	15,064,086
Total Line Items	23,818,877	28,246,345	(1,041,933)	(3.7%)	27,204,412	(2,296,360)	(8.1%)	25,949,985
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	550,890	622,786	(3,460)	(0.6%)	619,326	6,276	1.0%	629,062
Special Funds	23,267,987	27,623,559	(1,038,473)	(3.8%)	26,585,086	(2,302,636)	(8.3%)	25,320,923
Total Funding Source	23,818,877	28,246,345	(1,041,933)	(3.7%)	27,204,412	(2,296,360)	(8.1%)	25,949,985
Total FTE	49.50	49.50	(2.50)	(5.1%)	47.00	(2.50)	(5.1%)	47.00

Statutory Authority

North Dakota Century Code 4-36, 6-09.4, 17-05, 23-29-07.6, 28-32-02, 38-08, 38-08.1, 38-11.2, 38-12, 38-12.1, 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, 57-61-01.5, 61-40-10 and 61-40.11.

Agency Description

The Industrial Commission (IC or Commission) 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 Commission's oversight of the agencies or entities that report to the IC. The office is the contracting office for the Lignite, Oil and Gas, and Renewable Energy Research Programs and the Outdoor Heritage Fund. The Administrative Office also provides the oversight on the disbursement of revenues from the Western Area Water Supply Authority industrial sales. This office is also the primary contact for the Building Authority.

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 geophysical exploration, 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 and State Mineral 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 fluid injection, carbon dioxide underground storage, oil well cores and drilling samples, coal exploration drilling, geothermal and paleontological resources. The DMR determines the geologic suitability of all proposed landfills, reviews a variety of highway improvement projects as well as pipeline and transmission line corridors, and coordinates the State Fossil and State Mineral collections.

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. Beginning in 2011,

the PFA offered disaster loan assistance to political subdivisions through its Capital Finance Program.

Major Accomplishments

1. Issued approximately 2,500 well permits, heard 1,850 cases, wrote orders disposing of the cases, and permitted approximately 15 seismic projects, due to oil and gas production and activity. Continued to enhance royalty owner access and co-sponsored the 2016 Williston Basin Petroleum Conference & Expo in Bismarck that drew over 2,750 attendees from 48 states and 9 countries.
2. Published 47 articles, maps, and reports and gave 69 presentations on various aspects of North Dakota geology, co-sponsored (DMR/GS) the 2016 Williston Basin Petroleum Conference and Expo in Bismarck that drew 2,400 attendees; answered more than 2,300 inquiries, issued 76 geothermal, coal exploration, and subsurface mineral permits; reviewed the geologic suitability of 109 infrastructure projects, reviewed five pre-applications for solid waste disposal, one coal mine permit and evaluated the paleontology on 304 Trust Land tracts.
3. Provided ongoing information on current pipeline construction activities.
4. Developed forecast models to better understand the production potential and required transportation infrastructure for natural gas liquids.
5. Participated with the Department of Transportation and other agencies in the development of the State Rail Plan.
6. Provided funding for the successful litigation initiated by the Attorney General's Office against the State of Minnesota that limits the ability to export electricity to Minnesota.
7. Participated in the ongoing work of the EmPower Commission.
8. Leveraged over \$12.9 million of state dollars with matching funds of approximately \$20.3 million for oil and gas, lignite, and renewable energy research and educational projects.
9. Awarded an additional 12 grants in the amount of \$4.7 million during the first year of the 2015-17 biennium.
10. Continued oversight of the Western Area Water Supply Authority disbursements from industrial sales revenues.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative ongoing General Fund appropriation of \$26.9 million by \$4.5 million. This includes the reduction of 11.50 FTE.
- Removes 5.00 contingent FTE positions and related operating expenses, as the contingency was unmet.
- Adds \$1.0 million from the Strategic Investment and Improvement Fund for possible litigation due to EPA regulations.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

405 Industrial Commission

Bill#: SB2014

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	25,468,742	20,951,854	(6,648,832)	(31.7%)	14,303,022	(6,634,033)	(31.7%)	14,317,821
Office of Mineral Resources	20,904,904	44,703,454	(20,532,347)	(45.9%)	24,171,107	(20,701,570)	(46.3%)	24,001,884
Public Finance Authority	506,134	804,659	(21,061)	(2.6%)	783,598	(9,988)	(1.2%)	794,671
Total Major Programs	46,879,780	66,459,967	(27,202,240)	(40.9%)	39,257,727	(27,345,591)	(41.1%)	39,114,376
By Line Item								
Salaries and Wages	17,109,006	22,915,571	(1,650,107)	(7.2%)	21,265,464	(2,118,458)	(9.2%)	20,797,113
Accrued Leave Payments	23,688	0	0	0.0%	0	0	0.0%	0
Operating Expenses	4,792,750	9,836,745	(5,054,966)	(51.4%)	4,781,779	(4,729,966)	(48.1%)	5,106,779
Capital Assets	8,473	13,666,822	(13,666,822)	(100.0%)	0	0	0.0%	0
Grants	5,155,860	5,000,000	(5,000,000)	(100.0%)	0	0	0.0%	0
Bond Payments	19,790,003	15,040,829	(1,830,345)	(12.2%)	13,210,484	(1,830,345)	(12.2%)	13,210,484
Total Line Items	46,879,780	66,459,967	(27,202,240)	(40.9%)	39,257,727	(27,345,591)	(41.1%)	39,114,376
By Funding Source								
General Fund	20,775,219	35,840,198	(11,907,094)	(33.2%)	23,933,104	(13,076,318)	(36.5%)	22,763,880
Federal Funds	127,012	237,934	69	0.0%	238,003	70	0.0%	238,004
Special Funds	25,977,549	30,381,835	(15,295,215)	(50.3%)	15,086,620	(14,269,343)	(47.0%)	16,112,492
Total Funding Source	46,879,780	66,459,967	(27,202,240)	(40.9%)	39,257,727	(27,345,591)	(41.1%)	39,114,376
Total FTE	99.75	121.75	(16.50)	(13.6%)	105.25	(16.50)	(13.6%)	105.25

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 and Human Rights is responsible for administering statutory provisions relating to labor standards, including wage and hour issues, child labor, and labor-management relations. The Department is also responsible for improving working and living conditions of employees and advancing their opportunities for employment; fostering, promoting, and developing the welfare of wage earners and industries in the state; promoting cooperative relations between employers and employees; cooperating with other governmental agencies to encourage the development of new and existing industries; representing 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; acquiring and providing information on subjects connected with labor, relations between employers and employees, hours of labor, and working conditions; and encourage and assist in the adoption of practical methods of vocational training, retraining, and vocational guidance.

The Department of Labor and Human Rights also has statutory regulatory responsibilities with respect to human rights. This includes receiving and investigating complaints of discrimination in employment and housing; adopting rules necessary to implement the law; 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.

The Department of Labor and Human Rights is responsible for promoting the human rights of all North Dakota citizens through leadership, education, prevention, and enforcement of state laws prohibiting discriminatory practices in the state. Specifically, the department investigates complaints alleging violations of law in the areas of employment, housing, public services, public accommodations, and credit transactions.

Major Accomplishments

1. Provided human rights related training for agency staff.
2. Attended training and policy conferences sponsored by the Equal Opportunity Commission and the Department of Housing and Urban Development each year.
3. Attended training at the National Fair Housing Training Academy.
4. Updated ND Minimum Wage and Work Conditions Summary poster to reflect law changes. Partnered with Job Service to mail updated poster to 26,590 employers doing business in North Dakota.
5. Updated agency brochures.
6. Provided numerous educational presentations across the state.
7. Worked on developing a procedural manual for the agency.
8. Looked for efficiencies to improve current processes within the agency.

Executive Budget Recommendation

- Reduces the 2015-17 original General Fund ongoing legislative appropriation by \$234,940. This includes the reduction of 1.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

406 Department of Labor and Human Rights

Bill#: HB1007

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Office of Labor Commissioner	2,263,443	2,939,593	(232,856)	(7.9%)	2,706,737	(182,809)	(6.2%)	2,756,784
Total Major Programs	2,263,443	2,939,593	(232,856)	(7.9%)	2,706,737	(182,809)	(6.2%)	2,756,784
By Line Item								
Salaries and Wages	1,921,140	2,466,540	(88,721)	(3.6%)	2,377,819	(38,674)	(1.6%)	2,427,866
Accrued Leave	19,988	0	0	0.0%	0	0	0.0%	0
Operating Expenses	322,315	473,053	(144,135)	(30.5%)	328,918	(144,135)	(30.5%)	328,918
Total Line Items	2,263,443	2,939,593	(232,856)	(7.9%)	2,706,737	(182,809)	(6.2%)	2,756,784
By Funding Source								
General Fund	1,855,653	2,501,761	(234,940)	(9.4%)	2,266,821	(184,893)	(7.4%)	2,316,868
Federal Funds	407,790	437,832	2,084	0.5%	439,916	2,084	0.5%	439,916
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	2,263,443	2,939,593	(232,856)	(7.9%)	2,706,737	(182,809)	(6.2%)	2,756,784
Total FTE	13.00	15.00	(1.00)	(6.7%)	14.00	(1.00)	(6.7%)	14.00

Statutory Authority

ND Constitution Article V; North Dakota Century Code Chapters, 24-01, 24-09, 28-32, 38-14.1, 38-14.2, 38-18, 40-33, 40-34, 51-05.1, 54-06, 54-44.8, 57-61; 64-02, and 64-04, Titles 49 (except Chapter 49-16) and 60 (except Chapter 60-01).

Agency Description

The Public Service Commission (PSC) 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. In total the Commission has 44.00 FTE's and 3 temporary positions.

Major Accomplishments

1. Processed 1,750 formal cases to include industry filings, complaint proceedings, and rule making. Ninety-five percent of all formal cases were processed without the need for a formal hearing.
2. Received and processed more than 1,500 complaints and inquiries. The majority involved customers needing help with gas/electric utilities,

telecommunications, and those submitting public comments related to siting applications.

3. Continued to receive high marks on federal review of the coal regulatory and abandoned mine lands programs.
4. Approved funding for and implemented a state-run rail safety pilot program intended to supplement federal oversight of rail safety.
5. Increased third-party inspection program to improve oversight & reclamation of energy transmission and conversion facility construction projects.
6. Held 57 public hearings throughout North Dakota to obtain public input on utility issues and new energy-related projects.

Executive Budget Recommendation

- Reduces \$827,333 from the 2015-17 original legislative ongoing General Fund appropriation of \$7.5 million.
- Eliminates 2.00 FTE through an extensive agency reorganization that resulted in streamlining of the testing, licensing and certification division.
- Provides \$636,000 of one-time funds for specialized legal services of which \$336,000 from federal funds and \$300,000 from the Strategic Investment and Improvement Fund.
- Converts the rail inspector temporary position to 1.00 FTE with funding provided from the Rail Fund.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

408 Public Service Commission

Bill#: HB1008

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	3,081,562	4,539,889	(746,114)	(16.4%)	3,793,775	(130,960)	(2.9%)	4,408,929
Testing, Licensing and Certification	1,798,119	3,656,785	(855,344)	(23.4%)	2,801,441	(787,825)	(21.5%)	2,868,960
Public Utilities	1,425,924	2,230,198	108,920	4.9%	2,339,118	143,682	6.4%	2,373,880
Reclamation Programs	9,368,868	11,814,030	(1,982,077)	(16.8%)	9,831,953	(1,931,759)	(16.4%)	9,882,271
Total Major Programs	15,674,473	22,240,902	(3,474,615)	(15.6%)	18,766,287	(2,706,862)	(12.2%)	19,534,040
By Line Item								
Salaries and Wages	8,202,139	9,695,595	(359,793)	(3.7%)	9,335,802	(256,762)	(2.6%)	9,438,833
Operating Expenses	1,681,806	1,975,562	(108,822)	(5.5%)	1,866,740	(123,864)	(6.3%)	1,851,698
Capital Assets	87,614	26,400	0	0.0%	26,400	0	0.0%	26,400
Grants	20,000	20,000	0	0.0%	20,000	0	0.0%	20,000
AML Contractual Services	5,540,178	8,000,000	(2,000,000)	(25.0%)	6,000,000	(2,000,000)	(25.0%)	6,000,000
Rail Rate Complaint Case	0	900,000	0	0.0%	900,000	0	0.0%	900,000
Reclamation & Grain Litigation	142,736	900,000	(806,000)	(89.6%)	94,000	(170,000)	(18.9%)	730,000
Railroad Safety Program	0	523,345	0	0.0%	523,345	43,764	8.4%	567,109
Weights & Measures Employee	0	200,000	(200,000)	(100.0%)	0	0	0.0%	0
Total Line Items	15,674,473	22,240,902	(3,474,615)	(15.6%)	18,766,287	(2,706,862)	(12.2%)	19,534,040
By Funding Source								
General Fund	6,793,910	7,940,327	(1,077,197)	(13.6%)	6,863,130	(1,048,550)	(13.2%)	6,891,777
Federal Funds	8,874,019	12,752,230	(2,397,418)	(18.8%)	10,354,812	(2,002,076)	(15.7%)	10,750,154
Special Funds	6,544	1,548,345	0	0.0%	1,548,345	343,764	22.2%	1,892,109
Total Funding Source	15,674,473	22,240,902	(3,474,615)	(15.6%)	18,766,287	(2,706,862)	(12.2%)	19,534,040
Total FTE	44.00	46.00	(2.00)	(4.3%)	44.00	(1.00)	(2.2%)	45.00

Statutory Authority

North Dakota Century Code Chapters 2-05, 2-08, 57-40.5, 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 Federal Aviation Administration and state capital improvement plan for 54 federal airports in North Dakota which belong to the National Plan of Integrated Systems (NPIAS).
3. Provided approximately \$6.1 million dollars in state airport infrastructure grants.
4. Updated the Aeronautics Commission website to ensure efficiency, easy navigability, and better communication with the public.
5. Updated and modernized the agency administrative laws.
6. Served as the advisory agency for the Board of University in School Lands in their appropriation of oil impact airport grants.
7. Continued to provide the Flight Instructor Assistance Program (FTAP) to offer assistance to rural public use airports not served by an active flight instructor. 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.
8. Continued the Air Carrier Intern Program for the eight communities that have airline service. This program provided funding to each commercial service airport that wanted to create an internship for airport management.

9. Presented the completion awards for the Airport Passport Program to encourage pilots to visit all of the state's airports.
10. Provided aviation education grants and support for schools and aviation museums which encourages individuals to pursue careers in science, technology, engineering and math related fields.
11. Distributed aviation charts, airport directories, and aviation education material to communities throughout the state.
12. Continued the windsock program which provides each public airport in North Dakota, one new windsock on an annual basis.
13. Updated the pavement condition index study which provides an inventory and analysis of all the pavement at the public airports in North Dakota. An interactive website of this information was developed and placed on the commission website.
14. Updated the statewide economic impact of aviation report for the state and each airport, showing the benefits from aviation within each community.
15. Continued a statewide contract to provide routine maintenance to all of North Dakota's Automated Weather Observation System's (AWOS) that report wind speed, current weather, ceiling and visibility. The AWOS that are located across the state help to provide critical information to pilots and provide for an increase in flight safety.
16. Educated the aviation community and public airport sponsors through airport inspections, training conferences, safety and security information, federal grant assurances, and community meetings.

Executive Budget Recommendation

- Reduces \$100,000 from the 2015-17 original legislative ongoing General Fund appropriation of \$1.0 million for airport grant funding.
- Provides other fund authority to support the current FTE level and operations of the agency.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

412 Aeronautics Commission

Bill#: SB2006

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Regulatory and Administration	1,310,728	2,679,327	(124,498)	(4.6%)	2,554,829	(98,685)	(3.7%)	2,580,642
Airport Development and Maintenance	14,574,909	10,532,409	(2,370,409)	(22.5%)	8,162,000	(2,370,409)	(22.5%)	8,162,000
Total Major Programs	15,885,637	13,211,736	(2,494,907)	(18.9%)	10,716,829	(2,469,094)	(18.7%)	10,742,642
By Line Item								
Salaries and Wages	859,794	1,447,637	(34,998)	(2.4%)	1,412,639	(9,185)	(0.6%)	1,438,452
Accrued Leave	22,694	0	0	0.0%	0	0	0.0%	0
Operating Expenses	1,556,922	2,075,190	129,000	6.2%	2,204,190	129,000	6.2%	2,204,190
Capital Assets	0	300,000	(200,000)	(66.7%)	100,000	(200,000)	(66.7%)	100,000
Construction Carryover	1,516,704	1,888,909	(1,888,909)	(100.0%)	0	0	0.0%	0
Grants	11,929,523	7,500,000	(500,000)	(6.7%)	7,000,000	(500,000)	(6.7%)	7,000,000
Total Line Items	15,885,637	13,211,736	(2,494,907)	(18.9%)	10,716,829	(2,469,094)	(18.7%)	10,742,642
By Funding Source								
General Fund	6,550,000	1,000,000	(100,000)	(10.0%)	900,000	(100,000)	(10.0%)	900,000
Federal Funds	683,293	2,160,000	(1,135,000)	(52.5%)	1,025,000	(1,135,000)	(52.5%)	1,025,000
Special Funds	8,652,344	10,051,736	(1,259,907)	(12.5%)	8,791,829	(1,234,094)	(12.3%)	8,817,642
Total Funding Source	15,885,637	13,211,736	(2,494,907)	(18.9%)	10,716,829	(2,469,094)	(18.7%)	10,742,642
Total FTE	6.00	7.00	0.00	0.0%	7.00	0.00	0.0%	7.00

Statutory Authority

North Dakota Century Code Chapters 6, 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, credit union and mortgage 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.
4. Issued an increasing number of licenses to money brokers, collection agencies, loan originator, deferred presentment service providers (payday lenders), debt settlement providers, and money transmitters.
5. Utilized the National Multi-State Licensing System to issue licenses in a more efficient manner.

Executive Budget Recommendation

- Recommends the budget as submitted.
- Provides special fund authority to support current level of FTE and operations of the agency.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

413 Department of Financial Institutions

Bill#: SB2008

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dept of Financial Inst	6,762,341	8,455,767	88,102	1.0%	8,543,869	203,580	2.4%	8,659,347
Total Major Programs	6,762,341	8,455,767	88,102	1.0%	8,543,869	203,580	2.4%	8,659,347
By Line Item								
Salaries and Wages	5,496,200	6,737,190	182,207	2.7%	6,919,397	297,685	4.4%	7,034,875
Accrued Leave	32,523	0	0	0.0%	0	0	0.0%	0
Operating Expenses	1,220,340	1,641,577	(65,505)	(4.0%)	1,576,072	(65,505)	(4.0%)	1,576,072
Contingency	13,278	77,000	(28,600)	(37.1%)	48,400	(28,600)	(37.1%)	48,400
Total Line Items	6,762,341	8,455,767	88,102	1.0%	8,543,869	203,580	2.4%	8,659,347
By Funding Source								
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	6,762,341	8,455,767	88,102	1.0%	8,543,869	203,580	2.4%	8,659,347
Total Funding Source	6,762,341	8,455,767	88,102	1.0%	8,543,869	203,580	2.4%	8,659,347
Total FTE	29.00	30.00	0.00	0.0%	30.00	0.00	0.0%	30.00

Statutory Authority

North Dakota Century Code Chapters 10-04, 43-10.1, 51-19 and 51-23.

Agency Description

The North Dakota Securities Department is a regulatory agency that serves the citizens of North Dakota through the administration and enforcement of the North Dakota Securities Act (10-04), the North Dakota Commodities Act (51-23), the Franchise Investment Law (51-19) and Pre-Need Funeral Services Law (43-10.1).

Investor protection begins with registration of investment securities, sales firms and agents, franchise offerings and pre-need funeral plan sales. Fees collected are a revenue source for the State of North Dakota. The agency regulates the capital formation process and strives to adequately balance efficient capital formation with appropriate investor protection.

Investigation of fraud and other securities law violations result in money returned to North Dakota investors through rescission, recovery and restitution. Enforcement actions produce necessary disciplinary remedies, act as a deterrent for further violations, and generate revenue through statutory civil penalties. Education

programs delivered by the Department help investors make wise investment decisions and avoid financial fraud and exploitation.

Major Accomplishments

1. Opened 97 investigations of fraud and misconduct perpetrated against North Dakota investors, including a large multi-million dollar Ponzi Scheme.
2. Referred 2 enforcement matters to State's Attorneys and/or U.S. Attorney's Office for criminal prosecution. Continued to assist with prosecution.
3. Denied 12 individual registrations, issued 1 cease and desist order, issued 1 order to revoke, and had 1 criminal conviction.
4. Continued processing increasing numbers of registration filings in all categories: broker dealer, broker dealer agents, investment advisor, investment advisor representatives, securities, and franchise.
5. At the end of the first half of the 2015-17 biennium, registration and notice filing revenues are tracking at \$1.5 million head of projections for the biennium.

Executive Budget Recommendation

- Provides for a change in funding source for the budget from the General Fund to special funds generated by the agency.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

414 Securities Department
Biennium: 2017-2019

Bill#: HB1011

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Investor Protection	1,947,172	2,407,326	(40,504)	(1.7%)	2,366,822	57,133	2.4%	2,464,459
Total Major Programs	1,947,172	2,407,326	(40,504)	(1.7%)	2,366,822	57,133	2.4%	2,464,459
By Line Item								
Salaries and Wages	1,659,267	1,801,279	23,496	1.3%	1,824,775	57,133	3.2%	1,858,412
Operating Expenses	287,905	606,047	(64,000)	(10.6%)	542,047	0	0.0%	606,047
Total Line Items	1,947,172	2,407,326	(40,504)	(1.7%)	2,366,822	57,133	2.4%	2,464,459
By Funding Source								
General Fund	1,923,336	2,237,326	(40,504)	(1.8%)	2,196,822	(2,237,326)	(100.0%)	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	23,836	170,000	0	0.0%	170,000	2,294,459	1,349.7%	2,464,459
Total Funding Source	1,947,172	2,407,326	(40,504)	(1.7%)	2,366,822	57,133	2.4%	2,464,459
Total FTE	9.00	9.00	0.00	0.0%	9.00	0.00	0.0%	9.00

Statutory Authority

North Dakota Century Code Chapter 6-09.

Agency Description

The Bank of North Dakota (BND) serves as the development bank for agriculture, commerce, and industry in North Dakota. The strategic goals from the 2015-17 Strategic Plan of the Bank include to broaden territory and enhance capabilities to meet the correspondent banking needs of financial institutions while protecting the Bank's assets; collaborate with Higher Education to improve service to students; collaborate with stakeholders to provide expertise and expand relationships to finance economic development in North Dakota; improve the financial literacy and financial well-being of stakeholders; ensure that processes and guidelines support our mission, and to provide a secure, challenging and rewarding work environment.

Major Accomplishments

1. Experienced consistent asset growth. As of June 30, 2016, asset size was \$7.32 billion. Over the past 5 years, BND's assets have grown 38.0 percent while its authorized FTE count has only increased by 2.0 FTE's (179.5 to 181.5) over that same period.
2. Closed 2015 with a nearly \$4.34 billion loan portfolio, up \$488.0 million or 12.7 percent over 2014. BND's loan portfolio concentrates on 4 main loan program areas: agriculture, commercial, residential, and student loans.
3. Participated in 300 North Dakota business and industrial projects in 2015. BND spurred economic development by funding or renewing \$1.13 billion of commercial participation with financial institution partners in the \$1.81 billion commercial loan portfolio.
4. Increased BND's residential portfolio by over \$42.0 million in 2015. BND made 68 loans through the rural housing programs, accounting for \$13.4 million of its \$694.0 million portfolio. BND also continued its mortgage loan origination program approved by the 2011 legislature by funding \$2.6 million to 14 borrowers.
5. Disbursed over \$287.0 million in student loans in 2015 and the total portfolio increased by nearly 10.0 percent to \$1.32 billion. BND disbursed \$98.3 million in Dakota Education Alternative Loan (DEAL) loans in 2015.
6. Disbursed \$198.8 million of DEAL One Loans in 2015. The DEAL One Loan allows residents who have graduated or left college and are currently making student loan payments to consolidate all federal, DEAL, DEAL Consolidation and private/alternative loans into one easy payment.
7. Grew the agriculture loan portfolio by 18.0 percent in 2015 to \$514.0 million. In late 2015, BND introduced the Farm Financial Stability Program to help farmers impacted by low commodity prices. Through June 30, 2016, BND

processed 349 applications and committed to \$155.0 million of Farm Financial Stability Program loans.

8. Grew BND's earnings in 2015 by 17.7 percent over 2014 to \$130.7 million. BND's return on average equity was 18.1 percent, which reflects the state's return on its investment in BND.
9. Rated A+ by Standard and Poors (S&P), putting BND in a rating category with the highest-rated U.S. banks. BND was downgraded from AA- to A+ in early 2016 as a result of the State's downgrade and the direct ties between BND and the State of ND. In Sept. 2016, the Bank's A+ rating was reaffirmed, with the outlook of stable.
10. Formed a Medical PACE Buydown Loan Program in response to legislation passed during the 2015 Legislative Session. BND used existing buydown money to fund the buydown on up to \$32.0 million of medical infrastructure loans. As of June 30, 2016, we have approved 2 loan requests totaling \$10.8 million.
11. Administered the Infrastructure Revolving Loan Program in response to legislation passed during the 2015 legislative session. The \$150.0 million loan program was funded by \$50.0 million from the Strategic Investments and Improvements Fund and up to \$100.0 million from BND retained earnings. BND has committed to \$38.5 million of loans under this program.
12. Administered the School Construction Buydown Loan Program in response to legislation passed during the 2015 legislative session. BND committed to \$125.1 million of loans under this program. The program has a maximum capacity of \$250.0 million.
13. Committed to provide up to \$157.8 million of its capital to fund its buydown loan programs (\$47.8 million), the Housing Incentive Fund (\$10.0 million), and the Infrastructure Revolving Loan Fund (\$100.0 million). As of June 30, 2016, BND had transferred \$29.4 million of the \$157.8 million.
14. Committed up to an additional \$100.0 million of BND retained earnings to be used to cover budget shortfalls in the 2015-17 biennium, in the 2016 Special Legislative Session.

Executive Budget Recommendation

- Provides for a \$25.0 million transfer from BND's retained earnings to the PACE, Beginning Farmer and School Construction Loan interest buydown programs: \$10.0 million PACE/Flex PACE, \$2.0 million Agriculture PACE, \$1.0 million Biofuels PACE, \$6.0 million Beginning Farmer Loan program, and \$6.0 million School Construction Loan interest buydown program.
- Provides \$1.0 million in special fund authority to continue providing education and outreach services for those pursuing higher education.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

471 Bank of North Dakota

Bill#: SB2014

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Bank of North Dakota Operations	46,940,681	76,287,301	(16,260,282)	(21.3%)	60,027,019	(15,598,780)	(20.4%)	60,688,521
Total Major Programs	46,940,681	76,287,301	(16,260,282)	(21.3%)	60,027,019	(15,598,780)	(20.4%)	60,688,521
By Line Item								
Capital Assets	605,018	17,745,000	(16,935,000)	(95.4%)	810,000	(16,935,000)	(95.4%)	810,000
BND Operations	46,335,663	58,542,301	674,718	1.2%	59,217,019	1,336,220	2.3%	59,878,521
Total Line Items	46,940,681	76,287,301	(16,260,282)	(21.3%)	60,027,019	(15,598,780)	(20.4%)	60,688,521
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	2,258,246	1,035,000	(1,035,000)	(100.0%)	0	(1,035,000)	(100.0%)	0
Special Funds	44,682,435	75,252,301	(15,225,282)	(20.2%)	60,027,019	(14,563,780)	(19.4%)	60,688,521
Total Funding Source	46,940,681	76,287,301	(16,260,282)	(21.3%)	60,027,019	(15,598,780)	(20.4%)	60,688,521
Total FTE	179.50	181.50	0.00	0.0%	181.50	0.00	0.0%	181.50

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 \$3.00 billion (40,673) in home loans.
- 2. Administered rental assistance and compliance oversight for 3,145 Housing and Urban Development (HUD) and 5,471 Low Income Housing Tax Credit (LIHTC) affordable apartment units.

- 3. Assisted in the development of 6,428 LIHTC rental units.
- 4. Administered the housing incentive fund, which has committed just under \$89.6 million of the authorized funds, adding 2,025 units of much needed affordable housing.
- 5. Undertook an update of the Statewide Housing Needs Assessment to give local and state leaders accurate information to formulate housing plans.
- 6. Continued to partner with rural communities to help identify housing shortages and challenges and work toward effective planning.

Executive Budget Recommendation

- Recommends the budget as submitted by the agency.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

473 ND Housing Finance Agency

Bill#: SB2014

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND Housing Finance Agency	53,335,711	39,782,884	5,076,490	12.8%	44,859,374	5,239,906	13.2%	45,022,790
Total Major Programs	53,335,711	39,782,884	5,076,490	12.8%	44,859,374	5,239,906	13.2%	45,022,790
By Line Item								
Salaries and Wages	6,377,102	7,745,034	349,607	4.5%	8,094,641	513,023	6.6%	8,258,057
Operating Expenses	3,239,502	4,714,275	45,630	1.0%	4,759,905	45,630	1.0%	4,759,905
Grants	28,319,107	27,223,575	4,681,253	17.2%	31,904,828	4,681,253	17.2%	31,904,828
HFA Contingency	0	100,000	0	0.0%	100,000	0	0.0%	100,000
General Fund Transfers	15,400,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	53,335,711	39,782,884	5,076,490	12.8%	44,859,374	5,239,906	13.2%	45,022,790
By Funding Source								
General Fund	15,400,000	0	0	0.0%	0	0	0.0%	0
Federal Funds	25,175,033	25,227,780	6,017,048	23.9%	31,244,828	6,017,048	23.9%	31,244,828
Special Funds	12,760,678	14,555,104	(940,558)	(6.5%)	13,614,546	(777,142)	(5.3%)	13,777,962
Total Funding Source	53,335,711	39,782,884	5,076,490	12.8%	44,859,374	5,239,906	13.2%	45,022,790
Total FTE	46.00	46.00	0.00	0.0%	46.00	0.00	0.0%	46.00

ND Mill and Elevator Association

Agency 475

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 a percentage of its annual profits to the states general fund. The Mill is located in Grand Forks.

Major Accomplishments

1. Achieved sales of 13.0 million hundredweight in fiscal year 2016.

2. Purchased more than 26.1 million bushels of spring wheat and durum in fiscal year 2016.
3. Achieved profits of \$9.3 million in fiscal year 2016.

Executive Budget Recommendation

- Recommends a \$68.5 million budget funded entirely from mill profits.
- Adds 6.00 FTE positions from special funds for operation of the mill.
- Continues funding of agriculture promotion expenses through a special line item.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

475 ND Mill and Elevator Association

Bill#: SB2014

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Flour Mill and Grain Terminal Operations	46,252,824	64,315,898	3,407,490	5.3%	67,723,388	4,614,270	7.2%	68,930,168
Total Major Programs	46,252,824	64,315,898	3,407,490	5.3%	67,723,388	4,614,270	7.2%	68,930,168
By Line Item								
Salaries and Wages	26,981,326	36,278,898	2,539,490	7.0%	38,818,388	3,746,270	10.3%	40,025,168
Operating Expenses	19,214,068	27,327,000	868,000	3.2%	28,195,000	868,000	3.2%	28,195,000
Agriculture Promotion	57,430	210,000	0	0.0%	210,000	0	0.0%	210,000
Contingency	0	500,000	0	0.0%	500,000	0	0.0%	500,000
Total Line Items	46,252,824	64,315,898	3,407,490	5.3%	67,723,388	4,614,270	7.2%	68,930,168
By Funding Source								
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	46,252,824	64,315,898	3,407,490	5.3%	67,723,388	4,614,270	7.2%	68,930,168
Total Funding Source	46,252,824	64,315,898	3,407,490	5.3%	67,723,388	4,614,270	7.2%	68,930,168
Total FTE	135.00	147.00	0.00	0.0%	147.00	6.00	4.1%	153.00

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. Today, North Dakota is one of four remaining monopolistic workers compensation systems in the United States. The others are Ohio, Washington, and Wyoming. WSI functions as the sole provider of workers compensation insurance in the state of North Dakota. There are no provisions for self-insurance or private insurance for purposes of workers compensation. If a business has significant contacts in North Dakota, they must insure with WSI. Claims for occupational injury and disease are filed with WSI and adjudicated by in-house agency claims analysts. WSI services 24,700 employers with a covered workforce of almost 428,000 workers. WSI processes approximately 21,250 new claims per year.

Major Accomplishments

1. Remained financially stable and declared a 50.0 percent dividend credit in June 2016 as surplus levels exceeded the statutory limit. Dividend credits of over \$1.08 billion have been granted to policyholders over eleven of the past 12 years.
2. North Dakota's benefit structure is set by statute and compares very favorably to other jurisdictions.
3. Premium rates continue to be the lowest in the nation, and have remained stable.

4. North Dakota employees have a good work ethic and if injured, want to get back to work. WSI's Return to Work programs have greatly enhanced these efforts.
5. Continued to provide and enhance policyholder safety and loss control programs, helping both employers and employees recognize and correct safety hazards.
6. Continued to maintain a low administrative expense ratio of approximately 12.0 percent. Workers' compensation industry expense ratios typically range between 25.0 percent and 35.0 percent. As a monopolistic workers compensation agency, North Dakota does not incur marketing expense, broker fees, tax expense or other fees typically incurred by private workers compensation insurers.
7. Maintained schedule of asset allocation studies, implementing a new asset allocation strategy in fiscal year 2014. WSI discounts the estimated liabilities by 5.0 percent. Both 5 and 10 year average investment portfolio returns continue to exceed the 5.0 percent discount rate.

Executive Budget Recommendation

- Provides \$8.1 million in special funds for continuation of the development of the claims and policy system.
- Provides \$538,500 in special funds for an extranet enhancement project.
- Provides \$275,000 in special funds for the internal reporting system project.
- Removes \$122,592 from pay plan in special funds for employee team member stipends, overtime and performance increases for temporary employees.
- Removes \$357,943 in special funds for temporary employee salaries.
- Removes \$1.2 million in special funds from the operations line for credit card fees.

REQUEST/RECOMMENDATION COMPARISON SUMMARY**485 Workforce Safety and Insurance****Bill#: HB1021****Biennium: 2017-2019**

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Executive and Other Services	8,498,647	9,978,074	(53,612)	(0.5%)	9,924,462	(25,614)	(0.3%)	9,952,460
Administrative Services	12,398,506	20,384,131	(5,318,575)	(26.1%)	15,065,556	2,456,081	12.0%	22,840,212
Injury Services	24,693,952	27,515,650	701,236	2.5%	28,216,886	999,840	3.6%	28,515,490
Employer Services	9,354,834	10,987,315	239,670	2.2%	11,226,985	362,121	3.3%	11,349,436
Total Major Programs	54,945,939	68,865,170	(4,431,281)	(6.4%)	64,433,889	3,792,428	5.5%	72,657,598
By Line Item								
Accrued Leave	126,803	0	0	0.0%	0	0	0.0%	0
Workforce Safety Operations	54,630,587	68,865,170	(4,431,281)	(6.4%)	64,433,889	3,792,428	5.5%	72,657,598
Litigation Contingency	188,549	0	0	0.0%	0	0	0.0%	0
Total Line Items	54,945,939	68,865,170	(4,431,281)	(6.4%)	64,433,889	3,792,428	5.5%	72,657,598
By Funding Source								
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	54,945,939	68,865,170	(4,431,281)	(6.4%)	64,433,889	3,792,428	5.5%	72,657,598
Total Funding Source	54,945,939	68,865,170	(4,431,281)	(6.4%)	64,433,889	3,792,428	5.5%	72,657,598
Total FTE	250.14	260.14	0.00	0.0%	260.14	0.00	0.0%	260.14

Statutory Authority

North Dakota Century Code Title 39; Sections 2-05-14, 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 North Dakota Highway Patrol (NDHP) is to keep the motoring public safe as they travel the state's 106,670 miles of roadway, the highest number of road miles per capita in the nation. This is accomplished through law enforcement and traffic safety services 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 regulations; and inspection of vehicles for safety equipment including school buses. The NDHP is the primary authority for enforcing laws and regulations relating to the commercial motor vehicle industry. The NDHP provides security and protection for the Governor, the Governor's immediate family, and the state Capitol, including the Supreme Court, the Legislative Assembly, and other elected government officials. The NDHP assists local agencies with responses to calls for service when situations arise which exceed the limits of local resources. The NDHP oversees the operation, maintenance, and administration of the Law Enforcement Training Academy (LETA). The LETA provides basic and advanced training to peace officers and public safety officials in North Dakota.

Major Accomplishments

1. Continued to maximize Law Enforcement Training Academy (LETA) resources by keeping three classrooms booked for training and meetings year round. The LETA hosts three 12-week basic law enforcement training academies; one 22-week NDHP academy; one 3-week Leadership in Police Organizations course; two 3-week correctional officer basic training courses; in-services for the NDHP, ND Parks and Recreation, and sheriff's departments; and other

critical training courses such as drug recognition expert and criminal investigation every year.

2. Continued to look for ways to make the online automated routing and permitting system service more efficient to support the motor carrier industry through software enhancements and ongoing training to stakeholders. The service continues to function well. During 2015 201,370 permits were issued. The automated permitting system provides safe routes of travel with limited involvement by NDHP personnel. All permit types are available online 24 hours a day, seven days a week.
3. Utilized social media to provide safety information to the public through the NDHP's Facebook page as well as enhancements to the department website. The number of Facebook "likes" is now over 14,000.
4. Logged a total of 121,101 events in the computer-aided dispatch (CAD) system in 2015. Since its inception, the CAD system has provided officers and State Radio with the ability to dispatch and track all events including traffic stops. The system increases officer safety. During 2015 the NDHP conducted 83,503 traffic stops.
5. Conducted 30 tracks for missing or fleeing subjects and 19 school narcotic searches during 2015 utilizing nine canine teams. The teams accounted for 201 misdemeanor drug arrests, 63 felony drug arrests, and the seizure of multiple types of narcotics and over \$145,000 in cash.
6. Restructured the crash reconstruction team to allow for enhancements to specialized training, peer reviews, professional on-scene investigations, and detailed reporting. During 2015 the crash reconstruction team completed 99 forensic mapping, limited analysis, and full reconstruction analysis reports.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative ongoing General Fund appropriation of \$45.9 million by \$3.1 million. This includes the reduction of 9.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

504 Highway Patrol
Biennium: 2017-2019

Bill#: SB2011

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	3,520,052	3,730,401	(3,730,401)	(100.0%)	0	(3,730,401)	(100.0%)	0
Field Operations	48,919,385	56,116,203	(1,377,855)	(2.5%)	54,738,348	1,128,427	2.0%	57,244,630
Law Enforcement Training Academy	6,150,934	740,000	(740,000)	(100.0%)	0	(740,000)	(100.0%)	0
Total Major Programs	58,590,371	60,586,604	(5,848,256)	(9.7%)	54,738,348	(3,341,974)	(5.5%)	57,244,630
By Line Item								
Construction Carryover	0	660,000	(660,000)	(100.0%)	0	0	0.0%	0
Administration	3,520,052	3,730,401	(3,730,401)	(100.0%)	0	0	0.0%	0
Field Operations	48,919,385	56,116,203	(1,377,855)	(2.5%)	54,738,348	1,128,427	2.0%	57,244,630
Law Enforcement Training Academy	6,150,934	80,000	(80,000)	(100.0%)	0	0	0.0%	0
Total Line Items	58,590,371	60,586,604	(5,848,256)	(9.7%)	54,738,348	(3,341,974)	(5.5%)	57,244,630
By Funding Source								
General Fund	46,349,943	47,524,063	(5,800,022)	(12.2%)	41,724,041	(4,113,346)	(8.7%)	43,410,717
Federal Funds	5,399,362	6,375,211	0	0.0%	6,375,211	64,652	1.0%	6,439,863
Special Funds	6,841,066	6,687,330	(48,234)	(0.7%)	6,639,096	706,720	10.6%	7,394,050
Total Funding Source	58,590,371	60,586,604	(5,848,256)	(9.7%)	54,738,348	(3,341,974)	(5.5%)	57,244,630
Total FTE	219.00	215.00	(9.00)	(4.2%)	206.00	(9.00)	(4.2%)	206.00

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, the James River Correctional Center, and the Missouri River Correctional Center. The DAS provides for the care and custody female inmates through a contractual relationship with the Dakota Women's Correctional and Rehabilitation Center (DWCRC). The DAS also has regional offices located statewide. Through these offices, parole and probation officers supervise adult offenders that are sentenced to probation by the district courts or that 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 ND Parole Board and the ND Pardon Advisory Board.

The Division of Juvenile Services (DJS) operates the North Dakota Youth Correctional Center and regional community based services offices located statewide. The Community Services staff provides 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. Increased parole and probation officer staffing to address growing caseloads in parole and probation.
2. Achieved compliance with the federal Prison Rape Elimination Act at all DOCR facilities.
3. Launched behavior modification programs in both the Special Assistance Unit at JRCC and the Administrative Segregation Unit at NDSP. The goal of both programs is to reduce the use and duration of stay in the restricted housing units.
4. Certified all juvenile corrections specialists in the Mandt System, in order to further specialize their work with correctional supervision in community based settings.
5. Developed and implemented physical fitness standards for current employees within the DOCR parole officers.
6. Upgraded to the Phoenix New Freedom practice curriculum for fundamental interventions received by all youth placed at YCC. This curriculum utilizes evidence based cognitive behavioral strategies.
7. Developed and deployed a community based sex offender treatment program to increase continuity of care for high risk sexual offenders transitioning from prison to community.
8. Participated in the design and provided for the manufacture of the new digital flat style North Dakota license plate. The license plate project is currently ahead of schedule and will be completed before the project deadline.
9. Expanded housing capacity at MRCC through the lease of a 36-bed mobile housing unit. The housing unit was previously used as temporary oil field housing.
10. Increased the starting salary of correctional officers to \$3,338.

Executive Budget Recommendation

- Increases the 2015-17 legislative ongoing General Fund appropriation of \$212.7 million by \$430,000.
- Provides \$935,907 from the Strategic Investment and Improvement Fund for an electronic medical records system.
- Adds 10.00 FTE security positions for the Youth Correctional Center to comply with PREA regulations.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

530 Department of Corrections and Rehabilitation

Bill#: SB2015

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Juvenile Services	28,627,373	31,565,328	(485,937)	(1.5%)	31,079,391	59,067	0.2%	31,624,395
Adult Services	185,662,579	222,725,718	(2,543,363)	(1.1%)	220,182,355	(202,561)	(0.1%)	222,523,157
Total Major Programs	214,289,952	254,291,046	(3,029,300)	(1.2%)	251,261,746	(143,494)	(0.1%)	254,147,552
By Line Item								
Accrued Leave Payments	535,444	0	0	0.0%	0	0	0.0%	0
Capital Construction Carryover	3,937,685	349,950	(349,950)	(100.0%)	0	0	0.0%	0
Adult Services	181,422,622	222,375,768	(2,193,413)	(1.0%)	220,182,355	147,389	0.1%	222,523,157
Juvenile Services	28,394,201	31,565,328	(485,937)	(1.5%)	31,079,391	59,067	0.2%	31,624,395
Total Line Items	214,289,952	254,291,046	(3,029,300)	(1.2%)	251,261,746	(143,494)	(0.1%)	254,147,552
By Funding Source								
General Fund	178,475,795	215,928,340	(1,855,386)	(0.9%)	214,072,954	(89,050)	0.0%	215,839,290
Federal Funds	6,463,674	5,733,326	4,274,299	74.6%	10,007,625	4,314,473	75.3%	10,047,799
Special Funds	29,350,483	32,629,380	(5,448,213)	(16.7%)	27,181,167	(4,368,917)	(13.4%)	28,260,463
Total Funding Source	214,289,952	254,291,046	(3,029,300)	(1.2%)	251,261,746	(143,494)	(0.1%)	254,147,552
Total FTE	814.29	836.29	0.00	0.0%	836.29	10.00	1.2%	846.29

Statutory Authority

North Dakota Century Code Chapter 37.

Agency Description

The Office of Adjutant General includes both the North Dakota National Guard (NDNG) and the Department of Emergency Services (DES).

The NDNG 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 DES 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 management organizations.

Major Accomplishments

1. Established partnerships with multiple neighboring countries. By adding the countries of Togo and Benin, North Dakota became the first state to establish these partnerships in a regionalization concept.
2. Hosted first major State Partnership Program Engagement in state with senior military leaders from countries of Togo and Benin.
3. Supported Burleigh County wildfire in April 2015, with three UH-60 Black Hawks with 600-gallon buckets.
4. Served with 35 NDNG aviators on the southwest border in Texas to support the US Department of Homeland Security's ongoing operations.
5. Conducted over 5,700 engagements with veterans and service member families at Military Service Centers in Bismarck and Fargo.
6. Completed the new State Radio Dispatch Center, adding a 2,331 square foot dispatch area.
7. Conducted 29 emergency management and first responders courses, training 756 personnel.
8. Conducted 14 training exercises with 442 personnel participating.
9. Programmed to conduct another 22 training courses and another 8 exercises before 1 July 2017.

10. Completed a complete rewrite of the State's Emergency Response plan, Disaster Recovery Plan, and Ebola Specific Operations Plan.
11. Implemented Threat and Hazard Identification Risk Assessment process for the state.
12. Completed the Crude Oil Response Preparedness Report.
13. Initiated and completed a process supported by developed software to streamline Preliminary Damage Assistance and Project Worksheet development.
14. Provided \$22.9 million in federal and state disaster grants and \$4.9 million in federal Homeland Security grants in FY16.
15. Developed the new ND Fire Danger Guide that governs activity during state and local burn bans.
16. Implemented Integrated Public Alert System, a national statewide emergency notification system replacing the outdated EAS system.
17. Completed Zetron Max radio upgrade in State Communications Center.
18. Implemented multi-factor authentication for mobile data systems.
19. Implemented a test program for radio encryption for law enforcement radio channels.
20. Upgraded emergency backup power to four levels for State Emergency Operations Center and Communications Center.
21. Continued partnership with ND CJIS to develop and deploy the Statewide Record Management System (RMS).
22. Continued adding additional State Radio infrastructure to fill mobile coverage gaps identified in a 2010 gap study.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$3.0 million.
- Approves \$32.0 million in federal funds and \$1.0 million in special funds to construct a ND National Guard Readiness Center and an unheated vehicle storage building in Fargo.
- Provides \$100,000 General Fund authority for recruitment.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

540 Office of the Adjutant General

Bill#: HB1016

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
National Guard	59,662,358	101,531,757	(20,261,926)	(20.0%)	81,269,831	13,138,938	12.9%	114,670,695
Dept of Emergency Services	146,775,950	166,065,492	(76,515,273)	(46.1%)	89,550,219	(76,245,335)	(45.9%)	89,820,157
Total Major Programs	206,438,308	267,597,249	(96,777,199)	(36.2%)	170,820,050	(63,106,397)	(23.6%)	204,490,852
By Line Item								
Salaries and Wages	16,070,436	19,113,627	69,491	0.4%	19,183,118	439,797	2.3%	19,553,424
Accrued Leave	283,337	0	0	0.0%	0	0	0.0%	0
Operating Expenses	13,876,589	16,291,466	(5,156,030)	(31.6%)	11,135,436	(5,156,030)	(31.6%)	11,135,436
Capital Assets	2,060,556	1,128,046	(335,000)	(29.7%)	793,046	32,665,000	2,895.7%	33,793,046
Construction Carryover	930,502	14,919,136	(14,919,136)	(100.0%)	0	0	0.0%	0
Grants	12,926,816	21,055,067	(3,803,355)	(18.1%)	17,251,712	(3,803,355)	(18.1%)	17,251,712
Disaster Costs	110,989,287	116,978,308	(65,544,635)	(56.0%)	51,433,673	(65,528,354)	(56.0%)	51,449,954
Civil Air Patrol	282,043	311,773	5,152	1.7%	316,925	8,505	2.7%	320,278
Radio Communications	2,096,545	3,522,034	(3,522,034)	(100.0%)	0	0	0.0%	0
Tuition Fees	2,431,455	3,560,315	(1,042,815)	(29.3%)	2,517,500	(942,815)	(26.5%)	2,617,500
Air Guard Contract	7,514,273	8,054,554	(35,610)	(0.4%)	8,018,944	68,493	0.9%	8,123,047
Army Guard Contract	34,846,249	59,947,694	(2,323,540)	(3.9%)	57,624,154	(2,166,097)	(3.6%)	57,781,597
Reintegration Program	1,489,745	1,903,743	(226,212)	(11.9%)	1,677,531	(324,058)	(17.0%)	1,579,685
ND Veterans Cemetary	640,475	811,486	56,525	7.0%	868,011	73,687	9.1%	885,173
Total Line Items	206,438,308	267,597,249	(96,777,199)	(36.2%)	170,820,050	(63,106,397)	(23.6%)	204,490,852
By Funding Source								
General Fund	30,627,762	36,894,417	(9,735,323)	(26.4%)	27,159,094	(9,638,131)	(26.1%)	27,256,286
Federal Funds	148,441,804	200,328,262	(69,836,426)	(34.9%)	130,491,836	(37,412,603)	(18.7%)	162,915,659
Special Funds	27,368,742	30,374,570	(17,205,450)	(56.6%)	13,169,120	(16,055,663)	(52.9%)	14,318,907
Total Funding Source	206,438,308	267,597,249	(96,777,199)	(36.2%)	170,820,050	(63,106,397)	(23.6%)	204,490,852
Total FTE	246.00	234.00	0.00	0.0%	234.00	0.00	0.0%	234.00

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 36 new primary sector projects during the 2013-15 biennium.
2. Developed 20 new primary sector projects during the first year of the 2015-17 biennium.
3. Designated as a Federal Aviation Administration (FAA) Unmanned Aircraft Systems (UAS) test site during the 2013-15 biennium. North Dakota now has approximately 23 UAS related businesses operating in the state.
4. Brought \$236.4 million new dollars from visitor expenditures into North Dakota in 2014 through the Division of Tourism's media advertising at a cost of \$2.5 million, resulting in a 1:94 return on investment.
5. Contributed to the state's economy, according to North Dakota State University's research, which indicated that tourism grew 3.3 percent with \$5.10 billion spent by non-residents in 2013. 24 million people visited North Dakota in 2013 spending \$3.60 billion. All 53 counties saw increases with an average of 16.4 percent.

6. Led effort to improve North Dakota's statewide energy policy through Empower ND Commission.
7. Led efforts to attract, retain and expand workforce through out-of-state recruitment efforts, Find the Good Life in North Dakota, North Dakota Recruiter Network, Operation Intern, Youth Office, Relocation Program and statewide workforce strategy development.
8. Expanded efforts to assist out-of-state job seekers in relocation to North Dakota. Direct impact: 34 individuals and families notified the department that they relocated to North Dakota from July 2014 - June 2016; indirect impact: 9,427 individuals served in calendar year 2016.
9. Administered Operation Intern program to connect North Dakota students with North Dakota careers via internship placements. For the biennium, as of June 2016, 50 students have notified the department that they secured full-time employment with a North Dakota employer following their internship experience. One hundred fifty students have notified the department of North Dakota employment following their internship since program inception.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative ongoing General Fund budget by \$4.6 million. This includes the reduction of 3.00 FTE.
- Reduces APUC grants by \$688,112.
- Provides \$2.0 million from the Strategic Investment and Improvement Fund for an unmanned aircraft systems program.
- Provides \$1.0 million from the Strategic Investment and Improvement Fund for base realignment grants.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

601 Department of Commerce

Bill#: SB2018

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Commerce Administration	10,430,749	11,775,049	(1,584,165)	(13.5%)	10,190,884	(1,520,091)	(12.9%)	10,254,958
Innovation and Entrepreneurship	22,251,078	23,213,766	(20,561,033)	(88.6%)	2,652,733	(17,545,399)	(75.6%)	5,668,367
North Dakota Tourism	12,230,581	13,336,512	(3,266,263)	(24.5%)	10,070,249	(3,229,145)	(24.2%)	10,107,367
ND Workforce Development	12,542,628	12,853,846	(6,009,265)	(46.8%)	6,844,581	(5,987,265)	(46.6%)	6,866,581
Economic Development and Finance	6,095,684	9,739,477	(2,003,389)	(20.6%)	7,736,088	(2,631,998)	(27.0%)	7,107,479
Division of Community Services	54,140,790	67,023,679	(11,532,453)	(17.2%)	55,491,226	(11,189,516)	(16.7%)	55,834,163
Total Major Programs	117,691,510	137,942,329	(44,956,568)	(32.6%)	92,985,761	(42,103,414)	(30.5%)	95,838,915
By Line Item								
Salaries and Wages	11,307,241	13,171,807	(343,265)	(2.6%)	12,828,542	(109,321)	(0.8%)	13,062,486
Accrued Leave Payments	65,701	0	0	0.0%	0	0	0.0%	0
Operating Expenses	15,621,437	18,672,290	(3,459,668)	(18.5%)	15,212,622	(3,459,668)	(18.5%)	15,212,622
Grants	58,791,938	72,256,080	(23,015,694)	(31.9%)	49,240,386	(19,715,694)	(27.3%)	52,540,386
Discretionary Grants	956,061	1,577,761	(762,921)	(48.4%)	814,840	(762,921)	(48.4%)	814,840
Workforce Enhancement Fund	2,000,000	1,000,000	(1,000,000)	(100.0%)	0	0	0.0%	0
Economic Develop Initiatives	86,679	0	0	0.0%	0	0	0.0%	0
Flood Impact Loans/Grants	9,605,647	12,859,869	(7,658,117)	(59.6%)	5,201,752	(7,658,117)	(59.6%)	5,201,752
Agric. Products Util. Comm. (APUC)	2,706,099	5,819,078	(1,983,359)	(34.1%)	3,835,719	(2,664,149)	(45.8%)	3,154,929
ResearchND	12,000,000	4,500,000	(4,500,000)	(100.0%)	0	0	0.0%	0
North Dakota Trade Office	2,605,924	2,613,400	(261,340)	(10.0%)	2,352,060	(261,340)	(10.0%)	2,352,060
Partner Programs	1,918,716	2,222,044	(222,204)	(10.0%)	1,999,840	(222,204)	(10.0%)	1,999,840
Entrepreneurship Grants	0	3,250,000	(1,750,000)	(53.8%)	1,500,000	(1,750,000)	(53.8%)	1,500,000
Visual North Dakota	26,063	0	0	0.0%	0	0	0.0%	0
Federal Stimulus Funds - 2009	4	0	0	0.0%	0	0	0.0%	0
Total Line Items	117,691,510	137,942,329	(44,956,568)	(32.6%)	92,985,761	(42,103,414)	(30.5%)	95,838,915
By Funding Source								
General Fund	62,145,042	60,491,796	(27,386,321)	(45.3%)	33,105,475	(27,953,452)	(46.2%)	32,538,344
Federal Funds	45,973,466	55,438,817	(7,194,134)	(13.0%)	48,244,683	(7,166,249)	(12.9%)	48,272,568
Special Funds	9,573,002	22,011,716	(10,376,113)	(47.1%)	11,635,603	(6,983,713)	(31.7%)	15,028,003
Total Funding Source	117,691,510	137,942,329	(44,956,568)	(32.6%)	92,985,761	(42,103,414)	(30.5%)	95,838,915
Total FTE	69.25	69.40	0.00	0.0%	69.40	(3.00)	(4.3%)	66.40

Statutory Authority

North Dakota Century Code Chapters 4-01, 4-05.1, 4-12.2, 4-13.2, 4-14, 4-14.1, 4-14.2, 4-21.1, 4-30, 4-32, 4-33, 4-35, 4-35.1, 4-35.2, 4-37, 4-39, 4-40, 4-41, 4-44, 4.1-14, 4.1-47, 4.1-83, 4.1-88, 6-09.10, 19-13.1, 19-14, 19-18, 19-20.1, 19-20.2, 19-20.3, 36-01, 36-05, 36-05.1, 36-07, 36-14, 36-14.1, 36-15, 36-21.1, 36-24, 36-25, 36-26, and 61-31.

Agency Description

The commissioner is statutorily responsible for enforcing laws and regulations pertaining to pesticides, fertilizers, anhydrous ammonia, 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 agriculture producers, creditors, and energy related issues; 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. Continued to promote the North Dakota Pollinator Plan containing voluntary best management practices to improve communication and coordination to reduce exposure of pollinators to pesticides.
2. Developed a state of the art interactive web-based map to facilitate contact between landowners, beekeepers, and pesticide applicators.
3. Implemented an industrial hemp pilot program.
4. Revived the North Dakota Waterbank program.
5. Issued over 4,000 phytosanitary certificates, assisting in the export of North Dakota commodities to over 80 countries worldwide.

6. Worked cooperatively with USDA-APHIS-Veterinary Services to successfully eradicate Highly Pathogenic Avian Influenza (H5N2) from two commercial turkey operations in North Dakota involving over 100,000 birds.
7. Worked cooperatively with USDA-APHIS-Veterinary Services to test over 1,000 head of cattle for Brucellosis.
8. Promoted the use of RFID tags and have distributed approximately 40,000 tags to veterinarians to improve traceability for livestock.
9. Monitored the importation of over 290,000 head of livestock and the exportation of over 2.9 million head of livestock ensuring health interstate importation regulations were met.
10. Collected 380,854 pounds of old, unwanted pesticides in 2015 through Project Safe Send. There were 310,754 pounds collected in 2014.
11. Organized an international trade mission to Cuba and participated in international trade missions to China, India, Romania, and Ukraine with North Dakota agriculture businesses meeting with new buyers and fostering potential sales opportunities. North Dakota went from the eighth leading agriculture exporter in the nation to fifth. The first shipment of North Dakota Soybeans to India happened as a result of the trade mission to India. This is the first shipment of US Soybeans ever to India. North Dakota now exports to 83 different countries; up from 56 in 2005.
12. Organized an organic transition cost-share program to help producers transition land to certified organic production.
13. Administered the Pipeline Restoration and Reclamation Oversight Program to assist landowners and tenants experiencing pipeline issues reach a reasonable solution. Since 2015, there have been 34 cases in 10 counties.
14. Obtained FDA grant for drug residue program. Funds provide outreach and education for new veterinary feed directive law and to create animal drug residue avoidance program.
15. Implemented HB1432 and administered the Federal Environmental Law Impact Review Committee. The Federal Environmental Law Impact Review Committee successfully defended North Dakota against the Environmental Protection Agency's Waters of the United State rule.

Executive Budget Recommendation

- Reduces original 2015-17 legislative General Fund ongoing appropriation by \$1.1 million. This includes the reduction of 2.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

602 Department of Agriculture

Bill#: HB1009

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	2,905,694	3,803,067	(315,427)	(8.3%)	3,487,640	545,881	14.4%	4,348,948
Plant Industries	2,907,293	5,497,975	(1,803,418)	(32.8%)	3,694,557	(1,778,981)	(32.4%)	3,718,994
Livestock Development	6,106,882	7,811,381	(379,572)	(4.9%)	7,431,809	(308,250)	(3.9%)	7,503,131
Marketing and Information	4,055,496	9,863,610	(599,957)	(6.1%)	9,263,653	(564,786)	(5.7%)	9,298,824
State Veterinarian	1,928,983	2,552,725	(306,712)	(12.0%)	2,246,013	(280,981)	(11.0%)	2,271,744
Pesticide and Fertilizer	3,485,467	3,999,851	126,830	3.2%	4,126,681	181,887	4.5%	4,181,738
Total Major Programs	21,389,815	33,528,609	(3,278,256)	(9.8%)	30,250,353	(2,205,230)	(6.6%)	31,323,379
By Line Item								
Salaries and Wages	9,679,428	12,928,701	(340,093)	(2.6%)	12,588,608	(267,067)	(2.1%)	12,661,634
Accrued Leave	73,990	0	0	0.0%	0	0	0.0%	0
Operating Expenses	4,521,341	7,025,069	(558,971)	(8.0%)	6,466,098	441,029	6.3%	7,466,098
Capital Assets	8,697	8,000	5,000	62.5%	13,000	5,000	62.5%	13,000
Grants	3,694,810	10,640,774	(1,817,000)	(17.1%)	8,823,774	(1,817,000)	(17.1%)	8,823,774
Board of Animal Health	1,924,260	1,033,665	(167,192)	(16.2%)	866,473	(167,192)	(16.2%)	866,473
Wildlife Services	1,417,400	1,417,400	0	0.0%	1,417,400	0	0.0%	1,417,400
Pipeline Oversight Program	0	400,000	(400,000)	(100.0%)	0	0	0.0%	0
Crop Harmonization Board	69,889	75,000	0	0.0%	75,000	0	0.0%	75,000
Total Line Items	21,389,815	33,528,609	(3,278,256)	(9.8%)	30,250,353	(2,205,230)	(6.6%)	31,323,379
By Funding Source								
General Fund	9,300,531	11,581,056	(2,013,894)	(17.4%)	9,567,162	(2,057,551)	(17.8%)	9,523,505
Federal Funds	5,594,441	12,045,085	(2,350)	0.0%	12,042,735	50,618	0.4%	12,095,703
Special Funds	6,494,843	9,902,468	(1,262,012)	(12.7%)	8,640,456	(198,297)	(2.0%)	9,704,171
Total Funding Source	21,389,815	33,528,609	(3,278,256)	(9.8%)	30,250,353	(2,205,230)	(6.6%)	31,323,379
Total FTE	77.00	77.00	(1.00)	(1.3%)	76.00	(2.00)	(2.6%)	75.00

Statutory Authority

North Dakota Century Code Chapter 54-53.

Agency Description

The Upper Great Plains Transportation Institute (UGPTI) was created by the North Dakota legislature in 1967 as part of North Dakota State University to foster a better understanding of the role of transportation in the economy and state. UGPTI provides timely information to state and local governments regarding the condition of transportation infrastructure in the state and expected road and bridge investment needs. Moreover, UGPTI provides freight transportation and logistics expertise that helps North Dakota businesses compete nationally and globally.

Major Accomplishments

1. Provided the governor, the legislature, the department of transportation, and other governmental agencies with vital information about roadway investments to propel economic growth in the state and region.
2. Provided state agencies, agricultural industries, and private investment groups with important insights into grain marketing patterns and trends.
3. Led efforts to increase the focus on transportation safety issues and trends in North Dakota

4. Conducted research to improve the mobility of North Dakota citizens.
5. Conducted research and provided expertise to maintain and enhance rail service within North Dakota in light of unprecedented demands on the state's rail infrastructure.
6. Offered training throughout the state and region to road managers, transportation engineers, city planners, and transit operators to keep them up-to-date on critical skills and meet federal training requirements.
7. Helped prepare the transportation professionals of tomorrow through a combination of classroom and hands-on experiences.
8. Provided important services to Metropolitan Planning Organizations (MPOs) and the state to help them predict future traffic levels, update their transportation planning procedures, and deploy intelligent transportation systems technologies.
9. Collaborated with NDDOT and the ND Association of Oil and Gas Producing Counties to help counties, townships, and cities cope with unprecedented impacts from oil production.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$474,405.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

627 Upper Great Plains Transportation Institute

Bill#: SB2020

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Core Program	19,022,235	23,022,756	(964,437)	(4.2%)	22,058,319	(800,733)	(3.5%)	22,222,023
Total Major Programs	19,022,235	23,022,756	(964,437)	(4.2%)	22,058,319	(800,733)	(3.5%)	22,222,023
By Line Item								
Transportation Institute	19,022,235	23,022,756	(964,437)	(4.2%)	22,058,319	(800,733)	(3.5%)	22,222,023
Total Line Items	19,022,235	23,022,756	(964,437)	(4.2%)	22,058,319	(800,733)	(3.5%)	22,222,023
By Funding Source								
General Fund	3,941,310	4,847,099	(1,124,405)	(23.2%)	3,722,694	(1,283,198)	(26.5%)	3,563,901
Federal Funds	8,688,952	12,162,945	70,917	0.6%	12,233,862	156,327	1.3%	12,319,272
Special Funds	6,391,973	6,012,712	89,051	1.5%	6,101,763	326,138	5.4%	6,338,850
Total Funding Source	19,022,235	23,022,756	(964,437)	(4.2%)	22,058,319	(800,733)	(3.5%)	22,222,023
Total FTE	53.75	54.98	(11.10)	(20.2%)	43.88	(11.10)	(20.2%)	43.88

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 6,506 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.

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 549 owned acres and an additional 206 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 supports 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 since 1909. 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 information regarding disease minimizing cultural farming practices and trusted information regarding chemical applications and other inputs that minimize disease and insect pressures that give growers the best return on investment.

Recently, the LREC has significantly enhanced its overall agricultural research programming with an increase in the foundation seed stocks program, the addition of a crop protection scientist, farm business management instructor, Extension specialist in agronomy and an Extension specialist in soil health. New infrastructure additions in the past 12 years include a full service agricultural based learning center/headquarters building constructed in 2004, agronomy/pathology laboratory in 2015 and a 25 acre field tiling project completed in 2014. The NDSU LREC with its recent personnel and infrastructure additions and improvements will insure that growers can depend on research data that will improve their bottom line for the next 100 years.

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. WREC also conducts variety development research on safflower, winter wheat, and durum and variety evaluations in cooperation with NDSU Main Station scientists. WREC produces and supplies foundation seed to area farmers of new and old varieties adapted to the 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 agronomic, beef and range agricultural practices and developed managerial options reported in the annual report located on the website <https://www.ag.ndsu.edu/DickinsonREC>.
2. Continued and expanded work regarding soil disturbance and dust created by the extensive truck traffic servicing the oil industry in western ND.
3. Shifted to explore new forage and cattle resources and inputs that shifts from a grain-based beef production model to a grass-based beef production model.
4. Studied various management techniques involving grass cultivars, soil mineral nitrogen, prairie ecosystems, grassland restoration, grazing systems with the integration of beef cattle.
5. Investigated conventional and organic agronomic systems, tillage systems, cropping systems, pest control systems, variety development, cover crops and the integration of beef cattle.

Central Grasslands Research Extension Center (CGREC)

1. Continued research on control of invasive grass species.
2. Concluded 26 year grazing project evaluating the impacts of stocking rate on plant species composition.
3. Expanded winter grazing research.
4. Conducted research exploring the impacts of stocking rate and advancing season of forage intake of grazing beef cattle.
5. Hosted first annual Winter Grazing Workshop in collaboration with NDSU Extension Service.

Hettinger Research Extension Center (HREC)

1. Evaluated new varieties and technologies to grow drought tolerant crops and new and emerging bio-fuels.
2. Conducted multiple land use research projects.

3. Collaborated with Sitting Bull College,USDA-ARS, NDSU, and SDSU on a multi-agency project evaluating the reclamation of lands degraded by prairie dogs.
4. Conducted a nationally recognized sheep research program evaluating alternative technologies for increasing reproduction.
5. Established a new weed science research program and a new livestock extension program.

Langdon Research Extension Center (LREC)

1. Continued to build strong research partnerships with agriculture input companies, commodity groups, regional crop improvement associations, growers, and others.
2. Produced and distributed the highest quality foundation grade seed of the major crops grown in our region.
3. Concluded successful negotiations with to purchase 160 acres of crop land for research purposes.
4. Provided dependable support for main station crop breeding programs and other cropping system research programs.
5. Continued to foster and strengthen two new Extension Specialists outreach programs in agronomy and soil health.

North Central Research Extension Center (NCREC)

1. Produced, conditioned, and distributed foundation seed of nine crops grown in the region consisting of 24 unique varieties.
2. Assisted in development of new varieties of economically important crops and evaluated production strategies for alternative crops.
3. Researched crop production products in order to improve efficiencies and maximize economic return for minor and major acreage crops grown in ND.
4. Provided extension education in the areas of livestock, soil health, crop protection, and cropping systems.

5. Conducted residue trials that lead to registration of new pesticides.

Williston Research Extension Center (WREC)

1. Produced over 50,000 bushels of foundation seed of 21 varieties of small grains and broadleaf crops as a result 1,184 acres obtained from the ND Game and Fish.
2. Developed and utilized a 160-acre irrigated site to identify improved irrigated cropping and tillage systems.
3. Initiated a new pipeline reclamation research project.
4. Initiated high tunnel research with vegetable crops and cut flowers.
5. Established a new reclamation research and demonstration project in collaboration with the Montana Salinity Control Association.

Carrington Research Extension Center (CREC)

1. Established UAV flight capacity to assess producer applications of this new technology for management of weed, fertility, disease and cultural issues.
2. Conditioned and sold foundation grade seed of 29 varieties and nine crops to a diversity of seedsman.
3. Evaluated the use of corn ethanol co-products as sources of phosphorus for crop nutrition.
4. Provided producers with data to quantify their cattle performance in the feedlot.
5. Trained producers and crop consultants in weed identification, nitrogen application techniques, soybean management and more resulting in an estimated value to participants of \$10 per acre.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$2.3 million. This includes the reduction of 10.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

628 Branch Research Centers

Bill#: SB2020

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dickinson Research Center	5,822,770	7,358,162	(442,832)	(6.0%)	6,915,330	(410,273)	(5.6%)	6,947,889
Central Grasslands Research Center	2,845,179	3,682,567	(207,174)	(5.6%)	3,475,393	(190,924)	(5.2%)	3,491,643
Hettinger Research Center	4,044,705	5,251,187	(221,589)	(4.2%)	5,029,598	(193,501)	(3.7%)	5,057,686
Langdon Research Center	2,248,604	3,527,116	(513,437)	(14.6%)	3,013,679	(506,284)	(14.4%)	3,020,832
North Central Research Center	3,864,925	5,186,941	(189,485)	(3.7%)	4,997,456	(161,354)	(3.1%)	5,025,587
Williston Research Center	3,979,420	5,474,090	(289,392)	(5.3%)	5,184,698	(252,387)	(4.6%)	5,221,703
Carrington Research Center	7,922,384	9,585,514	(338,741)	(3.5%)	9,246,773	(275,641)	(2.9%)	9,309,873
Total Major Programs	30,727,987	40,065,577	(2,202,650)	(5.5%)	37,862,927	(1,990,364)	(5.0%)	38,075,213
By Line Item								
Accrued Leave Payout	75,988	0	0	0.0%	0	0	0.0%	0
Dickinson Research Center	5,815,166	7,358,162	(442,832)	(6.0%)	6,915,330	(438,893)	(6.0%)	6,919,269
Central Grasslands Research Center	2,836,176	3,682,567	(207,174)	(5.6%)	3,475,393	(190,924)	(5.2%)	3,491,643
Hettinger Research Center	4,044,220	5,251,187	(221,589)	(4.2%)	5,029,598	(193,501)	(3.7%)	5,057,686
Langdon Research Center	2,222,782	3,527,116	(513,437)	(14.6%)	3,013,679	(506,284)	(14.4%)	3,020,832
North Central Research Center	3,864,925	5,186,941	(189,485)	(3.7%)	4,997,456	(161,354)	(3.1%)	5,025,587
Williston Research Center	3,976,236	5,474,090	(289,392)	(5.3%)	5,184,698	(252,387)	(4.6%)	5,221,703
Carrington Research Center	7,892,494	9,585,514	(338,741)	(3.5%)	9,246,773	(247,021)	(2.6%)	9,338,493
Total Line Items	30,727,987	40,065,577	(2,202,650)	(5.5%)	37,862,927	(1,990,364)	(5.0%)	38,075,213
By Funding Source								
General Fund	17,600,202	20,073,447	(2,058,393)	(10.3%)	18,015,054	(2,308,344)	(11.5%)	17,765,103
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	13,127,785	19,992,130	(144,257)	(0.7%)	19,847,873	317,980	1.6%	20,310,110
Total Funding Source	30,727,987	40,065,577	(2,202,650)	(5.5%)	37,862,927	(1,990,364)	(5.0%)	38,075,213
Total FTE	110.94	120.29	(10.00)	(8.3%)	110.29	(10.00)	(8.3%)	110.29

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. Completed a needs assessment of crucial issues and challenges facing ND by using 11 community forums in 2015.
2. Provided research-based education to over 932,678 direct contacts in 2014 and 868,773 contacts in 2015.
3. Evaluated options for 4,040 farms and over 16,000 people attended meetings to learn about the 2014 farm bill.

4. Enabled ND growers to efficiently produce over \$9.00 billion in crops with pest and management recommendations.
5. Trained veterinarians and producers through social and traditional media and meetings on the new Veterinary Feed Directive.
6. Increased leadership capacity through rural leadership North Dakota, LeadLocal and the Igniting Legendary Leaders Conference.
7. Educated over 9,000 adults on skills to improve their parenting skills to create more successful families and reduce the risk of abuse.
8. Developed character and talents of more than 32,000 ND youth in 4-H club, summer camp and after-school activities.
9. Developed skills and knowledge of 5,200 youth through 65 projects through the Junior Master Gardener program.
10. Educated limited resource adults (2,823) and youth (10,043) in 2015 on cost-effective food purchases and to improve their nutrition and health.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$3.4 million. This includes the reduction of 13.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

630 NDSU Extension Service

Bill#: SB2020

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
COOP Extension Service	51,139,563	55,614,896	(2,422,516)	(4.4%)	53,192,380	(1,968,191)	(3.5%)	53,646,705
Total Major Programs	51,139,563	55,614,896	(2,422,516)	(4.4%)	53,192,380	(1,968,191)	(3.5%)	53,646,705
By Line Item								
Accrued Leave	290,251	0	0	0.0%	0	0	0.0%	0
NDSU Extension Service	49,711,512	54,402,096	(2,301,236)	(4.2%)	52,100,860	(1,846,911)	(3.4%)	52,555,185
Soil Conservation Committee	1,137,800	1,212,800	(121,280)	(10.0%)	1,091,520	(121,280)	(10.0%)	1,091,520
Total Line Items	51,139,563	55,614,896	(2,422,516)	(4.4%)	53,192,380	(1,968,191)	(3.5%)	53,646,705
By Funding Source								
General Fund	28,919,765	29,788,188	(2,687,944)	(9.0%)	27,100,244	(2,910,072)	(9.8%)	26,878,116
Federal Funds	6,347,189	7,740,790	0	0.0%	7,740,790	137,011	1.8%	7,877,801
Special Funds	15,872,609	18,085,918	265,428	1.5%	18,351,346	804,870	4.5%	18,890,788
Total Funding Source	51,139,563	55,614,896	(2,422,516)	(4.4%)	53,192,380	(1,968,191)	(3.5%)	53,646,705
Total FTE	262.91	265.98	(10.00)	(3.8%)	255.98	(13.00)	(4.9%)	252.98

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 128 countries have visited NCI since its inception. It is located on the campus of North Dakota State University.

Major Accomplishments

1. The Northern Crops Institute offers a full array of educational short courses designed to educate foreign buyers about our crops. A wheat procurement manager recently hired to manage a newly built flour mill in Indonesia attended his first "Contracting for Wheat Value" workshop at the NCI, where he learned how to better manage his supply chain and how to write contracts that accurately specify the type of wheat he needs to purchase. According to U.S. Wheat Associates, he returned home and made a first-time purchase of 9 million dollars' worth of U.S. Hard Red Spring Wheat.
2. NCI staff has given seminars at the Culinary Institute of America, both in New York and California. They educated chefs on how to incorporate peas, lentils, and other pulses into their food menu items. According to the Northern Pulse Growers Association, these efforts helped generate additional interest leading to the eventual expansion of operations in two pulse processing plants in North Dakota potentially employing 75 additional people.
3. The NCI completed major equipment upgrades and renovations to both the feed production center and the NCI's main facility. In 2014, NCI completed a major equipment upgrade to the Feed Production Center which included a new mixer, automation system and the facility's first micro-nutrient-ingredient system. In 2015-16 the NCI made major lighting and aesthetic improvements to the auditorium, conference room, and lobby area to help accommodate

international visitors who visit the NCI on nearly a weekly basis throughout the summer. NCI made major equipment improvements to the extrusion lab in response to growing demand for educational courses & technical support for corn, dry beans, and pulse crops. Those commodity groups also provided funding to install a drying system. Customers can now train on a complete pilot scale system similar to a full scale factory operation.

4. NCI recently installed a pilot scale soy beverage machine and tofu equipment in response to demands from the food soybean industry. This region has the largest acreage of food grade soybeans grown in the U.S. The new equipment is timely as the NCI will be assuming the 2017 INT-SOY educational course designed to teach international customers practical processing methods and applications using soy ingredients in food and feed products. The National Soybean Research Laboratory at the University of Illinois formerly hosted this very successful course for over 25 years. The course's objective is to expand soybeans in international markets.
5. NCI has seen a significant increase in demand from industry to utilize our processing, analytical, and technical expertise at our facilities, largely the result of efforts of our new technical consultant and communications director. We are now utilizing 21st century integrated marketing and communication tools such as constant contact and social media to promote NCI's array of technical services offered to industry. We continue to strive to remain state of the art with our equipment and technical expertise enhancing our world-reputation as a provider of high quality educational programming using wheat, barley, durum, soybeans, corn, dry beans, and pulses grown in this region.

These success stories are just examples of what NCI has accomplished working in collaboration with the North Dakota legislature, four-state region's commodity groups, North Dakota and Minnesota Departments of Agriculture, and Trade Offices, private business leaders, and the excellent scientific community at North Dakota State University and other regional land-grant universities.

Executive Budget Recommendation

- Reduces the original 2015-17 General Fund ongoing legislative appropriation by \$183,817.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

638 Northern Crops Institute

Bill#: SB2020

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Farm Product Development, Mktg. and Util	3,692,501	3,849,893	(180,657)	(4.7%)	3,669,236	(136,448)	(3.5%)	3,713,445
Total Major Programs	3,692,501	3,849,893	(180,657)	(4.7%)	3,669,236	(136,448)	(3.5%)	3,713,445
By Line Item								
Accrued Leave	6,573	0	0	0.0%	0	0	0.0%	0
Northern Crops Institute	3,685,928	3,849,893	(180,657)	(4.7%)	3,669,236	(136,448)	(3.5%)	3,713,445
Total Line Items	3,692,501	3,849,893	(180,657)	(4.7%)	3,669,236	(136,448)	(3.5%)	3,713,445
By Funding Source								
General Fund	2,064,861	2,102,158	(183,817)	(8.7%)	1,918,341	(146,456)	(7.0%)	1,955,702
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,627,640	1,747,735	3,160	0.2%	1,750,895	10,008	0.6%	1,757,743
Total Funding Source	3,692,501	3,849,893	(180,657)	(4.7%)	3,669,236	(136,448)	(3.5%)	3,713,445
Total FTE	12.00	12.00	(0.20)	(1.7%)	11.80	(0.20)	(1.7%)	11.80

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 traits, quality traits for processing and food products, and economic impacts for 14 major crops and several new crops.
2. Continued to explore public-private partnerships in breeding/genetic and bioinformatics research. Using bioinformatics and “big data” will allow breeders to determine genetic associations with desired traits, thereby enhancing the efficiency of selection for improved materials.
3. Determined the causal organism and mode of transmission for Zebra Chip, a disease that threatens potato production and end-use quality throughout the world.
4. Conducted research to understand the causes of disease development and to improve the diagnosis and management of them. Host genetic resistance is the most economical and environmentally-safe way to control disease.

5. Developed and enhanced disease forecasting models for five major commodities grown in the state. These models use weather data collected by the North Dakota Ag Weather Network (NDAWN) and predict probabilities of disease development. These popular programs are used by farmers throughout the state to reduce the impact of disease development on crops, resulting in tens of millions of dollars saved annually.
6. Continued efforts to develop Unmanned Aircraft System research activities in the state. The use of this technology has wide application possibilities within production agriculture in the state. Partnered with several industries to evaluate Precision Ag technologies in crop and livestock enterprises.
7. Investigated the impacts of oil and brine spills on soil and rangeland productivity. Working with the Williston Research Extension Center on reclamation research using a newly installed pipeline on the WREC premises. Development of pipelines alone impact over 10,000 acres annually in the state. Better recommendations on remediation strategies will bring this land back into production sooner and at higher productivity levels.
8. Continued research on feeding behavior and feed efficiency in beef cattle. Improvements in maternal nutrition to improve feed efficiency and reduce cow wintering costs. A 5 percent improvement in feed efficiency in states beef cows could result in a cost savings of over \$14.0 million annually.
9. Worked to improve reproductive management. For every 1 percent improvement in pregnancy rate, the states beef cattle producers increase gross revenue by over \$7.0 million annually.
10. Used micro-rates of herbicide to control annual weeds, which has increased yields up to 42 percent and resulted in an increased income of \$95.0 million dollars to growers.

Executive Budget Recommendation

- Reduces the original 2015-17 legislative General Fund ongoing appropriation by \$6.9 million. This includes the reduction of 25.00 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

640 NDSU Main Research Center

Bill#: SB2020

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Agricultural Research	108,968,199	137,166,137	(27,771,970)	(20.2%)	109,394,167	(26,624,545)	(19.4%)	110,541,592
Total Major Programs	108,968,199	137,166,137	(27,771,970)	(20.2%)	109,394,167	(26,624,545)	(19.4%)	110,541,592
By Line Item								
Accrued Leave	163,172	0	0	0.0%	0	0	0.0%	0
Main Research Center	108,805,027	137,166,137	(27,771,970)	(20.2%)	109,394,167	(26,624,545)	(19.4%)	110,541,592
Total Line Items	108,968,199	137,166,137	(27,771,970)	(20.2%)	109,394,167	(26,624,545)	(19.4%)	110,541,592
By Funding Source								
General Fund	58,106,384	59,067,612	(6,818,073)	(11.5%)	52,249,539	(7,738,301)	(13.1%)	51,329,311
Federal Funds	6,547,697	8,419,260	0	0.0%	8,419,260	148,048	1.8%	8,567,308
Special Funds	44,314,118	69,679,265	(20,953,897)	(30.1%)	48,725,368	(19,034,292)	(27.3%)	50,644,973
Total Funding Source	108,968,199	137,166,137	(27,771,970)	(20.2%)	109,394,167	(26,624,545)	(19.4%)	110,541,592
Total FTE	351.85	361.12	(25.00)	(6.9%)	336.12	(25.00)	(6.9%)	336.12

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 35,000 to 50,000 bushels of seed for availability to the seed industry annually.
2. Conditioned 35,000 to 50,000 bushels of seed for availability to the seed industry annually.

Executive Budget Recommendation

- Approves budget as requested.
- Maintains current staffing levels and funding sources.

REQUEST/RECOMMENDATION COMPARISON SUMMARY**649 Agronomy Seed Farm****Bill#: SB2020****Biennium: 2017-2019**

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Agricultural Research	1,314,963	1,521,007	7,157	0.5%	1,528,164	17,788	1.2%	1,538,795
Total Major Programs	1,314,963	1,521,007	7,157	0.5%	1,528,164	17,788	1.2%	1,538,795
By Line Item								
Accrued Leave	5,000	0	0	0.0%	0	0	0.0%	0
Agronomy Seed Farm	1,309,963	1,521,007	7,157	0.5%	1,528,164	17,788	1.2%	1,538,795
Total Line Items	1,314,963	1,521,007	7,157	0.5%	1,528,164	17,788	1.2%	1,538,795
By Funding Source								
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	1,314,963	1,521,007	7,157	0.5%	1,528,164	17,788	1.2%	1,538,795
Total Funding Source	1,314,963	1,521,007	7,157	0.5%	1,528,164	17,788	1.2%	1,538,795
Total FTE								
	3.00	3.00	0.00	0.0%	3.00	0.00	0.0%	3.00

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, cattle, goats, sheep and swine 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 is over \$11.3 million.

State Fair provides the facilities, administration, staffing judges, equipment, prizes and recognition for those who bring over 49,000 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 \$43.7 million in capital construction from non-state revenues for capital improvements.
3. Generated revenue of \$17.2 million for capital improvements from admissions and rents.
4. Received international awards for excellence in the fair agricultural program.
5. Hosted 49,449 competitive entries from 4H, FFA, and open class in 2015.
6. Received entries from 52 counties in North Dakota.
7. Recognized state wide, regionally and nationally as a great attraction and The Show Place of North Dakota.

Executive Budget Recommendation

- Reduces the original 2015-17 General Fund ongoing legislative appropriation by \$57,000.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

665 ND State Fair
Biennium: 2017-2019

Bill#: SB2009

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
State Support	3,296,000	1,070,000	(557,000)	(52.1%)	513,000	(557,000)	(52.1%)	513,000
Total Major Programs	3,296,000	1,070,000	(557,000)	(52.1%)	513,000	(557,000)	(52.1%)	513,000
By Line Item								
Capital Assets	2,750,000	500,000	(500,000)	(100.0%)	0	0	0.0%	0
Premiums	546,000	570,000	(57,000)	(10.0%)	513,000	(57,000)	(10.0%)	513,000
Total Line Items	3,296,000	1,070,000	(557,000)	(52.1%)	513,000	(557,000)	(52.1%)	513,000
By Funding Source								
General Fund	3,296,000	1,070,000	(557,000)	(52.1%)	513,000	(557,000)	(52.1%)	513,000
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	3,296,000	1,070,000	(557,000)	(52.1%)	513,000	(557,000)	(52.1%)	513,000
Total FTE	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00

Statutory Authority

North Dakota Century Code Chapter 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 and simulcast racing, and account deposit wagering. 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 Assistant.

Major Accomplishments

1. Developed tax revenue to General Fund sufficient to offset Commission Biennial appropriation.
2. Worked with the ND Horse Park in Fargo to establish a long term financially viable business plan, including payment of debts to the City of Fargo, and re-establish racing in the region with a sustainable business model.
3. Regulated live, simulcast, and account deposit wagering industry in North Dakota.
4. Provided support for developing account deposit wagering companies accounting for wagering and tax revenues significantly greater than two fiscal years previous.
5. Worked with both racetracks on capital improvements to increase the safety of their racing surfaces and rail to support the welfare of jockeys and horses alike.
6. Promoted and supported live horse racing.

7. Responded to issues related to live horse racing and account deposit wagering.
8. Drafted rule changes to revise medication rules to conform with national standards, implement the new tote-x wager, and revise rules related to ADW and live racing.
9. Executed the duties required by the North Dakota Century Code.
10. Approved and licensed live racing via licenses provided to tracks, associations, owners, trainers and jockeys.
11. Approved and licensed simulcast racing, including account deposit wagering companies, totalizators, service providers, site operators, and simulcast employees.
12. Monitored live racing by contracting to provide veterinarians, stewards, compliance investigator, and other individuals required to assure compliance with the Administrative Code.
13. Administered the promotion fund monies to promote live racing and provided oversight to ensure compliance with promotion awards.
14. Approved and disbursed the purse fund grants to live horse racing associations in amounts significantly larger than previous biennium due to increased tax revenue.
15. Contracted with an independent contractor to administer the North Dakota Breeders' Fund Horse Registry and licensing at live race meets.
16. Worked with an independent accounting agency to strengthen oversight and review of all pari-mutuel activities.

Executive Budget Recommendation

- Reduces the original 2015-17 General Fund ongoing legislative appropriation by \$36,837.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

670 ND Horse Racing Commission

Bill#: SB2023

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Horse Racing Administration	519,590	573,734	(33,010)	(5.8%)	540,724	(25,688)	(4.5%)	548,046
Total Major Programs	519,590	573,734	(33,010)	(5.8%)	540,724	(25,688)	(4.5%)	548,046
By Line Item								
Racing Commission	519,590	573,734	(33,010)	(5.8%)	540,724	(25,688)	(4.5%)	548,046
Total Line Items	519,590	573,734	(33,010)	(5.8%)	540,724	(25,688)	(4.5%)	548,046
By Funding Source								
General Fund	389,044	415,004	(36,837)	(8.9%)	378,167	(29,515)	(7.1%)	385,489
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	130,546	158,730	3,827	2.4%	162,557	3,827	2.4%	162,557
Total Funding Source	519,590	573,734	(33,010)	(5.8%)	540,724	(25,688)	(4.5%)	548,046
Total FTE	2.00	2.00	0.00	0.0%	2.00	0.00	0.0%	2.00

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 ND 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, custodial services, and general supervision.
- Communication and Education Division is responsible for agency publications, marketing, outreach services, visitor services, development of educational programs and curriculum, and building public awareness.
- Museum Division interprets the history of ND through planning, fabrication, and installation of exhibits, including traveling exhibits and those located in the Heritage Center, Pembina State Museum and Historic Sites. The Division collects, preserves, and manages history, ethnology, and natural history artifacts related to the history of North Dakota. Provides technical assistance to constituencies.
- State Archives preserves and makes accessible records of ND government; makes available the collections of books, microfilm, newspapers, maps, photographs, manuscripts, and other two-dimensional historical materials through reference services and programs of preservation. Provides technical assistance to constituencies.
- 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. Provides for programming, management, maintenance, repair and operation of all Historical Society land and buildings, except the ND Heritage Center. Manages the archaeological artifact collections.

Major Accomplishments

1. Implemented of agency wide ReDiscovery Collections Management Software.
2. Researched and tested Preservica as a State Archives Trusted Digital Repository management software and are currently installing the software into production.
3. Worked with ITD to leverage cloud storage solutions for redundancy and to minimize storage costs
4. Improved the Heritage Center AV systems to enhance guest experiences and improve our toolset for educational offerings in the building.
5. Provided services to approximately 240,000 annual visitors at the ND Heritage Center and approximately 125,000 annual visitors at the Historic Sites.
6. Expanded and enhanced social media presence to better promote the Society and provide the public with additional access to the state's collections.
7. Developed and enhance exhibits, interpretative and educational programs for the public.
8. Stabilized and performed restoration work on the historic hospital\cafeteria building located at the Fort Totten State Historic Site.
9. Completed restoration work on the first floor of the Stutsman County Courthouse in Jamestown.

Executive Budget Recommendation

- Reduces \$1.2 million from the 2015-17 original legislative ongoing General Fund appropriation of \$18.1 million. This includes the reduction of 1.00 FTE.
- Eliminates funding for archivist, exhibit specialist and custodian positions. Reduced staffing will result in a backlog of processing photos and other historic documents and will impact repairs of current exhibits and installation of new exhibits.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

701 Historical Society

Bill#: HB1018

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Support Services	4,319,923	5,630,122	(1,063,040)	(18.9%)	4,567,082	(986,833)	(17.5%)	4,643,289
Museum	1,869,650	2,435,572	(598,038)	(24.6%)	1,837,534	(561,739)	(23.1%)	1,873,833
Communication and Education	1,460,082	2,340,988	(382,125)	(16.3%)	1,958,863	(349,417)	(14.9%)	1,991,571
SA & HRL	2,313,232	3,227,004	(196,792)	(6.1%)	3,030,212	(153,343)	(4.8%)	3,073,661
Historic Sites	10,396,694	11,758,808	(6,533,188)	(55.6%)	5,225,620	(6,504,576)	(55.3%)	5,254,232
Historic Preservation Division	2,304,548	3,358,499	73,054	2.2%	3,431,553	116,303	3.5%	3,474,802
Total Major Programs	22,664,129	28,750,993	(8,700,129)	(30.3%)	20,050,864	(8,439,605)	(29.4%)	20,311,388
By Line Item								
Salaries and Wages	11,136,830	14,047,217	(401,400)	(2.9%)	13,645,817	(140,876)	(1.0%)	13,906,341
Operating Expenses	2,690,135	4,675,437	(789,543)	(16.9%)	3,885,894	(789,543)	(16.9%)	3,885,894
Capital Assets	1,622,377	4,450,294	(2,531,141)	(56.9%)	1,919,153	(2,531,141)	(56.9%)	1,919,153
Capital Construction Carryover	146,466	369,053	(369,053)	(100.0%)	0	0	0.0%	0
Heritage Center Carryover	5,492,213	0	0	0.0%	0	0	0.0%	0
Project Pool	869,018	0	0	0.0%	0	0	0.0%	0
Double Ditch Historic Site	0	3,500,000	(3,500,000)	(100.0%)	0	0	0.0%	0
Grants	257,185	900,000	(300,000)	(33.3%)	600,000	(300,000)	(33.3%)	600,000
Cultural Heritage Grants	449,905	504,500	(504,500)	(100.0%)	0	0	0.0%	0
Yellowstone-Missouri-Ft Union Comm	0	4,492	(4,492)	(100.0%)	0	0	0.0%	0
Exhibits	0	300,000	(300,000)	(100.0%)	0	0	0.0%	0
Total Line Items	22,664,129	28,750,993	(8,700,129)	(30.3%)	20,050,864	(8,439,605)	(29.4%)	20,311,388
By Funding Source								
General Fund	20,881,710	21,976,092	(5,064,447)	(23.0%)	16,911,645	(4,826,207)	(22.0%)	17,149,885
Federal Funds	1,782,419	3,299,901	(160,682)	(4.9%)	3,139,219	(138,398)	(4.2%)	3,161,503
Special Funds	0	3,475,000	(3,475,000)	(100.0%)	0	(3,475,000)	(100.0%)	0
Total Funding Source	22,664,129	28,750,993	(8,700,129)	(30.3%)	20,050,864	(8,439,605)	(29.4%)	20,311,388
Total FTE	69.00	78.00	(3.00)	(3.8%)	75.00	(1.00)	(1.3%)	77.00

Statutory Authority

North Dakota Century Code Chapter 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 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 the state. The Council functions as a community partner and a catalyst for artists and organizations. The Council re-grants 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 supporter.

Major Accomplishments

1. Partnered with the ND Department of Instruction to bring *Turnaround Schools* to four North Dakota schools: Solen Middle School, Cannonball Elementary, Standing Rock Middle, and Standing Rock Elementary.
2. Increased services to those with disabilities by funding adaptive arts tools through VSA North Dakota and the Anne Carlsen Center, and Audio Description training for North Dakota theaters and museums.
3. Provided funding and support to various partners in education, including ND STEM Network, ND Math and Science Conference, Child Care Aware, and ND Teacher Resource Coalition.
4. Received a *Bush Foundation Community Creativity Cohort* grant to develop *Art for Life Program* toolkits to be distribute to every eldercare facility in the state.

5. Produced the *Guide to North Dakota Art and Cultural Destinations*.
6. Provided professional development for ND teachers through *Picturing Writing*, *Image Making* workshops, and at the 2016 Kennedy Center *Arts Integration Conference*.
7. Improved web based outreach through a new online grant management system and a new agency web site.
8. Developed approximately 60 activity plans and articles based on the agency *Sundogs and Sunflowers* book for use in eldercare facilities (assisted living, basic care, and skilled care).
9. Wrote, edited, and designed the exhibit book *Yggdrasil: The Woodcarving of Gaylord "Guy" Paulson*.
10. Provided two international residencies, one held at James Memorial Arts Center in Williston, ND with an Icelandic artist, Björg Eiríksdóttir, and one held at Laugalandsskól School in Reykjavik, Iceland with *ND Strong* (Matt Maldando and Eric Thoemke).
11. Created the Art for Life Traditional Dance and Mobile Painting Device project, exhibit, and video in the communities of Jamestown, Ellendale, Enderlin, and Wahpeton which was recognized with an award by the Benedictine Healthcare System.
12. Provided funding for four international music groups to perform in Wahpeton through the Arts Midwest *Worldfest*, performances by *Caravanserai* in Grand Forks, performances by *New York Kammermusiker* in numerous sites across the state, a dance residency in Dickinson by the *New York Elisa Monte* dance troupe, and intensive organizational professional development through the *Arts Lab* project.

Executive Budget Recommendation

- Reduces the original 2015-17 General Fund ongoing legislative appropriation by \$162,114.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

709 Council on the Arts

Bill#: SB2010

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Council on the Arts	2,876,631	3,590,190	(194,659)	(5.4%)	3,395,531	(176,620)	(4.9%)	3,413,570
Total Major Programs	2,876,631	3,590,190	(194,659)	(5.4%)	3,395,531	(176,620)	(4.9%)	3,413,570
By Line Item								
Salaries and Wages	812,228	894,297	5,883	0.7%	900,180	23,922	2.7%	918,219
Accrued Leave	4,260	0	0	0.0%	0	0	0.0%	0
Operating Expenses	302,794	476,586	(63,729)	(13.4%)	412,857	(63,729)	(13.4%)	412,857
Grants	1,757,349	2,219,307	(136,813)	(6.2%)	2,082,494	(136,813)	(6.2%)	2,082,494
Total Line Items	2,876,631	3,590,190	(194,659)	(5.4%)	3,395,531	(176,620)	(4.9%)	3,413,570
By Funding Source								
General Fund	1,521,924	1,744,723	(162,114)	(9.3%)	1,582,609	(144,075)	(8.3%)	1,600,648
Federal Funds	1,353,631	1,681,952	(6,545)	(0.4%)	1,675,407	(6,545)	(0.4%)	1,675,407
Special Funds	1,076	163,515	(26,000)	(15.9%)	137,515	(26,000)	(15.9%)	137,515
Total Funding Source	2,876,631	3,590,190	(194,659)	(5.4%)	3,395,531	(176,620)	(4.9%)	3,413,570
Total FTE	5.00	5.00	0.00	0.0%	5.00	0.00	0.0%	5.00

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. Continued the private land initiative (PLI) offering a wide variety of programs maximizing landowner participation.
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. Initiated several wildlife research projects to better guide the agency with management decisions.
5. Created a new department website enhancing on-line communication with the hunting and fishing public and increasing on-line licensing.
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 350.
9. Continued to improve the Aquatic Nuisance Species Program to protect North Dakota's waterways.
10. Continued to improve boating access throughout the state.
11. Upgraded and renovated the Game and Fish Department Conservation and Outdoor Skills Park at the State Fair after 2011 flooding.
12. Increased coordination with oil and gas industry to reduce wildlife impacts.

Executive Budget Recommendation

- Provides special fund authority of \$300,000 for a hunter education shooting and multi-purpose building at the ND State Fair grounds.
- Restores funding of \$122,000 for maintenance of docks at state parks.

REQUEST/RECOMMENDATION COMPARISON SUMMARY**720 Game and Fish Department****Bill#: HB1017****Biennium: 2017-2019**

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	14,123,460	17,106,675	(2,312,433)	(13.5%)	14,794,242	(2,205,542)	(12.9%)	14,901,133
Fisheries	9,102,207	10,435,716	1,258,521	12.1%	11,694,237	1,464,354	14.0%	11,900,070
Enforcement	7,915,081	8,942,214	1,085,854	12.1%	10,028,068	1,221,123	13.7%	10,163,337
Communications and Conservation	6,808,649	8,515,218	1,175,520	13.8%	9,690,738	1,252,233	14.7%	9,767,451
Wildlife	23,088,264	33,383,488	3,278,376	9.8%	36,661,864	3,454,255	10.3%	36,837,743
Total Major Programs	61,037,661	78,383,311	4,485,838	5.7%	82,869,149	5,186,423	6.6%	83,569,734
By Line Item								
Salaries and Wages	25,368,348	29,670,242	(201,985)	(0.7%)	29,468,257	329,935	1.1%	30,000,177
Accrued Leave	121,753	0	0	0.0%	0	0	0.0%	0
Operating Expenses	11,514,890	13,693,944	1,644,186	12.0%	15,338,130	1,644,186	12.0%	15,338,130
Capital Assets	3,553,629	5,497,996	1,132,960	20.6%	6,630,956	1,132,960	20.6%	6,630,956
Capital Construction Carryover	282,999	244,996	(244,996)	(100.0%)	0	0	0.0%	0
Grants-Game and Fish	5,779,386	7,334,412	2,193,772	29.9%	9,528,184	2,315,772	31.6%	9,650,184
Land Habitat & Deer Depredation	11,225,672	17,804,257	0	0.0%	17,804,257	27,800	0.2%	17,832,057
Noxious Weed Control	532,030	700,000	25,000	3.6%	725,000	25,000	3.6%	725,000
Missouri River Enforcement	231,886	282,540	0	0.0%	282,540	1,392	0.5%	283,932
Grant-Gift-Donation	480,360	827,519	(27,519)	(3.3%)	800,000	(24,068)	(2.9%)	803,451
Nongame Wildlife Conservation	36,861	120,000	0	0.0%	120,000	0	0.0%	120,000
Lonetree Reservoir	1,525,447	1,823,005	(35,580)	(2.0%)	1,787,425	(21,558)	(1.2%)	1,801,447
Wildlife Services	384,400	384,400	0	0.0%	384,400	0	0.0%	384,400
Total Line Items	61,037,661	78,383,311	4,485,838	5.7%	82,869,149	5,186,423	6.6%	83,569,734
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	25,247,677	34,917,894	3,035,275	8.7%	37,953,169	3,252,192	9.3%	38,170,086
Special Funds	35,789,984	43,465,417	1,450,563	3.3%	44,915,980	1,934,231	4.5%	45,399,648
Total Funding Source	61,037,661	78,383,311	4,485,838	5.7%	82,869,149	5,186,423	6.6%	83,569,734
Total FTE	158.00	163.00	0.00	0.0%	163.00	0.00	0.0%	163.00

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 (NDPRD) when it merged with the State Outdoor Recreation Agency. NDPRD currently operates within four 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, statewide comprehensive outdoor recreation and trail planning.
- 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.
- Lewis and Clark Interpretive Center, which also includes Fort Mandan, Fahlgren Park, and the Dakota Institute primarily offers interpretive programming and rental facilities for family and business gatherings.

In addition, as trustee for the state of North Dakota, NDPRD has general supervision over the lands comprising the ND portion of the International Peace Garden.

Major Accomplishments

1. Added additional PC's, POS software, upgraded to Windows 10, increased network speed and new network connections for multiple park locations.
2. Upgraded and made key changes made to the agency's reservation system: All state parks moved to 100.0 percent reservations for campsites, cabins, meeting facilities and shelters along with 4 horse parks and 48 horse corrals added to the system to meet the public's needs.
3. Increased system-wide reservations for campsites, cabins, meeting facilities and shelters by approximately 22.0 percent.
4. Increased camper nights by 8.0 percent. Increased rental of cabins, yurts, and tipis by 9.0 percent.

5. Upgraded seasonal housing to help attract seasonal employees to work at the parks along with increase seasonal base salary to \$12/hour.
6. Completed a concession study for several state parks, identifying appropriate and profitable services for the public.
7. Completed major trail construction and rerouting projects across the state.
8. Completed the legal requirements to accept a 100-acre land donation from a private estate.
9. Installed electric camping pad services to 45 campsites and constructed 1 full-service year-round yurt.
10. Installed electrical services to 18 campsites; major renovation of all asphalt roads and parking lots; and finalized the transfer of 33 acres of property to the ND Veteran's Cemetery.
11. Constructed a 3,500 square foot administrative office/visitor center, construction of 2 full-service year-round yurts.
12. Assisted staff at the International Peace Garden in developing management strategies for the garden facilities and infrastructure.
13. Implemented initiatives outlined in the Pembina Gorge State Recreation Area Master Plan.
14. Formed the Community Grant Advisory Committee, which selected and funded 14 community grant projects for a total of \$500,000.
15. Granted over \$2.0 million dollars in federal funds to over 30 projects statewide.
16. Increased off-highway vehicle registrations to over 39,000 registrations.
17. Completed the asset transfer and operational control of the Lewis and Clark Interpretive Center including Fort Mandan and the Dakota Institute.
18. Participated with Outdoor Heritage Fund with 3 projects for a total of \$281,382.

Executive Budget Recommendation

- Reduces \$2.1 million from the 2015-17 original legislative ongoing General Fund appropriation of \$16.7 million. This includes the reduction of 1.00 FTE and underfunds the department General Fund salaries by \$239,959. In addition, the General Fund portion of the seasonal salaries was underfunded by \$136,137.
- Provides additional special fund authority of \$1.4 million for park operations and maintenance and recreation divisions.

REQUEST/RECOMMENDATION COMPARISON SUMMARY**750 Parks and Recreation Department****Bill#: HB1019****Biennium: 2017-2019**

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	2,568,973	3,187,060	(515,822)	(16.2%)	2,671,238	(512,360)	(16.1%)	2,674,700
Recreation	4,082,117	7,297,120	(257,362)	(3.5%)	7,039,758	(254,182)	(3.5%)	7,042,938
Park Operations & Maintenance	24,139,906	34,727,382	(14,369,115)	(41.4%)	20,358,267	(14,630,447)	(42.1%)	20,096,935
Peace Garden	1,039,426	2,693,269	(1,816,940)	(67.5%)	876,329	(1,816,940)	(67.5%)	876,329
Lewis and Clark	116,849	1,005,279	25,327	2.5%	1,030,606	24,040	2.4%	1,029,319
Total Major Programs	31,947,271	48,910,110	(16,933,912)	(34.6%)	31,976,198	(17,189,889)	(35.1%)	31,720,221
By Line Item								
Accrued Leave	55,199	0	0	0.0%	0	0	0.0%	0
Capital Construction Carryover	1,044,843	1,152,355	(1,152,355)	(100.0%)	0	0	0.0%	0
Administration	2,558,574	3,187,060	(515,822)	(16.2%)	2,671,238	(512,360)	(16.1%)	2,674,700
Natural Resources	21,960,861	33,575,027	(13,216,760)	(39.4%)	20,358,267	(13,478,092)	(40.1%)	20,096,935
Recreation	5,171,519	7,297,120	(257,362)	(3.5%)	7,039,758	(254,182)	(3.5%)	7,042,938
Peace Garden	1,039,426	2,693,269	(1,816,940)	(67.5%)	876,329	(1,816,940)	(67.5%)	876,329
Lewis & Clark	116,849	1,005,279	25,327	2.5%	1,030,606	24,040	2.4%	1,029,319
Total Line Items	31,947,271	48,910,110	(16,933,912)	(34.6%)	31,976,198	(17,189,889)	(35.1%)	31,720,221
By Funding Source								
General Fund	20,548,561	33,779,536	(18,698,347)	(55.4%)	15,081,189	(18,963,212)	(56.1%)	14,816,324
Federal Funds	2,209,521	5,597,809	(344,380)	(6.2%)	5,253,429	(341,097)	(6.1%)	5,256,712
Special Funds	9,189,189	9,532,765	2,108,815	22.1%	11,641,580	2,114,420	22.2%	11,647,185
Total Funding Source	31,947,271	48,910,110	(16,933,912)	(34.6%)	31,976,198	(17,189,889)	(35.1%)	31,720,221
Total FTE	55.00	66.00	0.00	0.0%	66.00	(1.00)	(1.5%)	65.00

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 flood control, water supply systems, irrigation, dams, dikes, and drains. The third primary function of the Commission involves educating teachers and the public regarding the nature and occurrence of the state's water resources.

Major Accomplishments

1. Continued to provide technical assistance relating to legal actions affecting the advancement of the Northwest Area Water Supply.
2. Continued to operate two Devils Lake outlets that combined have a maximum operating capacity of 600 cubic feet per second.
3. Continued to operate the Tolna Coulee Control Structure, completed in 2012 by the U.S. Army Corps of Engineers to prevent a catastrophic overflow of Devils Lake floodwater into the Sheyenne River.
4. Contributed toward the advancement of other large-scale community flood control projects throughout the state in the Mouse River, Sheyenne River, and Red River basins.
5. Contributed funding assistance to advance rural flood control projects and floodwater retention efforts – primarily in the Red River Basin.

6. Provided financial support to the Garrison Diversion Conservancy District as required by Senate Bill 2020 to identify feasible and constructible routes for a water supply from the Missouri River system to areas in eastern North Dakota.
7. Continued to construct project elements related to the Southwest Pipeline Project, which served about 56,000 residents, including more than 6,300 rural customers, 33 communities, and 23 raw water customers.
8. Continued work through the Silver Jackets program to identify comprehensive, long-term flood solutions through a collaborative, interagency effort between state and federal authorities.
9. Conducted extensive ground and surface water evaluations in several areas throughout the state.
10. Approved state funding assistance through the state's water supply program for multiple rural and municipal water supply projects.
11. Continued implementation of North Dakota's Sovereign Land Management Plan.
12. Continued to deploy state-of-the-art remote telemetry water metering systems to track industrial water use in oil producing areas of the state.
13. Participated with the International Souris River Board and Souris Basin Task Force to review Souris River operating plans for water supply and flood control.
14. Worked with water project sponsors throughout the state to identify water project funding needs for the 2017-19 biennium and beyond.
15. Conducted State Water Commissioner-hosted meetings across the state to improve local participation in the water planning and budget development process.
16. Provided support for water education opportunities that involve thousands of grade school students from various grade levels.
17. Supported and conducted educational opportunities for formal and non-formal educators to increase understanding about North Dakota's water management and development efforts.

Executive Budget Recommendation

- Provides special fund authority to support the current FTE level and operations of the agency.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

770 Water Commission

Bill#: HB1020

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative and Support Services	4,556,738	5,535,618	78,689	1.4%	5,614,307	125,021	2.3%	5,660,639
Water and Atmospheric Resources	321,647,983	1,153,400,218	(412,211,318)	(35.7%)	741,188,900	(434,297,268)	(37.7%)	719,102,950
Total Major Programs	326,204,721	1,158,935,836	(412,132,629)	(35.6%)	746,803,207	(434,172,247)	(37.5%)	724,763,589
By Line Item								
Accrued Leave Payments	117,121	0	0	0.0%	0	0	0.0%	0
Administrative and Support Services	4,556,738	5,535,618	78,689	1.4%	5,614,307	125,021	2.3%	5,660,639
Water and Atmospheric Resources	321,530,862	1,153,400,218	(412,211,318)	(35.7%)	741,188,900	(434,297,268)	(37.7%)	719,102,950
Total Line Items	326,204,721	1,158,935,836	(412,132,629)	(35.6%)	746,803,207	(434,172,247)	(37.5%)	724,763,589
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	2,489,060	15,631,225	11,829,994	75.7%	27,461,219	11,842,662	75.8%	27,473,887
Special Funds	323,715,661	1,143,304,611	(423,962,623)	(37.1%)	719,341,988	(446,014,909)	(39.0%)	697,289,702
Total Funding Source	326,204,721	1,158,935,836	(412,132,629)	(35.6%)	746,803,207	(434,172,247)	(37.5%)	724,763,589
Total FTE	90.00	97.00	(1.00)	(1.0%)	96.00	(1.00)	(1.0%)	96.00

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, bridges, and transit services in North Dakota. 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 for business support, a deputy director for engineering, and a deputy director of vehicle services. In addition, the central office staff provides planning, programming, design, construction, maintenance, safety, driver's license, motor vehicle and business support services.

Major Accomplishments

1. Completed two large construction seasons during the 2015-17 biennium investing \$1.47 billion on state highways. The biennial budget of

approximately \$2.70 billion was utilized to provide transportation and motorist services, as well as maintain and improve state highways.

2. Invested approximately \$562.0 million in county road improvements and \$109.0 million on urban road projects.
3. Completed major construction projects including:
 - Williston Permanent Northwest Truck Reliever Route
 - New Town Main Street
 - Sorlie Memorial Bridge in Grand Forks
 - West Fargo Main Avenue
 - Westbound I-94 from near Montana state line to Missouri River
 - Roundabout at junction of US 52 and ND 200 in Carrington
 - Dickinson NW Permanent Bypass
 - Expedited repairs on damaged pavement of several state highways.
 - Completed several road projects in Williston, Dickinson, Bismarck, Minot, Devils Lake, Valley City, Grand Forks and Fargo Districts.

Executive Budget Recommendation

- Provides \$768.0 million in federal and matching funds for roadway and bridge construction.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

801 Department of Transportation

Bill#: SB2012

Biennium: 2017-2019

Description	Expenditures Prev Biennium 2013-2015	Present Budget 2015-2017	2017-2019 Requested		Requested Budget 2017-2019	2017-2019 Recommended		Executive Recommendation 2017-2019
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	44,903,786	51,047,605	(10,140,186)	(19.9%)	40,907,419	(9,802,970)	(19.2%)	41,244,635
Drivers and Vehicle Services	43,556,757	62,526,724	(14,588,951)	(23.3%)	47,937,773	(14,174,721)	(22.7%)	48,352,003
Highways	2,763,293,536	3,321,209,465	(2,208,131,035)	(66.5%)	1,113,078,430	(2,205,274,721)	(66.4%)	1,115,934,744
Fleet Services	66,710,196	88,955,390	(17,729,976)	(19.9%)	71,225,414	(17,616,548)	(19.8%)	71,338,842
Total Major Programs	2,918,464,275	3,523,739,184	(2,250,590,148)	(63.9%)	1,273,149,036	(2,246,868,960)	(63.8%)	1,276,870,224
By Line Item								
Salaries and Wages	191,188,854	210,049,928	(8,941,762)	(4.3%)	201,108,166	(5,220,574)	(2.5%)	204,829,354
Accrued Leave Payments	773,752	0	0	0.0%	0	0	0.0%	0
Operating Expenses	222,499,777	272,396,089	(38,000,717)	(14.0%)	234,395,372	(38,000,717)	(14.0%)	234,395,372
Capital Assets	739,674,231	729,208,818	40,908,650	5.6%	770,117,468	40,908,650	5.6%	770,117,468
Capital Improvements-Carryover	9,075,617	23,900,420	(23,900,420)	(100.0%)	0	0	0.0%	0
Enhanced State Highway Investment	870,993,216	1,220,831,995	(1,220,831,995)	(100.0%)	0	0	0.0%	0
Grants	61,124,183	73,651,022	(6,122,992)	(8.3%)	67,528,030	(6,122,992)	(8.3%)	67,528,030
County & Township Road Program	162,690,601	237,309,399	(237,309,399)	(100.0%)	0	0	0.0%	0
Non-Oil Producing Counties	117,744,044	226,255,955	(226,255,955)	(100.0%)	0	0	0.0%	0
General Fund Transfer	542,700,000	523,315,558	(523,315,558)	(100.0%)	0	0	0.0%	0
General License Plate Issue	0	6,820,000	(6,820,000)	(100.0%)	0	0	0.0%	0
Total Line Items	2,918,464,275	3,523,739,184	(2,250,590,148)	(63.9%)	1,273,149,036	(2,246,868,960)	(63.8%)	1,276,870,224
By Funding Source								
General Fund	1,382,730,957	656,760,661	(656,760,661)	(100.0%)	0	(656,760,661)	(100.0%)	0
Federal Funds	600,581,724	616,461,731	56,363,339	9.1%	672,825,070	56,924,861	9.2%	673,386,592
Special Funds	935,151,594	2,250,516,792	(1,650,192,826)	(73.3%)	600,323,966	(1,647,033,160)	(73.2%)	603,483,632
Total Funding Source	2,918,464,275	3,523,739,184	(2,250,590,148)	(63.9%)	1,273,149,036	(2,246,868,960)	(63.8%)	1,276,870,224
Total FTE	1,079.50	1,080.50	(26.49)	(2.5%)	1,054.01	(26.49)	(2.5%)	1,054.01

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2017-2019**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
101	Office of the Governor					
	Base Budget Request	18.00	3,961,301	0	0	3,961,301
	Total	18.00	3,961,301	0	0	3,961,301
108	Secretary of State					
	Base Budget Request	34.00	6,422,720	400,000	1,464,725	8,287,445
	01 SOS Operational Increases	0.00	260,000	0	266,000	526,000
	02 Overtime and Temporary Salary	0.00	515,000	0	0	515,000
	03 Public Printing Operational Increases	0.00	25,081	0	0	25,081
	Total	34.00	7,222,801	400,000	1,730,725	9,353,526
110	Office of Management and Budget					
	Base Budget Request	119.00	31,011,637	0	9,377,892	40,389,529
	01 Optional Surplus Property Building	0.00	0	0	800,000	800,000
	Total	119.00	31,011,637	0	10,177,892	41,189,529
112	Information Technology					
	Base Budget Request	350.30	21,859,309	2,875,000	149,248,488	173,982,797
	CDE Increased Demand	0.00	707,000	0	0	707,000
	CDE West Office & STEM Expansion	0.00	250,000	0	0	250,000
	NDHIN Expansion	0.00	0	0	43,555,133	43,555,133
	SIRN	0.00	56,554,000	0	8,796,000	65,350,000
	Total	350.30	79,370,309	2,875,000	201,599,621	283,844,930
117	Office of the State Auditor					
	Base Budget Request	59.80	9,533,437	1,447,644	2,127,348	13,108,429
	04 Restore NDUS Performance Funding	0.00	652,692	0	0	652,692
	05 Restore Salary Funding	0.00	117,118	0	0	117,118
	06 Add two performance auditors	2.00	324,752	0	0	324,752
	Total	61.80	10,627,999	1,447,644	2,127,348	14,202,991
120	Office of the State Treasurer					
	Base Budget Request	8.00	1,809,588	0	0	1,809,588
	01 Coal Severance Shortfall Increase to fulfill N	0.00	39,000	0	0	39,000
	Total	8.00	1,848,588	0	0	1,848,588
125	Office of the Attorney General					
	Base Budget Request	244.00	48,137,540	9,984,736	19,301,539	77,423,815
	01 Restore BCI General fund reductions	3.00	1,100,526	0	0	1,100,526
	02 Crime Statistics Repository Replacement	0.00	280,000	0	0	280,000
	03 Manual Disaster Failover/ Disaster Recovery IT	0.00	29,357	0	0	29,357

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2017-2019**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	04 BCI vehicle radio upgrades due to FCC regulati	0.00	220,000	0	0	220,000
	05 Restore Fire Marshal operating expenses	0.00	40,000	0	0	40,000
	06 BCI undercover vehicle replacements	0.00	300,000	0	0	300,000
	07 Crime Lab scientific equipment maintenance agr	0.00	76,900	0	0	76,900
	08 Statewide Victim and Informatin Notification P	0.00	92,633	0	0	92,633
	09 SAVIN temporary salaries	0.00	50,000	0	0	50,000
	10 Common Statute Table/JustWare legal and busine	0.00	50,000	0	0	50,000
	11 Statewide Victim and Information notification	0.00	9,480	0	0	9,480
	12 State's Attorney Records Management licenses	0.00	82,000	0	0	82,000
	13 State's Attorney Case Management System ITD ho	0.00	66,000	0	0	66,000
	14 Portfolio Management and Business Analysis/Pro	0.00	125,000	0	0	125,000
	15 CJIS Portal record source interface changes	0.00	100,000	0	0	100,000
	16 Statewide Victim and Information Notification	0.00	55,000	0	0	55,000
	17 Rewrite DOS based office-wide deposit system	0.00	100,000	0	0	100,000
	18 CJIS application security analysis	0.00	50,688	0	0	50,688
	19 CJIS application security remediation	0.00	80,000	0	0	80,000
	20 BCI camera replacements	0.00	57,400	0	0	57,400
	21 Funding Source Change	0.00	0	302,181	0	302,181
	Total	247.00	51,102,524	10,286,917	19,301,539	80,690,980
127	Office of State Tax Commissioner					
	Base Budget Request	136.00	51,266,130	125,000	0	51,391,130
	01 Multistate Tax Commission Audit and Nexus prog	0.00	451,026	0	0	451,026
	02 Restore salary adjustment package 1	0.00	830,592	0	0	830,592
	03 Restore operating expenses	0.00	405,731	0	0	405,731
	04 Restore salary adjustment package 2	0.00	580,104	0	0	580,104
	05 Temporary Salaries and Wages	0.00	210,111	0	0	210,111
	06 Equity	0.00	269,380	0	0	269,380
	07 Disabled Veterans program increase	0.00	1,589,800	0	0	1,589,800
	Total	136.00	55,602,874	125,000	0	55,727,874
140	Office of Administrative Hearings					
	Base Budget Request	5.00	0	0	2,934,904	2,934,904
	Total	5.00	0	0	2,934,904	2,934,904
150	Legislative Assembly					
	Base Budget Request	0.00	14,717,768	0	0	14,717,768
	Total	0.00	14,717,768	0	0	14,717,768
160	Legislative Council					
	Base Budget Request	36.00	12,105,401	0	70,000	12,175,401
	Total	36.00	12,105,401	0	70,000	12,175,401

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2017-2019**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
180	Judicial Branch					
	Base Budget Request	354.50	100,879,621	1,339,140	482,702	102,701,463
	Total	354.50	100,879,621	1,339,140	482,702	102,701,463
188	Commission on Legal Counsel for Indigents					
	Base Budget Request	40.00	16,456,369	0	1,916,963	18,373,332
	01 Restore 10% budget reduction	0.00	1,818,183	0	0	1,818,183
	02 Additional funding to help with rising caseload	0.00	500,000	0	0	500,000
	03 Funding to bring salaries up to equivalent pos	0.00	779,429	0	0	779,429
	04 Funding to Convert 1 Temp attorney to FTE	1.00	220,198	0	0	220,198
	05 Funding to Conver 2 Temp admin to FTEs	2.00	241,825	0	0	241,825
	Total	43.00	20,016,004	0	1,916,963	21,932,967
190	Retirement and Investment Office					
	Base Budget Request	19.00	0	0	5,421,039	5,421,039
	01 Cyber Risk Insurance	0.00	0	0	75,000	75,000
	Total	19.00	0	0	5,496,039	5,496,039
192	Public Employees Retirement System					
	Base Budget Request	34.50	0	0	9,397,321	9,397,321
	01 Cyber Insurance	0.00	0	0	125,000	125,000
	02 WSI Office Move	0.00	0	0	11,318	11,318
	03 Office Remodel	0.00	0	0	30,000	30,000
	04 Self Funded Insurance FTE	2.00	0	0	428,139	428,139
	Total	36.50	0	0	9,991,778	9,991,778
201	Department of Public Instruction					
	Base Budget Request	97.75	1,802,208,366	288,125,284	221,007,191	2,311,340,841
	Change in Foundation Aid and funding mix	0.00	(59,895,000)	0	82,130,000	22,235,000
	Restore Adult Education Matching Funds grant fun	0.00	40,000	0	0	40,000
	Restore Continuing Ed Grants for Counselors fund	0.00	25,000	0	0	25,000
	Restore English Language Learner grant funding	0.00	250,000	0	0	250,000
	Restore Gearing up for Kindergarten grant fundin	0.00	75,000	0	0	75,000
	Restore Global Bridges grant funding	0.00	50,000	0	0	50,000
	Restore ND LEAD Center grant funding	0.00	7,500	0	0	7,500
	Restore ND Museum of Art grant funding	0.00	20,000	0	0	20,000
	Restore North Central Council for School Televis	0.00	35,000	0	0	35,000
	Restore Northern Plains Writing Project grant fu	0.00	10,000	0	0	10,000
	Restore Red River Writing Project grant funding	0.00	10,000	0	0	10,000
	Restore Teacher Suport System grant funding	0.00	700,000	0	0	700,000
	Restore Teacher/Principal Evaluation grant fundi	0.00	40,000	0	0	40,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2017-2019

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	Restore We the People grant funding	0.00	5,000	0	0	5,000
	Total	97.75	1,743,580,866	288,125,284	303,137,191	2,334,843,341
215	ND University System					
	Base Budget Request	148.40	105,241,854	1,006,472	24,994,420	131,242,746
	01 Financial Aid System Development	0.00	450,000	0	0	450,000
	01 Restore 10 Percent Base Reduction	10.00	10,914,694	0	0	10,914,694
	02 NDUS Website Update	0.00	30,000	0	0	30,000
	02 Systemwide Learning Mgmt System	0.00	2,600,000	0	0	2,600,000
	03 Policy Director	1.00	245,000	0	0	245,000
	Total	159.40	119,481,548	1,006,472	24,994,420	145,482,440
226	Department of Trust Lands					
	Base Budget Request	31.00	0	0	8,023,487	8,023,487
	IT system replacement	0.00	0	0	5,520,000	5,520,000
	Travel expenditures	0.00	0	0	30,000	30,000
	01 New FTE - Geographic Informaton Systems Specia	1.00	0	0	200,105	200,105
	02 New FTE - Mineral Title Specialist	1.00	0	0	213,976	213,976
	Total	33.00	0	0	13,987,568	13,987,568
227	Bismarck State College					
	Base Budget Request	358.35	34,007,018	0	72,346,798	106,353,816
	01 Restore 10 Percent Base Reduction	12.00	3,658,083	0	0	3,658,083
	Total	370.35	37,665,101	0	72,346,798	110,011,899
228	Lake Region State College					
	Base Budget Request	129.61	14,114,441	0	23,886,987	38,001,428
	01 Restore 10 Percent Base Reduction	10.00	1,498,756	0	0	1,498,756
	Total	139.61	15,613,197	0	23,886,987	39,500,184
229	Williston State College					
	Base Budget Request	100.75	9,291,184	0	19,718,114	29,009,298
	01 Restore 10 Percent Base Reduction	1.00	1,024,826	0	0	1,024,826
	Total	101.75	10,316,010	0	19,718,114	30,034,124
230	University of North Dakota					
	Base Budget Request	2,218.07	156,031,241	0	723,665,471	879,696,712
	01 Restore 10 Percent Base Reduction	104.67	16,641,805	0	0	16,641,805
	02 Major Capital Projects	0.00	0	0	91,000,000	91,000,000
	Total	2,322.74	172,673,046	0	814,665,471	987,338,517

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2017-2019

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
232	UND Medical Center					
	Base Budget Request	435.75	56,918,137	0	139,771,764	196,689,901
	01 Restore 10 Percent Base Reduction	16.00	5,819,044	0	0	5,819,044
	02 Healthcare Workforce Initiative	20.00	7,000,000	0	0	7,000,000
	Total	471.75	69,737,181	0	139,771,764	209,508,945
235	North Dakota State University					
	Base Budget Request	1,895.66	144,556,275	0	608,022,650	752,578,925
	Major Capital Projects	0.00	49,111,685	0	49,505,000	98,616,685
	01 Restore 10 Percent Base Reduction	95.00	15,741,054	0	0	15,741,054
	Total	1,990.66	209,409,014	0	657,527,650	866,936,664
238	ND State College of Science					
	Base Budget Request	345.04	38,995,483	0	57,133,777	96,129,260
	01 Restore 10 Percent Base Reduction	1.00	4,473,176	0	0	4,473,176
	Total	346.04	43,468,659	0	57,133,777	100,602,436
239	Dickinson State University					
	Base Budget Request	168.90	19,784,124	0	29,569,417	49,353,541
	01 Restore 96 Pct Funding Formula Limit	15.21	2,866,439	0	0	2,866,439
	02 Restore 10 Percent Base Reduction	14.80	2,621,594	0	0	2,621,594
	Total	198.91	25,272,157	0	29,569,417	54,841,574
240	Mayville State University					
	Base Budget Request	210.53	15,831,890	0	29,896,741	45,728,631
	01 Restore 10 Percent Base Reduction	10.30	1,673,915	0	0	1,673,915
	Total	220.83	17,505,805	0	29,896,741	47,402,546
241	Minot State University					
	Base Budget Request	441.65	44,164,950	0	61,364,596	105,529,546
	Restore 10 Percent Base Reduction	30.50	4,875,818	0	0	4,875,818
	Total	472.15	49,040,768	0	61,364,596	110,405,364
242	Valley City State University					
	Base Budget Request	202.75	22,698,005	0	28,172,913	50,870,918
	Major Capital Projects	0.00	26,625,500	0	0	26,625,500
	01 Restore 10 Percent Base Reduction	15.00	2,546,967	0	0	2,546,967
	Total	217.75	51,870,472	0	28,172,913	80,043,385
243	Dakota College at Bottineau					
	Base Budget Request	84.30	8,504,861	0	9,507,484	18,012,345

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2017-2019

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	01 Restore 10 Percent Base Reduction	1.75	870,362	0	0	870,362
	Total	86.05	9,375,223	0	9,507,484	18,882,707
244	ND Forest Service					
	Base Budget Request	27.00	4,583,951	0	10,650,747	15,234,698
	01 Restore 10 Percent Base Reduction	2.00	500,784	0	0	500,784
	Total	29.00	5,084,735	0	10,650,747	15,735,482
250	State Library					
	Base Budget Request	29.75	5,983,022	2,145,608	91,852	8,220,482
	Total	29.75	5,983,022	2,145,608	91,852	8,220,482
252	School for Deaf/Res Ctr for Deaf and HoH					
	Base Budget Request	45.61	8,518,933	339,756	3,048,293	11,906,982
	Total	45.61	8,518,933	339,756	3,048,293	11,906,982
253	ND Vision Services/School for the Blind					
	Base Budget Request	29.50	4,794,160	0	876,985	5,671,145
	01 Replace water line	0.00	0	0	60,000	60,000
	04 Replace roof top air unit East Wing	0.00	0	0	8,500	8,500
	05 Replace carpet and update reception area	0.00	0	0	30,000	30,000
	Total	29.50	4,794,160	0	975,485	5,769,645
270	Career and Technical Education					
	Base Budget Request	25.50	30,602,424	9,461,691	154,974	40,219,089
	02 Cost to Continue	0.00	500,000	0	0	500,000
	03 Funding for new programs	0.00	700,000	0	0	700,000
	04 Restore reimbursement rates to schools	0.00	2,768,131	0	0	2,768,131
	05 Restore Agency operating	0.00	323,340	0	0	323,340
	Total	25.50	34,893,895	9,461,691	154,974	44,510,560
301	ND Department of Health					
	Base Budget Request	364.00	47,236,305	118,438,137	21,324,806	186,999,248
	01 Data Security	0.00	325,000	75,000	0	400,000
	Total	364.00	47,561,305	118,513,137	21,324,806	187,399,248
305	Tobacco Prevention and Control					
	Base Budget Request	8.00	0	0	18,254,923	18,254,923
	01 Change Temp position to Regular FTE	1.00	0	0	220,295	220,295
	Total	9.00	0	0	18,475,218	18,475,218

OPTIONAL ADJUSTMENT REQUESTS

OPTIONAL ADJUSTMENT PACKAGE

Biennium: 2017-2019

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
313	Veterans Home					
	Base Budget Request	120.72	7,876,068	0	16,503,697	24,379,765
	Total	120.72	7,876,068	0	16,503,697	24,379,765
316	Indian Affairs Commission					
	Base Budget Request	4.00	1,101,492	0	0	1,101,492
	Total	4.00	1,101,492	0	0	1,101,492
321	Department of Veterans Affairs					
	Base Budget Request	9.00	1,395,166	1,988,422	0	3,383,588
	01 Restore base budget funding	0.00	76,877	0	0	76,877
	02 Salary Equity Funding	0.00	96,143	0	0	96,143
	03 Funding for Stand Downs	0.00	20,000	0	0	20,000
	04 Service Dogs for Veterans with PTSD	0.00	50,000	0	0	50,000
	05 Training Position	1.00	145,152	0	0	145,152
	06 Veterans Organizations NSO Office	0.00	300,000	0	0	300,000
	07 Temp Employees	0.00	49,500	0	0	49,500
	08 Marketing/Advertising	0.00	20,000	0	0	20,000
	09 Funding for Vans	0.00	30,000	0	0	30,000
	10 Increase to the Principal of the Post War Trus	0.00	1,750,000	0	0	1,750,000
	11 Website Upgrade	0.00	67,689	0	0	67,689
	12 Agent Orange Outreach	0.00	50,000	0	0	50,000
	Total	10.00	4,050,527	1,988,422	0	6,038,949
325	Department of Human Services					
	Base Budget Request	2,187.23	1,371,145,943	1,967,078,953	139,883,548	3,478,108,444
	Agency Website Redesign	0.00	161,580	38,420	0	200,000
	Employment and Training Program	0.00	173,250	554,400	0	727,650
	Human Services Financing	0.00	(32,942,268)	(16,519,413)	291,519,413	242,057,732
	IT - Health Information Technology / Care Coordi	0.00	0	40,800,000	0	40,800,000
	Increase Age of Autism Waiver through 11 years (0.00	367,256	367,275	0	734,531
	Increase Autism Voucher Slots (7/2017 effective	0.00	250,000	0	0	250,000
	Increase Autism Waiver Slots (12/2017 effective	0.00	3,810,445	3,810,471	0	7,620,916
	Inflation 1%1%	0.00	15,142,932	13,323,833	0	28,466,765
	Master Plan - Buildings & Infrastructure	0.00	150,000	0	0	150,000
	Money Follows the Person Sustainability	0.00	527,954	527,953	0	1,055,907
	ND State Council on Developmental Disabilities FT	1.00	1,536	127,473	0	129,009
	OPIOID Treatment	1.00	1,799,075	1,799,076	0	3,598,151
	Physical Therapy/Occupational Therapy/Speech The	0.00	666,724	666,725	0	1,333,449
	Restore 10% Rate Reductions to Homemaker Service	0.00	293,915	29,068	0	322,983
	Restore Adaptive Outdoor Recreation Program (Ann	0.00	200,000	0	0	200,000
	Restore Assistive Technology One-Time Funding (2	0.00	160,000	0	0	160,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2017-2019**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	Restore Basic Care Rate Reductions (7/2017 Effec	0.00	1,844,869	207,601	0	2,052,470
	Restore Community of Care	0.00	120,000	0	0	120,000
	Restore Dementia Care Reduction	0.00	150,000	0	0	150,000
	Restore Early Childhood Enhanced Services	0.00	850,000	0	0	850,000
	Restore Family Subsidy Program (Includes 1%/1% I	0.00	317,688	0	0	317,688
	Restore Governor's Committee on Aging Reduction	0.00	15,495	0	0	15,495
	Restore Nursing Home Rate Reductions (7/2017 Eff	0.00	10,586,708	10,586,695	0	21,173,403
	Restore State Median Income for Child Care Eligi	0.00	7,191,962	578,229	0	7,770,191
	Specialized Services for Individuals with Develop	1.00	350,307	360,666	0	710,973
	Total	2,190.23	1,383,335,371	2,024,337,425	431,402,961	3,839,075,757
360	Protection and Advocacy					
	Base Budget Request	27.50	2,973,108	3,422,623	0	6,395,731
	Total	27.50	2,973,108	3,422,623	0	6,395,731
380	Job Service North Dakota					
	Base Budget Request	181.61	1,826,245	52,687,050	1,042,982	55,556,277
	Total	181.61	1,826,245	52,687,050	1,042,982	55,556,277
401	Office of the Insurance Commissioner					
	Base Budget Request	47.00	0	619,326	26,585,086	27,204,412
	Total	47.00	0	619,326	26,585,086	27,204,412
405	Industrial Commission					
	Base Budget Request	105.25	23,933,104	238,003	15,086,620	39,257,727
	01 Inflation/Restoration	0.00	321,375	0	0	321,375
	02 Litigation Costs	0.00	1,000,000	0	0	1,000,000
	03 (1) FTE ET Pipeline	1.00	205,874	0	0	205,874
	04 (1) FTE Engineering Tech	1.00	152,943	0	0	152,943
	05 (1) FTE ET Measurement	1.00	229,874	0	0	229,874
	06 (1) FTE Engineering Tech	1.00	209,079	0	0	209,079
	07 (4) FTE Contingent ET	4.00	836,314	0	0	836,314
	08 Advertising Restoration	0.00	52,000	0	0	52,000
	09 (1) FTE Engineering Tech	1.00	153,013	0	0	153,013
	Total	114.25	27,093,576	238,003	15,086,620	42,418,199
406	Department of Labor and Human Rights					
	Base Budget Request	14.00	2,266,821	439,916	0	2,706,737
	Total	14.00	2,266,821	439,916	0	2,706,737
408	Public Service Commission					

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2017-2019**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	Base Budget Request	44.00	6,863,130	10,354,812	1,548,345	18,766,287
	05 Convert Rail Temp to FTE	1.00	0	0	226,277	226,277
	06 Specialized Legal Services	0.00	414,000	336,000	0	750,000
	07 Natural Gas Pipeline Inspector	1.00	163,989	163,988	0	327,977
	Total	46.00	7,441,119	10,854,800	1,774,622	20,070,541
412	Aeronautics Commission					
	Base Budget Request	7.00	900,000	1,025,000	8,791,829	10,716,829
	05 Request one-time Airport Grant Funding	0.00	9,000,000	0	0	9,000,000
	10 Energy Impact - One time airport grant funding	0.00	25,000,000	0	0	25,000,000
	Total	7.00	34,900,000	1,025,000	8,791,829	44,716,829
413	Department of Financial Institutions					
	Base Budget Request	30.00	0	0	8,543,869	8,543,869
	Total	30.00	0	0	8,543,869	8,543,869
414	Securities Department					
	Base Budget Request	9.00	2,196,822	0	170,000	2,366,822
	02 Change from General to Special Funded	0.00	64,000	0	0	64,000
	Total	9.00	2,260,822	0	170,000	2,430,822
471	Bank of North Dakota					
	Base Budget Request	181.50	0	0	60,027,019	60,027,019
	Total	181.50	0	0	60,027,019	60,027,019
473	ND Housing Finance Agency					
	Base Budget Request	46.00	0	31,244,828	13,614,546	44,859,374
	Total	46.00	0	31,244,828	13,614,546	44,859,374
475	ND Mill and Elevator Association					
	Base Budget Request	147.00	0	0	67,723,388	67,723,388
	New hires	6.00	0	0	768,892	768,892
	Total	153.00	0	0	68,492,280	68,492,280
485	Workforce Safety and Insurance					
	Base Budget Request	260.14	0	0	64,433,889	64,433,889
	01 CAPS System Replacement Project	0.00	0	0	8,120,097	8,120,097
	02 Internal Reporting System Project	0.00	0	0	275,000	275,000
	03 Extranet Project	0.00	0	0	538,500	538,500
	Total	260.14	0	0	73,367,486	73,367,486

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2017-2019**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
504	Highway Patrol					
	Base Budget Request	206.00	41,724,041	6,375,211	6,639,096	54,738,348
	01 Restore Salaries for 7 Sworn FTEs	0.00	1,378,724	0	199,818	1,578,542
	02 On-Call Pay	0.00	323,750	0	46,250	370,000
	03 Ongoing IT, Bldg Leases, Indoor Shooting Range	0.00	138,000	0	18,000	156,000
	04 Taser and AED Equipment	0.00	314,000	0	44,000	358,000
	Total	206.00	43,878,515	6,375,211	6,947,164	57,200,890
530	Department of Corrections and Rehabilitation					
	Base Budget Request	836.29	214,072,954	10,007,625	27,181,167	251,261,746
	01 IT-EMR System Replacement	0.00	935,907	0	0	935,907
	02 YCC Security Positions - PREA	10.00	1,289,176	0	0	1,289,176
	03 Contract Housing and Programming	0.00	4,747,010	0	0	4,747,010
	04 DWCRC Optional Requests	0.00	739,125	0	0	739,125
	Total	846.29	221,784,172	10,007,625	27,181,167	258,972,964
540	Office of the Adjutant General					
	Base Budget Request	234.00	27,159,094	130,491,836	13,169,120	170,820,050
	01 ND National Guard Readiness Center	0.00	0	32,000,000	1,000,000	33,000,000
	Total	234.00	27,159,094	162,491,836	14,169,120	203,820,050
601	Department of Commerce					
	Base Budget Request	69.40	33,105,475	48,244,683	11,635,603	92,985,761
	01 Tourism marketing	0.00	2,250,000	0	0	2,250,000
	02 Entrepreneurial Grants and Vouchers	0.00	1,750,000	0	0	1,750,000
	03 Research ND	0.00	4,500,000	0	0	4,500,000
	04 Unmanned Aerial Systems Test Site	0.00	2,500,000	0	0	2,500,000
	Total	69.40	44,105,475	48,244,683	11,635,603	103,985,761
602	Department of Agriculture					
	Base Budget Request	76.00	9,567,162	12,042,735	8,640,456	30,250,353
	01 National Agricultural Genotyping Center	0.00	250,000	0	0	250,000
	02 Industrial Hemp Program	0.00	64,000	0	0	64,000
	Total	76.00	9,881,162	12,042,735	8,640,456	30,564,353
627	Upper Great Plains Transportation Institute					
	Base Budget Request	43.88	3,722,694	12,233,862	6,101,763	22,058,319
	01 Restoration of 10 Pct Budget Reduction	1.30	409,710	0	0	409,710
	02 UGPTI Initiatives	2.25	1,325,000	0	0	1,325,000
	Total	47.43	5,457,404	12,233,862	6,101,763	23,793,029

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2017-2019**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
628	Branch Research Centers					
	Base Budget Request	110.29	18,015,054	0	19,847,873	37,862,927
	01 Restoration of 10 Pct Budget Reduction	10.00	1,979,845	0	0	1,979,845
	02 SBARE Initiatives	0.45	905,000	0	0	905,000
	Total	120.74	20,899,899	0	19,847,873	40,747,772
630	NDSU Extension Service					
	Base Budget Request	255.98	27,100,244	7,740,790	18,351,346	53,192,380
	01 Restoration of 10 Pct Budget Reduction	10.00	2,977,569	0	0	2,977,569
	02 SBARE Initiatives	6.00	2,620,000	0	0	2,620,000
	Total	271.98	32,697,813	7,740,790	18,351,346	58,789,949
638	Northern Crops Institute					
	Base Budget Request	11.80	1,918,341	0	1,750,895	3,669,236
	01 Restoration of 10 Pct Budget Reduction	0.00	210,216	0	0	210,216
	Total	11.80	2,128,557	0	1,750,895	3,879,452
640	NDSU Main Research Center					
	Base Budget Request	336.12	52,249,539	8,419,260	48,725,368	109,394,167
	01 Major Capital Projects	0.00	52,800,000	0	0	52,800,000
	01 Restoration of 10 Pct Budget Reduction	25.00	5,734,511	0	0	5,734,511
	02 Optional One Time Requests	0.00	1,840,465	0	0	1,840,465
	02 SBARE Initiatives	3.00	3,155,000	0	0	3,155,000
	Total	364.12	115,779,515	8,419,260	48,725,368	172,924,143
649	Agronomy Seed Farm					
	Base Budget Request	3.00	0	0	1,528,164	1,528,164
	Total	3.00	0	0	1,528,164	1,528,164
665	ND State Fair					
	Base Budget Request	0.00	513,000	0	0	513,000
	01 Exhibitor premium funding	0.00	57,000	0	0	57,000
	Total	0.00	570,000	0	0	570,000
670	ND Horse Racing Commission					
	Base Budget Request	2.00	378,167	0	162,557	540,724
	Total	2.00	378,167	0	162,557	540,724
701	Historical Society					
	Base Budget Request	75.00	16,911,645	3,139,219	0	20,050,864
	01 Restore Temporary Salaries Base Reduction	0.00	364,865	0	0	364,865

OPTIONAL ADJUSTMENT REQUESTS

OPTIONAL ADJUSTMENT PACKAGE

Biennium: 2017-2019

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	Total	75.00	17,276,510	3,139,219	0	20,415,729
709	Council on the Arts					
	Base Budget Request	5.00	1,582,609	1,675,407	137,515	3,395,531
	01 New FTE	2.00	256,832	0	0	256,832
	02 Salary Adjustments	0.00	69,000	0	0	69,000
	03 Restore Cuts Made to Operating and Grants	0.00	174,542	0	0	174,542
	Total	7.00	2,082,983	1,675,407	137,515	3,895,905
720	Game and Fish Department					
	Base Budget Request	163.00	0	37,953,169	44,915,980	82,869,149
	01 New Fisheries Wildlife Tech II FTE	1.00	0	103,541	160,514	264,055
	02 New Game Warden FTE	1.00	0	15,431	216,247	231,678
	03 New Fisheries Biologist I FTE	1.00	0	118,672	39,557	158,229
	Total	166.00	0	38,190,813	45,332,298	83,523,111
750	Parks and Recreation Department					
	Base Budget Request	66.00	15,081,189	5,253,429	11,641,580	31,976,198
	01 Add 17-19 One Time Equipment - Utility Vehicle	0.00	308,000	0	0	308,000
	02 Add 17-19 One time Retirement Leave Payout	0.00	100,000	0	0	100,000
	04 Add Operating Costs for L&CIC	0.00	350,222	0	0	350,222
	05 Add Temporary Salaries for L&CIC - General Fun	0.00	496,057	0	0	496,057
	07 Add 17-19 Extraordinary Repairs - OPTIONAL	0.00	2,535,500	0	0	2,535,500
	08 Add new FTE - Park Ranger - Recreation Divisio	1.00	0	0	147,161	147,161
	Total	67.00	18,870,968	5,253,429	11,788,741	35,913,138
770	Water Commission					
	Base Budget Request	96.00	0	27,461,219	719,341,988	746,803,207
	Total	96.00	0	27,461,219	719,341,988	746,803,207
801	Department of Transportation					
	Base Budget Request	1,054.01	0	672,825,070	600,323,966	1,273,149,036
	Total	1,054.01	0	672,825,070	600,323,966	1,273,149,036
	Total All Agencies	16,388.92	5,108,387,307	3,579,024,201	4,863,600,758	13,551,012,266

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
108 Secretary of State			
HHS-HAVA	83,521	83,521	83,521
Title II Fed Election Funds	1,425,014	316,479	319,922
Total	1,508,535	400,000	403,443
112 Information Technology			
FirstNet	2,013,121	1,800,000	1,800,000
GIS Grant	75,000	75,000	75,000
HIE Grant	500,000	500,000	500,000
RUS Grant	500,000	500,000	500,000
Total	3,088,121	2,875,000	2,875,000
117 Office of the State Auditor			
Royalty Audit Program	1,497,451	1,447,644	1,470,381
Total	1,497,451	1,447,644	1,470,381
125 Office of the Attorney General			
Bulletproof Vest Partnership Progra	5,000	5,000	5,000
Convicted Offender DNA Backlog	270,000	270,000	270,000
Cops Rural Meth Initiative 06	356,200	873,854	873,853
Coverdell - Natl Forensic Improve F	210,692	0	0
Crime Lab Forensic Casework DNA	446,448	446,448	446,448
Crime Lab Improvement Project	330,000	(121,734)	(121,734)
Crime Labe DNA Capacity Enhance.	322,038	393,500	393,500
DOT HW Safety Grant	923,357	200,000	200,000
DOT Hwy. Safety Plan	75,000	283,010	283,010
Internet Crimes Against Children 20	465,663	704,122	704,122
JAG Grant	1,884,448	1,582,178	1,582,178
Justice Assistance Grant (JAG)	507,302	548,540	813,169
Midwest HIDTA 2010	1,253,067	1,401,013	1,401,011
NARIP - National Instant Check Syst	100,000	100,000	100,000
New Grant AG'S Office	0	756,608	756,608
OCDETF	98,000	180,297	180,297
Paul Coverdell Grant	40,000	40,000	40,000
Project Safe Neighborhood	0	130,000	130,000
Residential Substance Abuse Tr	150,000	100,000	100,000
SEARCH	650,000	650,000	650,000
SMART (Sex Offenses)	0	517,809	517,809
SMART Grant	233,425	233,425	233,425
State Domestic Preparedness Grant	748,409	524,869	524,871
Statistical Analysis Center	155,000	165,797	165,797

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Total	9,224,049	9,984,736	10,249,364
127 Office of State Tax Commissioner			
Motor Fuel Tax Grant	125,000	125,000	125,000
Total	125,000	125,000	125,000
180 Judicial Branch			
Child Support	1,352,881	1,339,140	1,339,138
Crt. Improvement Basic	194,869	0	0
Crt. Improvement Data Share	187,200	0	0
Crt. Improvement Training	187,200	0	0
Total	1,922,150	1,339,140	1,339,138
201 Department of Public Instruction			
21st Century/After School Learning	11,682,313	11,846,892	11,853,554
Adult Education	2,765,799	3,028,336	3,034,803
Child Care Food Program	24,977,966	25,079,524	25,083,256
Child Nutr/Distrib-Cnp Team Nutr	538,568	712,021	717,839
Consolidated School Health Programs	1,025,989	1,049,015	1,050,048
Deaf-Blind Children & Youth	130,000	130,000	130,000
Direct Certification Grant	195,485	195,485	195,485
Eisenhower/Univ System	40,399	79,045	80,131
Eng Lang Acq/State Formula Grnt Pro	1,632,509	1,814,809	1,819,426
Food Distribution on Indian Res	2,569,001	2,636,595	2,639,380
Fresh Fruits and Vegetables Program	4,247,237	4,360,552	4,363,317
HHS Early Childhood Comp	152,100	152,100	152,100
Homeless Children	432,948	467,218	469,444
IDEA B	60,419,333	61,351,438	61,401,754
Improving Teacher Quality	21,191,749	21,291,086	21,295,428
Incentive Award Grans	375,000	375,000	375,000
Indirect Cost Pool	3,561,210	4,459,347	4,516,262
Indiv w/Disabil Educ Act/Preschool	1,540,422	1,522,616	1,522,823
Katrina Impact Aid	46,000	70,652	71,737
NAEP State Coordinator	334,230	424,664	427,936
NCES	3,500	3,500	3,500
NDSLEDS	253,824	194,167	194,949
Refugee Children School Impact	302,482	309,611	309,835
Restricted State Administrative Exp	10,000	10,000	10,000
SAE School Food And Nutrition	2,018,440	2,326,294	2,349,521
School Food Prog Gnt	52,418,557	52,418,557	52,418,557
School Lunch Equipment	45,000	57,437	57,687

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Spec Ed Personnel Development	1,949,206	2,076,682	2,080,301
State Program Improvement	213,161	251,174	252,900
Statewide Longitudinal Data System	3,932,398	2,394,290	2,394,290
Summer Food Service Program	1,302,075	1,351,533	1,352,769
Supplemental Commodity Asst Program	395,558	403,624	404,150
TEFAP-Supplemental	41,200	117,229	119,155
Temp Emerg Food Asst Program	266,133	274,139	274,340
Title I Grants To Lea'S	130,000	130,000	130,000
Title I Migrant Education	753,789	818,264	820,611
Title I Neg/Delnq	160,000	160,000	160,000
Title I State Administration	71,786,792	68,794,388	68,828,397
Title II/No Child Left/Math & Scien	1,565,961	1,564,335	1,564,585
Title VI-Rural & Low-Income Schools	67,952	65,452	65,452
Title VI/State Assessmnts/Related A	12,650,997	13,358,213	13,382,763
Total	288,125,283	288,125,284	288,373,485
215 ND University System			
Title II	1,006,472	1,006,472	1,006,472
Total	1,006,472	1,006,472	1,006,472
250 State Library			
LSTA	0	(381,000)	(381,000)
Libraries LSTA	515,000	515,000	515,000
Public Libraries	1,831,899	1,739,487	1,752,469
Public Library Services	0	272,121	272,121
Total	2,346,899	2,145,608	2,158,590
252 School for Deaf/Res Ctr for Deaf and HoH			
Deaf/Blind Services Project	261,054	263,588	264,363
IDEA-B	50,491	51,168	51,169
School Breakfast	12,500	12,500	12,500
School Lunch	12,500	12,500	12,500
Total	336,545	339,756	340,532
270 Career and Technical Education			
Carl Perkins Funds	8,899,695	8,818,473	8,818,474
Mine Safety	133,218	133,218	133,218
WIA Incentive Grant	510,000	510,000	510,000
Total	9,542,913	9,461,691	9,461,692

301 ND Department of Health

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Administrative Services Federal Fun	5,160,682	5,049,600	5,056,872
Community Health Federal Funds	56,050,591	54,445,921	54,556,875
Emergency Prep & Response Fed Fd	13,729,684	10,456,706	10,484,100
Environmental Health Federal Funds	29,096,424	28,709,672	28,937,422
Health Resources Federal Funds	6,041,391	5,865,725	5,963,952
Medical Services Federal Funds	12,978,668	13,910,513	13,991,459
Total	123,057,440	118,438,137	118,990,680
321 Department of Veterans Affairs			
Rural Transportation Grant	1,328,865	1,719,520	1,819,520
State Approving Grant	288,018	268,902	273,027
Total	1,616,883	1,988,422	2,092,547
325 Department of Human Services			
Aging Services	13,746,520	15,094,784	15,094,793
Behavioral Health	26,211,195	31,135,029	31,139,860
Child Welfare	51,402,974	53,174,384	42,540,110
Child Welfare	0	0	628,403
Disability Services	40,674,598	41,365,482	41,681,109
Economic Assistance	331,757,179	321,029,062	315,778,981
Medical Assistance	1,734,547,587	1,505,280,212	1,574,691,915
Total	2,198,340,053	1,967,078,953	2,021,555,171
360 Protection and Advocacy			
Assistive Technology	108,608	136,350	137,856
Client Assistance	266,619	250,824	254,712
DD Program	881,680	780,765	794,508
HAVA Program	225,644	326,147	328,533
MI Program	994,789	894,253	909,025
Medicaid Title 19	145,000	196,624	200,260
PABSS Program	244,929	305,438	309,701
PAIR Program	428,193	388,387	394,936
TBI Program	137,391	143,835	146,151
Total	3,432,853	3,422,623	3,475,682
380 Job Service North Dakota			
Department of Human Services Funds	3,347,755	1,942,585	1,982,250
Labor Statistics	2,037,312	1,556,137	1,581,963
Other Federal Grants	717,338	719,801	728,019
Reed Act Distribution	12,407,000	11,200,224	11,213,427
Trade Assistance	836,578	434,921	435,268

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Unemployment Insurance	25,162,622	16,578,464	16,806,813
Veterans Programs	1,509,145	1,229,166	1,248,621
Wagner-Peyser	10,412,860	8,004,865	8,142,147
Workforce Investment Act	13,346,860	11,020,887	11,109,893
Total	69,777,470	52,687,050	53,248,401
401 Office of the Insurance Commissioner			
State Health Insurance Counseling	622,786	619,326	629,062
Total	622,786	619,326	629,062
405 Industrial Commission			
NCRDS-Coal	19,995	19,995	19,995
PSC Coal	7,930	8,005	8,005
UIC Oil & Gas	210,009	210,003	210,004
Total	237,934	238,003	238,004
406 Department of Labor and Human Rights			
Equal Employ Opp. Comm.	218,916	181,552	181,550
Fair Housing	218,916	258,364	258,366
Total	437,832	439,916	439,916
408 Public Service Commission			
AML Admin Grant	592,140	911,853	923,942
AML Construction Grant	8,893,325	6,516,829	6,520,595
Gas Safety Grant	390,020	341,200	345,318
Indirect Cost Recovery	940,005	902,161	919,474
OSM Technical Assistance	0	95,040	95,040
Reclamation Grant	1,936,740	1,587,729	1,945,785
Total	12,752,230	10,354,812	10,750,154
412 Aeronautics Commission			
5010 Inspection Program	0	35,000	35,000
Airport Master Plans	990,000	0	0
Aviation Economic Impact Study	0	(90,000)	(90,000)
Aviation Economic Impact Study	360,000	360,000	360,000
IPG Pavement Rejuvenation	0	180,000	180,000
IPG Terminal and Fencing	270,000	0	0
State Aviation System Plan-13	540,000	540,000	540,000
Total	2,160,000	1,025,000	1,025,000

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
471 Bank of North Dakota			
NDCAN	1,035,000	0	0
Total	1,035,000	0	0
473 ND Housing Finance Agency			
Home Investments Partnership Prog	600,000	0	0
Housing Counseling Assistance	238,000	170,000	170,000
Housing Trust Fund	0	5,400,000	5,400,000
Lower Inc Housing Assist Prog Sec 8	1,438,960	1,186,030	1,186,030
Rent Supplements Contract Admin	22,950,820	24,488,798	24,488,798
Total	25,227,780	31,244,828	31,244,828
504 Highway Patrol			
Alcohol Saturation OT	288,000	297,860	297,860
Border Inspection Program	354,000	261,875	265,543
Construction Zone OT	108,000	108,042	108,042
Drug Enforcement OT	20,000	22,409	22,409
Federal NDDOT Equipment	1,290,000	1,290,000	1,290,000
Fusion Center Program	234,000	240,337	244,220
Mtr Carrier Safety Assistance Progr	3,281,211	3,356,196	3,402,671
New Entrant Program	536,000	535,314	545,940
Seat Belt OT	264,000	263,178	263,178
Total	6,375,211	6,375,211	6,439,863
530 Department of Corrections and Rehabilitation			
Adult Educ/Pen	115,451	258,967	263,702
Adult Education - YCC	65,382	95,056	96,282
Byrne Grant 204	15,120	15,120	15,120
Crime Victims Advocacy-DJS	50,000	70,432	71,875
Detention Services - Fed	3,316	3,316	3,316
FY 01 Fed Voca Grant	3,087,314	6,303,705	6,309,515
FY 2000 Federal Cvc Grant	593,474	500,000	500,000
Institutional Care (Federal) - YCC	241,916	203,196	207,443
OJJDP - Challenge Funds	25,000	0	0
OJJDP - Formula Funds	600,000	800,000	800,000
SCAAP-BJA	14,324	14,324	14,324
School Lunch - YCC	266,778	266,778	266,778
Title I - YCC	176,317	232,001	232,859
Title IV-E Reimbursements	400,736	540,617	548,398
Title XIX	0	592,421	604,435
Voc Ed (Carl Perkins) - YCC	13,818	17,898	17,898

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Voc Ed (Incarcerated) - YCC	42,231	40,001	41,074
Vocational/Tech Education	22,149	53,793	54,780
Total	5,733,326	10,007,625	10,047,799
540 Office of the Adjutant General			
Air Guard Contracts	7,151,439	7,239,119	7,328,558
Army Guard Contracts	73,576,319	56,378,297	88,615,762
Emergency Mgmt Performance Grants	10,274,245	9,175,835	9,225,752
Hazard Mitigation Grants	27,362,562	22,281,511	22,286,325
Hazardous Material Emergency Prep	320,000	558,036	558,306
Homeland Security Grants	11,368,601	9,915,600	9,944,324
Public Assistance Grants	70,275,096	24,943,438	24,956,632
Total	200,328,262	130,491,836	162,915,659
601 Department of Commerce			
Community Development Block Grant	0	267,210	272,631
Community Development Block Grant	8,069,789	8,071,575	8,071,577
Community Services Block Grant	0	172,799	175,979
Community Services Block Grt.	7,108,262	6,930,238	6,930,238
DOE Weatherization Asst for Low Inc	0	312,072	318,070
Dept of Energy Weatherization	6,596,834	6,546,816	6,546,816
Disaster Community Dev Block Grant	12,859,869	5,231,139	5,231,139
ESGP 2000	0	55,408	56,638
Emergency Solutions Grants Program	1,075,249	1,054,408	1,054,408
HOME Program	0	108,815	111,130
HOME Program	7,404,175	7,155,839	7,155,837
Ind Cost Division of Comm Services	512,145	308,760	313,138
Indirect Cost	100,000	25,447	26,038
LI Energy Assist - Weatherization	497,487	484,251	484,251
LIHEAP	344,293	60,617	60,617
Low Inc Energy Asst Prog Emer Rprs	7,098,494	7,042,481	7,042,481
Neighborhood Stabilization Prog	1,089,274	1,071,243	1,071,243
SAA	0	27,887	28,248
Shelter Plus Care	550,000	750,000	750,000
State Energy Program	0	33,580	33,580
State Energy Program	486,916	799,714	799,714
State Heating Oil and Propane Prog	6,064	6,064	6,064
Tr & ND Has Jobs	0	196,026	200,437
WFD NDCNCS	1,639,966	1,532,294	1,532,294
Total	55,438,817	48,244,683	48,272,568

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2017-2019**

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
602 Department of Agriculture			
Ag Mediation Services	295,843	558,530	565,305
Animal Disease Trace (ADT)	737,054	606,649	607,503
Coop Agricultural Pest Survey Prog	726,418	596,025	598,102
Meat Inspection	3,170,672	3,127,353	3,151,688
Pesticide Enforcement	831,376	852,459	865,669
Specialty Crop Grant	6,283,722	6,301,719	6,307,436
Total	12,045,085	12,042,735	12,095,703
627 Upper Great Plains Transportation Institute			
University Transportation Centers	12,162,945	12,233,862	12,319,272
Total	12,162,945	12,233,862	12,319,272
630 NDSU Extension Service			
USDA/CREES Smith Lever	7,740,790	7,740,790	7,877,801
Total	7,740,790	7,740,790	7,877,801
640 NDSU Main Research Center			
USDA/CREES Animal Health	147,051	147,051	147,051
USDA/CREES Hatch 7 Multi-State	7,845,026	7,845,026	7,986,077
USDA/CREES McIntire Stennis	427,183	427,183	434,180
Total	8,419,260	8,419,260	8,567,308
701 Historical Society			
Bureau of Land Management Grant	0	100,000	100,000
Bureau of Reclamation	0	50,000	50,000
Historic Preservation 6100	2,118,455	2,190,718	2,213,002
Housing & Urban Development Grant	10,000	10,000	10,000
Humanities Council Publication	50,000	0	0
Newspaper Digitization	1,121,446	788,501	788,501
Total	3,299,901	3,139,219	3,161,503
709 Council on the Arts			
Final Descriptive Report	5,000	5,000	5,000
NEA Partnership Grants	202,600	202,600	202,600
NEA Partnership Grants	45,500	37,500	37,500
NEA Partnership Grants	1,293,752	1,295,207	1,295,207
NEA Partnership Grants	70,100	70,100	70,100
NEA Partnership Grants	65,000	65,000	65,000
Total	1,681,952	1,675,407	1,675,407

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
720 Game and Fish Department			
DOI - Sportfish Restoration	7,077,500	8,836,838	8,906,144
DOI - Wildlife Restoration	21,528,033	24,057,454	24,170,478
DOI-Bureau of Reclamation	2,023,005	1,787,425	1,801,447
Misc Federal Funds	394,337	421,820	421,820
State Wildlife Grants	650,000	527,352	532,030
State Wildlife Grants	560,750	560,750	560,750
USCG-Boating Safety	2,684,269	1,761,530	1,777,417
Total	34,917,894	37,953,169	38,170,086
750 Parks and Recreation Department			
2010-11 LWCF	683,075	638,075	638,075
Artist Residency Grant	6,000	6,000	6,000
FEMA Grants 13-15	210,451	210,451	210,451
Ft. Ransom Solar Powered	2,012	2,012	2,012
Game & Fish Grant	200,000	200,000	200,000
Homeland Security	2,100	2,100	2,100
LWCF 1992 Projects	293,445	293,445	293,445
Mandan Earth Lodges	40,000	40,000	40,000
Plant Conservation Program	55,382	55,382	55,382
RTP	3,272,483	3,076,304	3,077,805
RTP	0	(103,201)	(101,419)
Scenic Byways	824,129	824,129	824,129
Solar Lighting - Turtle River	2,933	2,933	2,933
TRSP Early Warning Siren	5,799	5,799	5,799
Total	5,597,809	5,253,429	5,256,712
770 Water Commission			
2002 ND Weather Damage Modificatio	1,500,000	1,500,000	1,500,000
Cap Program	320,768	269,640	274,976
FEMA Cooperating Technical Partn	410,000	4,600,000	4,600,000
FEMA Map Modernization Mgmt	259,395	270,434	274,063
Fed Fund Transfer from Another Agen	36,370	3,572	3,572
MR&I Administration	109,640	103,611	105,138
Northwest Area Water Supply (NAWS)	7,500,000	15,000,000	15,000,000
Southwest Pipeline	5,000,000	5,000,000	5,000,000
State Dam Safety Grant Program	231,696	226,606	226,606
USGS National Grants	26,000	250,000	250,000
Wet Non-Point Source Program	237,356	237,356	239,532
Total	15,631,225	27,461,219	27,473,887

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2017-2019**

Agency/Fund Source	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
801 Department of Transportation			
Alcohol Traffic Safety	1,500,000	1,500,000	1,500,000
FTA Bus Bus Fac	2,700,000	2,700,000	2,700,000
FTA Pub Transp Research	15,000	15,000	15,000
Fed Hwy Admin Planning & Construc	599,399,228	655,545,347	656,091,138
Fed Transit Admin Cap Asst Program	600,000	600,000	600,000
Fed Transit Admin Cap Invest Grants	750,000	750,000	750,000
Fed Transit Admin Formula Grants No	4,070,000	4,070,000	4,070,000
Fed Transit Admin Metro Planning G	700,000	700,000	700,000
Job Access Reverse Comm	500,000	500,000	500,000
National Priority Safety Program	3,060,000	3,010,000	3,010,000
New Freedom Program	150,000	150,000	150,000
Recreational Trail Program	200,000	200,000	200,000
State & Community Highway Safety	39,000	27,162	27,710
State and Comm Highway Safety	2,778,503	3,057,561	3,072,744
Total	616,461,731	672,825,070	673,386,592
Total All Agencies	3,743,255,887	3,488,650,916	3,579,152,702

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
108 Secretary of State				
SOS General Services Fund 263	263	1,044,007	674,725	1,250,725
HAVA Election Ref.Matching Fund 283	283	1,195,000	790,000	790,000
Total		2,239,007	1,464,725	2,040,725
110 Office of Management and Budget				
Special Fund Budget	003	5,743,963	0	1,000,000
Capital Grounds Planning Fund 251	251	25,000	25,000	25,000
Risk Management Workers' Comp Fund	275	305,000	290,636	295,108
State Risk Management Fund 288	288	1,323,525	1,382,526	1,397,025
OMB Unemp/Payroll CI Fund 461	461	0	2,000,000	2,000,000
Central Dup Serv Fund 790	790	5,628,590	5,679,730	6,536,339
Capitol Renovation Fund 902	902	6,710,000	0	1,000,000
Total		19,736,078	9,377,892	12,253,472
112 Information Technology				
Independent Study Operating Fd 274	274	3,050,000	3,050,000	3,050,000
PowerSchool Fund 300	300	4,864,599	6,000,000	5,555,500
Health Information Exchange Fd 325	325	4,983,528	4,444,867	48,376,886
EduTech Fund 408	408	650,000	1,573,588	1,573,588
ITD Service Fund 780	780	135,076,791	134,180,033	135,206,630
Total		148,624,918	149,248,488	193,762,604
117 Office of the State Auditor				
State Conference Fund	212	200,000	200,000	200,000
State Auditors Operating Fund 246	246	1,808,419	1,927,348	1,956,589
Total		2,008,419	2,127,348	2,156,589
125 Office of the Attorney General				
Insurance Regulatory Trust Fund	239	660,000	660,000	660,000
Attorney General Refund Fund 250 F	250	6,096,134	3,768,554	3,773,205
Lottery Fund 292	292	5,282,778	5,311,579	5,346,122
AG Sobriety Fund	310	6,859,746	484,174	484,174
Attorney General Fund 322	322	10,066,636	8,253,664	8,280,288
AG Multijurisdictional Taskforce	367	0	44,990	46,006
Reduced Cigarette Ignition Propensi	374	327,981	268,578	268,578
Fire Prevention & Public Safety Fun	386	50,000	0	0
Gaming And Excise Tax Alloc 446	446	510,000	510,000	510,000
Total		29,853,275	19,301,539	19,368,373

140 Office of Administrative Hearings

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Administrative Hearings Fund 266	266	2,965,651	2,934,904	2,954,315
Total		2,965,651	2,934,904	2,954,315
160 Legislative Council				
Insurance Regulatory Trust Fund 239	239	70,000	70,000	70,000
Total		70,000	70,000	70,000
180 Judicial Branch				
Judicial Conduct Comm. Fund 328	328	444,656	482,702	482,701
Total		444,656	482,702	482,701
188 Commission on Legal Counsel for Indigents				
Indigent Defense Admin. Fund	282	2,106,914	1,916,963	1,920,715
Total		2,106,914	1,916,963	1,920,715
190 Retirement and Investment Office				
Retirement and Investment Fund 207	207	5,413,425	5,421,039	5,494,506
Total		5,413,425	5,421,039	5,494,506
192 Public Employees Retirement System				
Public Employee Retirement Sys 483	483	9,496,373	9,397,321	9,556,106
Total		9,496,373	9,397,321	9,556,106
201 Department of Public Instruction				
Displaced Homemakers Fund 201F	235	227,184	227,185	228,331
Public Instruction Fund 201F	391	220,280,006	220,780,006	442,910,006
Total		220,507,190	221,007,191	443,138,337
215 ND University System				
NDUS Other Unrestricted Funds	2000	27,950,720	23,824,920	23,992,102
Grants & Contracts	4000	1,277,803	1,169,500	1,169,500
Strategic Investment & Improvement Fund	493	0	0	3,000,000
Total		29,228,523	24,994,420	28,161,602
226 Department of Trust Lands				
Trust Lands Maint. Fund	206	8,250,980	7,803,484	13,641,415
Energy Development Impact Fund	238	140,000,000	220,003	221,735
SIIF	493	0	0	24,100,000
Total		148,250,980	8,023,487	37,963,150

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2017-2019**

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
227 Bismarck State College				
Special Fund Budget	003	0	0	827,490
BSC -Auxiliary Funds	1000	10,416,841	9,628,768	9,628,772
BSC - Other Unrestricted Funds	2000	12,073,159	12,200,688	12,198,632
BSC - Grants and Contracts	4000	28,525,923	21,235,342	21,235,341
BSC - Tuition Funds	6000	29,158,091	29,282,000	29,281,999
Total		80,174,014	72,346,798	73,172,234
228 Lake Region State College				
Special Fund Budget	003	0	0	278,579
LRSC - Auxiliary Funds	1000	3,450,094	3,794,999	3,794,999
LRSC - Other Unrestricted Funds	2000	3,557,966	3,649,821	3,649,821
LRSC - Other Unrestricted Plant Funds	2800	4,266	4,266	4,266
LRSC - Grants and Contracts	4000	7,315,813	6,867,522	6,867,522
LRSC - Tuition Funds	6000	9,289,092	9,250,005	9,250,005
LRSC - Other Restricted Funds	7000	325,439	320,374	320,374
Total		23,942,670	23,886,987	24,165,566
229 Williston State College				
Special Fund Budget	003	0	0	193,184
WSC - Auxiliary Funds	1000	2,175,860	3,279,491	3,279,491
WSC - Other Unrestricted Funds	2000	5,512,242	8,236,284	8,236,284
WSC - Other Unrestricted Plant Funds	2800	1,221,343	0	0
WSC - Grants and Contracts	4000	3,300,547	3,076,099	3,076,099
WSC - Tuition Funds	6000	1,627,141	4,832,296	4,832,296
WSC - Other Restricted Funds	7000	215,050	293,944	293,944
Total		14,052,183	19,718,114	19,911,298
230 University of North Dakota				
Special Fund Budget	003	0	0	7,170,272
UND - Auxiliary Funds	1000	68,536,198	113,504,698	113,504,697
UND - Other Unrestricted Funds	2000	415,642,428	262,491,842	353,491,836
UND - Other Unrestricted Plant Funds	2800	75,322,766	0	0
UND - Grants and Contracts	4000	131,432,000	101,094,216	101,094,215
UND - Tuition Funds	6000	193,687,162	189,027,435	189,027,443
UND - Other Restricted Funds	7000	2,452,099	57,547,280	57,547,280
Total		887,072,653	723,665,471	821,835,743
232 UND Medical Center				
UND SMHS - Other Unrestrict Funds	2000	57,000,000	60,000,000	60,000,000
UND SMHS - Grants and Contracts	4000	42,161,098	40,271,764	40,271,764

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2017-2019**

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
UND SMHS - Tuition Funds	6000	37,016,045	38,200,000	38,200,000
UND SMHS - Other Restrict Funds	7000	6,200,000	1,300,000	1,300,000
Total		142,377,143	139,771,764	139,771,764
235 North Dakota State University				
Special Fund Budget	003	0	0	5,310,839
NDSU - Auxiliary Funds	1000	74,077,665	78,290,448	78,290,449
NDSU - Other Unrestricted Funds	2000	215,970,000	220,628,232	220,628,229
NDSU - Other Unrestricted Plant Funds	2800	34,060,229	298,000	49,803,000
NDSU - Grants and Contracts	4000	71,174,830	61,737,115	61,737,117
NDSU - Tuition Funds	6000	232,451,304	246,580,572	246,580,572
NDSU - Other Restricted Funds	7000	478,550	488,283	488,283
Total		628,212,578	608,022,650	662,838,489
238 ND State College of Science				
Special Fund Budget	003	0	0	609,718
NDSCS - Auxiliary Funds	1000	14,520,642	15,677,908	15,677,908
NDSCS - Other Unrestricted Funds	2000	13,671,802	13,123,897	13,123,897
NDSCS - Other Unrestricted Plant Funds	2800	50,000	50,000	50,000
NDSCS - Grants and Contracts	4000	14,692,146	12,148,458	12,148,458
NDSCS - Tuition Funds	6000	16,151,914	16,051,514	16,051,514
NDSCS - Other Restricted Funds	7000	82,000	82,000	82,000
Total		59,168,504	57,133,777	57,743,495
239 Dickinson State University				
Special Fund Budget	003	0	0	245,149
DSU - Auxiliary Funds	1000	18,655,722	7,008,459	7,008,459
DSU - Other Unrestricted Funds	2000	6,010,851	(813,740)	(813,740)
DSU - Grants and Contracts	4000	5,989,806	4,416,087	4,416,087
DSU - Tuition Funds	6000	13,692,431	15,958,611	15,958,611
DSU - Other Restricted Funds	7000	3,000,000	3,000,000	3,000,000
Total		47,348,810	29,569,417	29,814,566
240 Mayville State University				
Special Fund Budget	003	0	0	504,369
MaSU - Auxiliary Funds	1000	4,640,673	5,441,384	5,441,384
MaSU - Other Unrestricted Funds	2000	4,293,030	4,288,712	4,288,712
MaSU - Other Unrestricted Plant Funds	2800	32,560	0	0
MaSU - Grants and Contracts	4000	11,049,305	9,370,947	9,370,947
MaSU - Tuition Funds	6000	10,221,575	10,795,698	10,795,698
Total		30,237,143	29,896,741	30,401,110

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
241 Minot State University				
Special Fund Budget	003	0	0	891,371
MiSU - Auxiliary Funds	1000	6,355,400	6,373,107	6,373,107
MiSU - Other Unrestricted Funds	2000	9,553,010	9,367,217	9,367,217
MiSU - Other Unrestricted Plant Funds	2800	7,580,652	99,884	99,884
MiSU - Grants and Contracts	4000	13,651,404	13,651,319	13,651,318
MiSU - Tuition Funds	6000	32,575,482	31,590,004	31,590,004
MiSU - Other Restricted Funds	7000	224,465	283,065	283,065
Total		69,940,413	61,364,596	62,255,966
242 Valley City State University				
Special Fund Budget	003	0	0	375,337
VCSU - Auxiliary Funds	1000	5,066,508	5,065,961	5,065,961
VCSU - Other Unrestricted Funds	2000	6,097,626	6,036,355	6,036,355
VCSU - Other Unrestricted Funds	2800	20,766,837	60,000	60,000
VCSU - Grants and Contracts	4000	4,873,094	4,061,592	4,061,592
Strategic Investment & Improvement Fund	493	0	0	25,470,500
VCSU - Tuition Funds	6000	12,994,874	12,949,005	12,949,005
Total		49,798,939	28,172,913	54,018,750
243 Dakota College at Bottineau				
Special Fund Budget	003	0	0	147,988
DCB - Auxiliary Funds	1000	2,364,586	2,120,733	2,120,733
DCB - Other Unrestricted Funds	2000	1,370,956	1,324,464	1,324,464
DCB - Other Unrestricted Plant Funds	2800	10,683,194	0	0
DCB - Grants and Contracts	4000	3,604,135	2,902,050	2,902,050
DCB - Tuition Funds	6000	2,878,921	3,150,162	3,150,162
DCB - Other Restricted Funds	7000	10,075	10,075	10,075
Total		20,911,867	9,507,484	9,655,472
244 ND Forest Service				
Forest Svc - Other Unrestrict	2000	1,214,160	1,185,862	1,185,862
Forest Service Fund 244c	326	750,000	1,000,000	1,000,000
Forest Svc - Grants and Contracts	4000	7,516,228	7,562,085	7,562,086
Cent. Tree Prog. Trust Fund	451	900,000	900,000	900,000
Forest Svc - Othr Restricted	7000	2,800	2,800	2,800
Total		10,383,188	10,650,747	10,650,748
250 State Library				
Library Commission Fund - 390	390	91,852	91,852	91,852

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Total		91,852	91,852	91,852
252 School for Deaf/Res Ctr for Deaf and HoH				
School for the Deaf Fund - 353	353	1,427,179	3,048,293	2,998,293
Total		1,427,179	3,048,293	2,998,293
253 ND Vision Services/School for the Blind				
School for the Blind Fund - 354	354	625,325	876,985	1,175,569
Total		625,325	876,985	1,175,569
270 Career and Technical Education				
Vocational Education Fund - 393	393	286,778	154,974	154,974
Total		286,778	154,974	154,974
301 ND Department of Health				
Abandoned Vehicle Fund 202	202	250,000	250,000	250,000
Insurance Tax Distribution Fund 240	240	1,250,000	1,250,000	1,250,000
EHPL Administrators Fund 313	313	1,840	1,750	1,750
ND Health Care Trust Fund 315	315	85,129	93,768	93,768
Community Health Trust Fund 316	316	4,336,864	4,000,000	4,000,000
Tobacco Prev Ctrl Fd 369	369	0	0	6,724,862
Health & Consolidated Lab Fund 370	370	14,825,367	15,109,444	14,736,207
Wastewater Operators Cert. Fund 371	371	28,200	29,844	29,844
Environment & Rangeland Prot 376	376	250,000	250,000	250,000
Domestic Violence Prev Fund 462	462	340,000	340,000	340,000
Compassionate Care Fund 475	475	0	0	5,000,000
Strategic Investment & Improve Fund 493	493	0	0	500,000
Total		21,367,400	21,324,806	33,176,431
305 Tobacco Prevention and Control				
Tobacco Prevention and Control 369	369	16,548,039	18,254,923	0
Total		16,548,039	18,254,923	0
313 Veterans Home				
Melvin Norgard Memorial Fund 289	289	430,000	0	0
Soldiers Home Fund 380	380	15,731,423	16,503,697	18,815,270
Total		16,161,423	16,503,697	18,815,270
325 Department of Human Services				
Employment - People W/ Disabil 254	254	11,878	11,907	11,907

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Compuls Gambling & Prevention 285	285	400,000	640,000	640,000
ND Health Care Trust Fund 315	315	686,191	1,755,863	1,755,863
Provider Assessment Fund 355	355	11,752,960	11,292,600	11,292,600
Human Services Operating Fund 360	360	101,248,672	125,670,121	142,194,278
Tobacco Prevention and Control 269	369	0	0	16,800,915
Childrens Trust Fund 419	419	512,619	513,057	513,057
Soc Serv Prop Tax Relief 457	457	0	0	275,000,000
LTC Provider Assessment 467	467	0	0	42,675,160
Total		114,612,320	139,883,548	490,883,780
380 Job Service North Dakota				
Job Service North Dakota Fund	362	690,396	1,042,982	1,047,238
Total		690,396	1,042,982	1,047,238
401 Office of the Insurance Commissioner				
Unsatisfied Judgement Fund 209	209	29,273	29,273	29,820
State Bonding Fund 210	210	51,351	51,432	52,191
State Fire & Tornado Fund 211	211	1,918,967	1,752,939	1,779,497
Petroleum Rel. Comp. Fund 233	233	118,196	118,328	119,895
Insurance Reg. Trust Fund 239	239	8,804,565	8,150,907	8,275,434
Insurance Tax Distrib. Fund 240	240	16,701,207	16,482,207	15,064,086
Total		27,623,559	26,585,086	25,320,923
405 Industrial Commission				
Industrial Commission Fund 305	305	29,577,176	14,303,022	14,317,821
Lands and Minerals Trust Fund 493F	493	0	0	1,000,000
Public Finance Authority	900	804,659	783,598	794,671
Total		30,381,835	15,086,620	16,112,492
408 Public Service Commission				
PSC Valuation Revolving Fund 248	248	125,000	125,000	125,000
State Rail Fund 277	277	1,423,345	1,423,345	1,467,109
Strategic Investment & Improvement Fund	493	0	0	300,000
Total		1,548,345	1,548,345	1,892,109
412 Aeronautics Commission				
Aeronautics Comm. Spec Fund 324	324	10,051,736	8,791,829	8,817,642
Total		10,051,736	8,791,829	8,817,642
413 Department of Financial Institutions				

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Financial Inst Regulatory Fund 242	242	8,455,767	8,543,869	8,659,347
Total		8,455,767	8,543,869	8,659,347
414 Securities Department				
Investor Education & Technology	244	170,000	170,000	170,000
Securities Operating Fund	456	0	0	2,294,459
Total		170,000	170,000	2,464,459
471 Bank of North Dakota				
Bank of North Dakota	998	75,252,301	60,027,019	60,688,521
Total		75,252,301	60,027,019	60,688,521
473 ND Housing Finance Agency				
State Disaster Relief Fund	352	1,292,795	0	0
Housing Finance Agency-Fees	473	13,262,309	13,614,546	13,777,962
Total		14,555,104	13,614,546	13,777,962
475 ND Mill and Elevator Association				
Mill and Elevator Fund	475	64,315,898	67,723,388	68,930,168
Total		64,315,898	67,723,388	68,930,168
485 Workforce Safety and Insurance				
Workmens Compensation Fund 213	213	68,865,170	64,433,889	72,657,598
Total		68,865,170	64,433,889	72,657,598
504 Highway Patrol				
Highway Tax Distribution Fund - 400	400	6,687,330	6,639,096	6,880,050
Strat invest improv fund	493	0	0	514,000
Total		6,687,330	6,639,096	7,394,050
530 Department of Corrections and Rehabilitation				
Probation Violation Transp - 321	321	303,900	206,925	206,925
Penitentiary Industries - 365	365	19,911,255	14,680,419	14,788,006
Pen.- Land Replacement - 366	366	600,000	0	0
Crime Victims Gift Fund - 372	372	200,000	148,385	148,385
Dept of Corrections Oper - 379	379	11,614,225	12,145,438	12,181,240
Strategic inv & imprv fund	493	0	0	935,907
Total		32,629,380	27,181,167	28,260,463

540 Office of the Adjutant General

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Disaster Relief Fund 352	352	25,769,230	8,529,434	8,530,116
Radio Communications Fund 373	373	1,724,200	1,913,376	2,028,881
Emergency Management Fund 375	375	650,000	149,000	149,000
State Hazardous Chemical Fund 378	378	1,121,183	1,336,350	1,346,347
National Guard Fund 383	383	560,788	546,663	556,697
Nat. Guard Military Grounds Fund	385	0	0	1,000,000
Veterans Cemetery Fund 433	433	549,169	694,297	707,866
Total		30,374,570	13,169,120	14,318,907
601 Department of Commerce				
APUC Fund 224	224	4,376,688	2,779,688	3,154,929
Economic Dev. Fund 330	330	9,856,347	1,374,371	1,389,442
Intergovernmental Assist. Fund 342	342	7,315,681	6,881,544	6,883,632
Unmanned Aircraft Systems Fund 394	394	100,000	100,000	100,000
Department of Tourism Fund 443	443	363,000	500,000	500,000
Strategic Invest & Improvement Fund	493	0	0	3,000,000
Total		22,011,716	11,635,603	15,028,003
602 Department of Agriculture				
State Waterbank Fund 236	236	1,307,929	389,817	389,817
Agriculture Department Fund 308	308	1,691,240	1,296,142	1,297,530
Game and Fish Funds	309	499,585	498,830	498,830
Environment & Rangeland Prot 376	376	6,403,714	6,455,667	6,517,994
SIIF	493	0	0	1,000,000
Total		9,902,468	8,640,456	9,704,171
627 Upper Great Plains Transportation Institute				
Transportation Institute Fund 352	352	6,012,712	6,101,763	6,338,850
Total		6,012,712	6,101,763	6,338,850
628 Branch Research Centers				
Central Grasslands Expr. Station	323	1,380,460	1,376,202	1,427,868
Hettinger Expr. Station Fund	332	2,740,933	2,748,039	2,808,026
Langdon Expr. Station Fund	333	1,522,845	1,350,775	1,403,400
North Central Expr. Station Fund	335	3,007,884	3,006,422	3,078,474
Williston Expr. Station Fund	336	2,318,517	2,320,121	2,384,120
Carrington Expr. Station Fund	337	5,655,424	5,668,480	5,770,917
Dickinson Exper. Station Fund	359	3,366,067	3,377,834	3,437,305
Total		19,992,130	19,847,873	20,310,110

630 NDSU Extension Service

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2017-2019

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
Extension Division Fund 357	357	18,085,918	18,351,346	18,890,788
Total		18,085,918	18,351,346	18,890,788
638 Northern Crops Institute				
Northern Crops Institute Fund 243	243	1,747,735	1,750,895	1,757,743
Total		1,747,735	1,750,895	1,757,743
640 NDSU Main Research Center				
Ag Research Fund 338	338	1,800,000	1,800,000	1,800,000
Main Experiment Station Fund 358	358	67,879,265	46,925,368	48,844,973
Total		69,679,265	48,725,368	50,644,973
649 Agronomy Seed Farm				
Agronomy Seed Farm Fund 226	226	1,521,007	1,528,164	1,538,795
Total		1,521,007	1,528,164	1,538,795
670 ND Horse Racing Commission				
Horse Racing Operating Funds 334	334	158,730	162,557	162,557
Total		158,730	162,557	162,557
701 Historical Society				
State Hist. Revolving Fund - 327	327	3,475,000	0	0
Total		3,475,000	0	0
709 Council on the Arts				
Arts & Humanities Fund - 399	399	163,515	137,515	137,515
Total		163,515	137,515	137,515
720 Game and Fish Department				
Non-Game Wildlife Fund 216	216	120,000	120,000	120,000
Game & Fish Department Fund 222	222	41,745,417	42,844,673	43,321,391
Habitat and Depredation Fund 488	488	1,600,000	1,951,307	1,958,257
Total		43,465,417	44,915,980	45,399,648
750 Parks and Recreation Department				
Snowmobile Fund - 261	261	866,760	1,034,474	1,034,973
State Parks Gift Fund - 265	265	144,070	375,000	375,000
Parks & Recreation Fund - 398	398	7,991,611	9,602,069	9,606,403
Trail Tax Transfer Fund - 441	441	530,324	630,037	630,809
Total		9,532,765	11,641,580	11,647,185

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2017-2019**

Agency/Fund Source	Fund No	2015-2017 Appropriation	2017-2019 Request	2017-2019 Recommendation
770 Water Commission				
Water Development Trust Fund 267	267	27,500,000	52,000,000	52,000,000
NAWS Operations Fund 381	381	2,000,000	2,022,544	2,026,114
Water Commission Fund 397	397	1,113,454,611	664,969,444	642,913,588
NAWS Project Reserve Fund 413	413	350,000	350,000	350,000
Total		1,143,304,611	719,341,988	697,289,702
801 Department of Transportation				
Highway Fund - 200	200	2,125,349,394	502,616,486	505,491,952
Motor Vehicle Operating - 201	201	32,988,336	24,797,578	24,964,711
Highway Rail Grade Crossing Safety	203	732,992	0	0
Motorcycle Safety Fund - 205	205	580,680	580,680	580,680
Dealer Enforcement Fund	217	240,000	233,808	237,447
Special Road Fund - 230	230	2,670,000	870,000	870,000
Fleet Services Fund - 700	700	87,955,390	71,225,414	71,338,842
Total		2,250,516,792	600,323,966	603,483,632
Total All Agencies		6,826,857,002	4,277,276,566	5,115,530,116

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 2017-19 budget covers the period July 1, 2017 to June 30, 2019.

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 \$500,000. 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.

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

Budget No.	Agency	OMB Analyst	Leg Council Analyst
101	Office of the Governor	Lori Laschkewitsch	Brady Larson
108	Secretary of State	Stephanie M. Gullickson	Levi Kinnischtzke
110	Office of Management and Budget	Lori Laschkewitsch	Adam Mathiak
112	Information Technology	Lori Laschkewitsch	Levi Kinnischtzke
117	Office of the State Auditor	Becky Keller	Sheila M. Sandness
120	Office of the State Treasurer	Lori Laschkewitsch	Adam Mathiak
125	Office of the Attorney General	Becky Keller	Chris J. Kadrmas
127	Office of State Tax Commissioner	Becky Keller	Adam Mathiak
140	Office of Administrative Hearings	Lori Laschkewitsch	Alex Cronquist
150	Legislative Assembly	Lori Laschkewitsch	Sheila M. Sandness
160	Legislative Council	Lori Laschkewitsch	Sheila M. Sandness
180	Judicial Branch	Becky Deichert	Alex Cronquist
188	Commission on Legal Counsel for Indigents	Becky Deichert	Levi Kinnischtzke
190	Retirement and Investment Office	Lori Laschkewitsch	Michael C. Johnson
192	Public Employees Retirement System	Lori Laschkewitsch	Michael C. Johnson
201	Department of Public Instruction	Becky Deichert	Sheila M. Sandness
215	ND University System	Stephanie M. Gullickson	Brady Larson
226	Department of Trust Lands	Becky Keller	Adam Mathiak
227	Bismarck State College	Stephanie M. Gullickson	Alex Cronquist
228	Lake Region State College	Stephanie M. Gullickson	Alex Cronquist
229	Williston State College	Stephanie M. Gullickson	Alex Cronquist
230	University of North Dakota	Stephanie M. Gullickson	Brady Larson
232	UND Medical Center	Stephanie M. Gullickson	Brady Larson
235	North Dakota State University	Stephanie M. Gullickson	Brady Larson
238	ND State College of Science	Stephanie M. Gullickson	Alex Cronquist
239	Dickinson State University	Stephanie M. Gullickson	Brady Larson
240	Mayville State University	Stephanie M. Gullickson	Brady Larson
241	Minot State University	Stephanie M. Gullickson	Brady Larson
242	Valley City State University	Stephanie M. Gullickson	Brady Larson
243	Dakota College at Bottineau	Stephanie M. Gullickson	Alex Cronquist
244	ND Forest Service	Stephanie M. Gullickson	Alex Cronquist
250	State Library	Becky Deichert	Sheila M. Sandness
252	School for Deaf/Res Ctr for Deaf and HoH	Becky Deichert	Sheila M. Sandness
253	ND Vision Services/School for the Blind	Becky Deichert	Sheila M. Sandness
270	Career and Technical Education	Becky Deichert	Levi Kinnischtzke
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	Levi Kinnischtzke
316	Indian Affairs Commission	Lori Laschkewitsch	Chris J. Kadrmas
321	Department of Veterans Affairs	Lori Laschkewitsch	Levi Kinnischtzke
325	Department of Human Services	Lori Laschkewitsch	Michael C. Johnson
360	Protection and Advocacy	Lori Laschkewitsch	Levi Kinnischtzke
380	Job Service North Dakota	Becky Keller	Levi Kinnischtzke
401	Office of the Insurance Commissioner	Stephanie M. Gullickson	Alex Cronquist
405	Industrial Commission	Becky Keller	Adam Mathiak
406	Department of Labor and Human Rights	Becky Deichert	Levi Kinnischtzke

MANAGEMENT AND FISCAL ANALYSTS

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408	Public Service Commission	Stephanie M. Gullickson	Chris J. Kadrmas
412	Aeronautics Commission	Stephanie M. Gullickson	Chris J. Kadrmas
413	Department of Financial Institutions	Stephanie M. Gullickson	Chris J. Kadrmas
414	Securities Department	Stephanie M. Gullickson	Chris J. Kadrmas
471	Bank of North Dakota	Becky Keller	Adam Mathiak
473	ND Housing Finance Agency	Becky Keller	Adam Mathiak
475	ND Mill and Elevator Association	Becky Keller	Adam Mathiak
485	Workforce Safety and Insurance	Stephanie M. Gullickson	Levi Kinnischtzke
504	Highway Patrol	Becky Keller	Brady Larson
530	Department of Corrections and Rehabilitation	Becky Keller	Alex Cronquist
540	Office of the Adjutant General	Becky Deichert	Alex Cronquist
601	Department of Commerce	Becky Keller	Levi Kinnischtzke
602	Department of Agriculture	Becky Deichert	Levi Kinnischtzke
627	Upper Great Plains Transportation Institute	Becky Deichert	Alex Cronquist
628	Branch Research Centers	Becky Deichert	Alex Cronquist
630	NDSU Extension Service	Becky Deichert	Alex Cronquist
638	Northern Crops Institute	Becky Deichert	Alex Cronquist
640	NDSU Main Research Center	Becky Deichert	Alex Cronquist
649	Agronomy Seed Farm	Becky Deichert	Alex Cronquist
665	ND State Fair	Becky Deichert	Michael C. Johnson
670	ND Horse Racing Commission	Becky Deichert	Chris J. Kadrmas
701	Historical Society	Lori Laschkewitsch	Chris J. Kadrmas
709	Council on the Arts	Becky Deichert	Michael C. Johnson
720	Game and Fish Department	Becky Deichert	Chris J. Kadrmas
750	Parks and Recreation Department	Stephanie M. Gullickson	Michael C. Johnson
770	Water Commission	Becky Keller	Chris J. Kadrmas
801	Department of Transportation	Becky Keller	Chris J. Kadrmas