

North Dakota REV-E-NEWS



Pam Sharp, Director

April 2017

OFFICE OF MANAGEMENT AND BUDGET

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MESSAGE FROM THE DIRECTOR

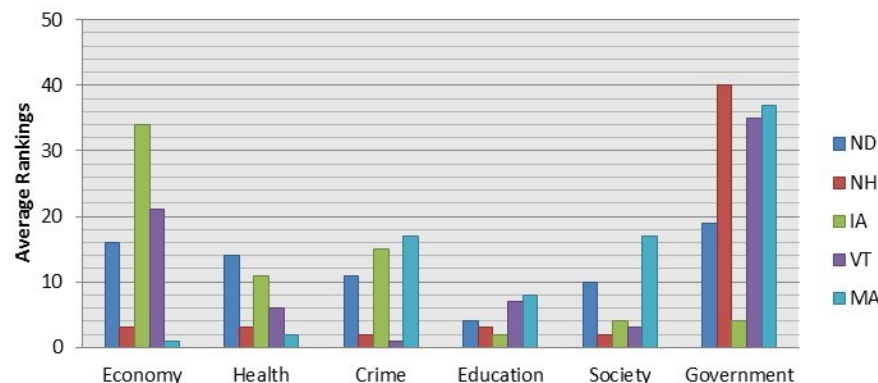
State Policy Reports recently released the 2017 Camelot Index. Developed by *Reports* founding editor Hal Hovey, the Camelot Index ranks states by six components: economic vitality, healthy people, education, crime, healthy society, and prudent government. When combined, these components measure the overall quality of life within a state. Each index component contains multiple variables that are measured and ranked, with the desired result receiving the #1 ranking. Categorical rankings are averaged to determine the overall state score. If a state were ranked best in every component, the state would have a score of 1. If a state ranked last in every category it would have a score of 50.

North Dakota maintained its 4th place overall spot, ranking in the top twenty in every category, with an average score of 12.3. New Hampshire, Iowa and Vermont claimed the top three spots with scores ranging from 8.8 to 12.2. Massachusetts, knocking out Minnesota, finished out the top five states with a score of 13.7. Louisiana remained the lowest ranked state with 44.2 points.

After ranking first in education and economy in 2015, and third in education in 2016, North Dakota's highest rank in 2017 was fourth in the education component. North Dakota joined seventeen other states

in reporting 100 percent ACT participation. Although North Dakota dropped from eleventh in 2016 in the economy component to sixteenth in 2017, primarily due to its fall in employment, it did overtake Rhode Island as the state with the highest retail wage. North Dakota improved from thirteenth to eleventh in the crime-free component and climbed three places in the health component, coming in fourteenth. North Dakota dropped from seventh to tenth in the healthy society component but maintained its first place ranking in food insecurity and third place ranking in single parent families. North Dakota also fell two places, to nineteenth, in the prudent government component but maintained its second and third place rankings in capital investment and solvency, respectively.

2017 Camelot Index Comparison of Top 5 States



S/P/R State Policy Reports, Volume 35, Issue 7, April 2017

OIL ACTIVITY

Statistical Information



	Feb 2017	Jan 2017	Dec 2016
Actual average price per barrel	\$49.62	\$44.60	\$43.94
Production (barrels/day)	1,034,168	981,380	942,322
Drilling permits	45	81	35
Producing wells	13,500	13,341	13,337
Rig count	39	38	40

Tax Allocations (in Millions)

	Biennium to Date Mar 31, 2017
Political Subs	\$ 461.2
Tribes	182.2
Legacy Fund	673.4
General Fund	300.0
Education Funds	200.0
Resources Trust Fund	195.9
Oil and Gas Impact Fund	60.1
Tax Relief Fund	300.0
Other Allocations	54.0
Total	\$2,426.8

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the March 2017 Revised Forecast ^{/1} 2015-17 Biennium March 2017

Revenues and Transfers	Fiscal Month				Biennium To Date			
	March 2017 Rev. Forecast	Actual	Variance	Percent	March 2017 Rev. Forecast /1	Actual	Variance	Percent
Sales Tax	46,825,000	48,807,306	1,982,306	4.2%	1,520,327,154	1,522,309,460	1,982,306	0.1%
Motor Vehicle Excise Tax	8,689,000	10,301,556	1,612,556	18.6%	188,783,942	190,396,498	1,612,556	0.9%
Individual Income Tax	18,395,000	18,428,488	33,488	0.2%	558,501,528	558,535,016	33,488	0.0%
Corporate Income Tax	6,600,000	6,740,023	140,023	2.1%	127,781,337	127,921,359	140,023	0.1%
Insurance Premium Tax	7,516,290	6,835,628	(680,662)	-9.1%	96,254,511	95,573,849	(680,662)	-0.7%
Financial Institutions Tax	(448)	8,853	9,301	-2076.1%	1,299,254	1,308,555	9,301	0.7%
Oil & Gas Production Tax*	14,673,674	14,673,674			127,164,783	127,164,783		
Oil Extraction Tax*	3,224,682	3,224,682			172,835,217	172,835,217		
Gaming Tax	41,210	43,930	2,720	6.6%	5,825,733	5,828,452	2,720	0.0%
Lottery					9,580,000	9,580,000		0.0%
Cigarette & Tobacco Tax	1,880,000	1,848,377	(31,623)	-1.7%	49,730,263	49,698,640	(31,623)	-0.1%
Wholesale Liquor Tax	621,000	620,045	(955)	-0.2%	15,623,382	15,622,427	(955)	0.0%
Coal Conversion Tax	1,890,000	1,907,621	17,621	0.9%	36,488,615	36,506,236	17,621	0.0%
Mineral Leasing Fees	801,913	1,248,140	446,227	55.6%	23,961,487	24,407,714	446,227	1.9%
Departmental Collections	5,901,030	3,244,732	(2,656,298)	-45.0%	74,337,290	71,680,992	(2,656,298)	-3.6%
Interest Income	373,588	149,579	(224,009)	-60.0%	14,164,157	13,940,148	(224,009)	-1.6%
State Mill & Elevator-Transfer					4,434,894	4,434,894		
Major Special Fund Transfers					657,000,000	657,000,000		
Other Transfers		1,543	1,543		1,876,675	1,878,218	1,543	0.1%
Total	117,431,939	118,084,174	652,235	0.6%	3,685,970,222	3,686,622,458	652,235	0.0%
Budget Stabilization Fund Transfer		37,485,454				542,485,454		
Total Revenues and Transfers		155,569,628				4,229,107,912		

^{/1} The March 2017 revised revenue forecast includes actual revenues through February 28, 2017, and revised estimates for the remainder of the biennium.

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Previous Biennium Revenues 2015-17 Biennium March 2017

Revenues and Transfers	Fiscal Month				Biennium To Date			
	March 2015	March 2017	Variance	Percent	2013-15	2015-17	Variance	Percent
Sales Tax	93,519,866	48,807,306	(44,712,560)	-47.8%	2,208,041,000	1,522,309,461	(685,731,539)	-31.1%
Motor Vehicle Excise Tax	10,540,829	10,301,556	(239,273)	-2.3%	243,025,886	190,396,498	(52,629,388)	-21.7%
Individual Income Tax	30,905,374	18,428,488	(12,476,886)	-40.4%	843,831,317	558,535,016	(285,296,301)	-33.8%
Corporate Income Tax	18,814,599	6,740,023	(12,074,577)	-64.2%	351,788,871	127,921,359	(223,867,512)	-63.6%
Insurance Premium Tax	8,580,817	6,835,628	(1,745,190)	-20.3%	78,741,310	95,573,849	16,832,539	21.4%
Financial Institutions Tax		8,853	8,853		(4,973,531)	1,308,555	6,282,087	-126.3%
Oil & Gas Production Tax*		14,673,674			146,071,108	127,164,783	(18,906,325)	-12.9%
Oil Extraction Tax*		3,224,682			153,928,892	172,835,217	18,906,325	12.3%
Gaming Tax	41,314	43,930	2,616	6.3%	6,175,108	5,828,452	(346,655)	-5.6%
Lottery					7,200,000	9,580,000	2,380,000	33.1%
Cigarette & Tobacco Tax	2,162,992	1,848,377	(314,616)	-14.5%	52,902,911	49,698,640	(3,204,271)	-6.1%
Wholesale Liquor Tax	643,809	620,045	(23,765)	-3.7%	16,295,229	15,622,426	(672,802)	-4.1%
Coal Conversion Tax	2,230,441	1,907,621	(322,821)	-14.5%	31,912,873	36,506,236	4,593,363	14.4%
Mineral Leasing Fees	873,870	1,248,140	374,270	42.8%	37,906,302	24,407,714	(13,498,588)	-35.6%
Departmental Collections	4,093,228	3,244,732	(848,496)	-20.7%	74,626,008	71,680,992	(2,945,016)	-3.9%
Interest Income	252,115	149,579	(102,536)	-40.7%	13,051,516	13,940,148	888,632	6.8%
State Mill & Elevator-Transfer					3,408,600	4,434,894	1,026,294	30.1%
Major Special Fund Transfers					861,790,000	657,000,000	(204,790,000)	-23.8%
Other Transfers	7,234	1,543	(5,692)	-78.7%	1,741,978	1,878,218	136,239	7.8%
Total Revenues and Transfers	172,666,490	118,084,174	(72,480,672)	-42.0%	5,127,465,378	3,686,622,458	(1,440,842,920)	-28.1%

VARIANCES

(Compared to March 2017
Revised Forecast)

March 2017 revenues totaled \$118.1 million, which is \$652,235, or .6 percent above forecast. Biennium-to-date revenues of \$3.69 billion are \$652,235, or .02 percent, higher than projected. When transfers from the tax relief fund are excluded, 2015-17 revenues to date are tracking 29.0 percent behind the same time period in the 2013-15 biennium. Significant monthly variances are as follows:

- **Sales tax** collections of \$48.8 million were \$1.9 million, or 4.2 percent, higher than anticipated for the month. Biennium-to-date revenues are .01 percent above forecast and 31.1 percent less than the same time period in the 2013-15 biennium.
- **Motor vehicle excise tax** collections totaling \$10.3 million were \$1.6 million, or 18.6 percent, more than anticipated for the month. Biennium-to-date collections are 21.7 percent less than the same time period in the 2013-15 biennium.
- **Departmental collections** of \$3.2 million were \$2.7 million lower than anticipated primarily due to timing differences in receipt of deposits. Biennium-to-date collections are 3.9 percent less than the same time period in the 2013-15 biennium.
- **Oil and gas tax** collections reached the \$300.0 million biennial cap in March. No additional oil taxes will be deposited in the general fund during the 2017-19 biennium.

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