
# STATUS OF THE GENERAL FUND

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Presented to the

## BUDGET SECTION

THURSDAY SEPTEMBER 17, 2020

JOE MORRISSETTE, OFFICE OF MANAGEMENT AND BUDGET DIRECTOR

# Budget Extension and Meeting Data 2021-23

| Agcy No. | Agency Name | Date Request Extended to | Date Originally Submitted |
|---|---|---|---|
| 101 | Office of the Governor | 10/2/2020 | |
| 108 | Secretary of State | 8/10/2020 | 8/10/2020 |
| 110 | OMB | 10/15/2020 | |
| 112 | ITD | 9/25/2020 | |
| 117 | State Auditor | | 7/15/2020 |
| 120 | State Treasurer | | 7/15/2020 |
| 125 | Attorney General | 9/15/2020 | 9/15/2020 |
| 127 | Tax Department | 8/15/2020 | 8/14/2020 |
| 140 | Admin Hearings | 8/14/2020 | 8/12/2020 |
| 150 | Legislative Assembly | NA | |
| 160 | Legislative Council | NA | |
| 180 | Judicial Branch | NA | |
| 188 | Indigents Council | 8/15/2020 | 8/10/2020 |
| 190 | RIO | 7/17/2020 | 7/17/2020 |
| 192 | PERS | 8/15/2020 | 7/14/2020 |
| 195 | Ethics Comm | | 7/15/2020 |
| 201 | Public Instruction | 9/30/2020 | |
| 215 | ND University System | 8/31/2020 | 8/31/2020 |
| 226 | Dept of Trust Lands | 7/28/2020 | 7/28/2020 |
| 227 | BSC | 8/31/2020 | 8/27/2020 |
| 228 | Lake Region | 8/31/2020 | 8/27/2020 |
| 229 | Williston State | 8/31/2020 | 8/27/2020 |
| 230 | UND | 8/31/2020 | 8/31/2020 |
| 232 | UND Medical Center | 8/31/2020 | 8/26/2020 |
| 235 | NDSU | 8/31/2020 | 8/27/2020 |
| 238 | ND College of Science | 8/31/2020 | 8/27/2020 |
| 239 | DSU | 8/31/2020 | 8/28/2020 |
| 240 | Mayville | 8/31/2020 | 8/27/2020 |
| 241 | Minot | 8/31/2020 | 8/26/2020 |
| 242 | Valley City | 8/31/2020 | 8/27/2020 |
| 243 | Dakota College-Bottineau | 8/31/2020 | 8/27/2020 |
| 244 | ND Forest Service | 8/31/2020 | 8/19/2020 |
| 250 | State Library | | 7/15/2020 |
| 252 | School for the Deaf | 8/7/2020 | 8/4/2020 |
| 253 | School for the Blind | 8/10/2020 | 8/10/2020 |
| 270 | Career & Tech Educ | 8/21/2020 | 8/21/2020 |
| 301 | Department of Health | 9/8/2020 | 8/28/2020 |
| 303 | Dept of Environmental Quality | 9/8/2020 | 9/8/2020 |

| Agcy No. | Agency Name | Date Request Extended to | Date Originally Submitted |
|---|---|---|---|
| 313 | ND Veterans Home | 8/26/2020 | 8/26/2020 |
| 316 | Indian Affairs | 7/31/2020 | 7/30/2020 |
| 321 | Veterans Affairs | 7/31/2020 | 7/31/2020 |
| 325 | Human Services | 9/21/2020 | |
| 360 | Protect & Advocacy | 8/28/2020 | 8/25/2020 |
| 380 | Job Service ND | 8/31/2020 | 8/31/2020 |
| 401 | Insurance Dept | | 7/15/2020 |
| 405 | Industrial Comm | 8/26/2020 | 8/26/2020 |
| 406 | Dept of Labor&Hum Rights | 8/15/2020 | 8/14/2020 |
| 408 | Public Service Comm | 8/14/2020 | 8/13/2020 |
| 412 | Aeronautics Comm | 8/7/2020 | 8/7/2020 |
| 413 | Financial Institutions | 7/31/2020 | 7/31/2020 |
| 414 | Securities Comm | | 7/7/2020 |
| 471 | Bank of ND | 8/28/2020 | 8/28/2020 |
| 473 | Housing Finance | 8/19/2020 | 8/19/2020 |
| 475 | ND Mill & Elevator | 9/15/2020 | 9/14/2020 |
| 485 | Workforce Safety & Ins | 9/2/2020 | 9/2/2020 |
| 504 | ND Highway Patrol | 8/31/2020 | 8/26/2020 |
| 530 | Corrections and Rehab | 9/30/2020 | |
| 540 | Adjutant General | 9/28/2020 | |
| 601 | Dept of Commerce | 9/23/2020 | |
| 602 | Dept of Agriculture | 7/31/2020 | 7/24/2020 |
| 627 | Upper Great Plains | 8/31/2020 | 8/24/2020 |
| 628 | Branch Research Centers | 8/31/2020 | 8/28/2020 |
| 630 | NDSU Extension | 8/31/2020 | 8/31/2020 |
| 638 | Northern Crops | 8/31/2020 | 8/27/2020 |
| 640 | NDSU Main Research | 8/31/2020 | 8/31/2020 |
| 649 | Agronomy Seed Farm | 8/31/2020 | 8/27/2020 |
| 665 | ND State Fair | 8/14/2020 | 8/14/2020 |
| 670 | ND Racing Commission | 7/22/2020 | 7/22/2020 |
| 701 | Historical Society | 8/1/2020 | 7/30/2020 |
| 709 | Council on the Arts | 8/31/2020 | 9/15/2020 |
| 720 | Game and Fish Dept | 8/21/2020 | 8/21/2020 |
| 750 | Parks and Rec | 8/24/2020 | 8/24/2020 |
| 770 | Water Commission | 10/2/2020 | |
| 801 | Dept of Transportation | 9/30/2020 | |
| **74** | | **65** | **61** |

# N.D.C.C. 54-14-03.1
# Fiscal Irregularities

June through August 2020

## Pay Adjustments

**June 2020**

| | | |
|---|---|---|
| **253** | **NDSB/Vision Services** | |
| | Samantha Osier | $ 7,332 |

Employee resigned end of May and was on 12-month contract. Paid the remainder of fulfilled contract.

| | | |
|---|---|---|
| **504** | **Highway Patrol** | |
| | Kristjan Helgoe | $ 510 |
| | Myles Sundby | $ 564 |
| | Kyle Stern | $ 582 |
| | Steven Fischer | $ 725 |
| | Wade Kadrmas | $ 947 |
| | Carries Oswald | $ 1,764 |
| | Brandon Solberg | $ 2,664 |

Paid out excess annual leave at the end of April due to unique situation created by the COVID-19 pandemic.

**July 2020**

| | | |
|---|---|---|
| **253** | **NDSB/Vision Services** | |
| | Kenneth Dockter | $ 1,914 |
| | Lanna Slaby | $ 1,802 |
| | Cynthia Williams | $ 3,026 |

Teachers working additional days for summer contract.

**August 2020**

| | | |
|---|---|---|
| **270** | **Career and Tech Ed** | |
| | Bryan Ackley | $ 1,294 |
| | Jamie Moen | $ 1,733 |

Temporary workload adjustments.

## Retroactive Pay

**June 2020**

| | | |
|---|---|---|
| **325** | **DHS** | |
| | Brennan Atherton | $ 1,196 |

Received licensure.

| | | |
|---|---|---|
| **325** | **DHS** | |
| | Nichole Fontaine-Vonesh | $ 2,260 |

Workload increase.

| | | |
|---|---|---|
| **709** | **Arts Council** | |
| | Robin Bosch | $ 900 |
| | Kim Konikow | $ 1,050 |
| | Amy Rae Schmidt | $ 600 |

Temporary workload increases.

# Report on Federal Grants
## Per NDCC 54-27-27

### September 17, 2020

### Grant Applications

| Agency | Description | Time Period of Grant | Amount of Grant Requested |
|---|---|---|---|
| DPI | State Personnel Development Grant will assist in making systemic changes to deliver specially designed instruction methods/modes needed for students with disabilities on individual education plans. | 2020 – 2025 | $ 2,100,000 |
| Industrial Commission | 2019-20 U.S. EPA multipurpose grant program, funds will be used to plug and abandon an underground injection control well confiscated by the Commission. | Up to 5 years | $ 26,157 |

### Grants Awarded

| Agency | Description | Time Period of Grant | Amount of Grant Awarded |
|---|---|---|---|
| Dept of Human Services | ND Senior Community Service Employment Program demonstration grant will focus on helping older workers secure jobs in high demand positions. | Date awarded – 1-3 years | $ 889,285 |
| Dept of Commerce | Apprenticeship State Expansion a partnership agreement between Commerce and NDSCS to administer 3-year grant and grow apprenticeship opportunities in ND focusing on in-demand occupations. | 7/1/2019 – 6/30/2022 | $ 694,317 |
| Dept of Transportation | Grants to fund the replacement of transit vehicles and expansion bus purchases. | 1/1/2021 – 12/31/2024 | $ 17,250,000 |

# Expenditures of Federal COVID-19 Funding
# as of August 31, 2020

### State Agency Expenditures

| | |
|---|---|
| Adjutant General | 8,301,740.23 |
| Attorney General | 37,814.14 |
| Council on the Arts | 396,184.18 |
| Department of Agriculture | 689,035.60 |
| Department of Commerce | 2,348,845.42 |
| Department of Trust Lands | 17,955.23 |
| Dept. of Corrections & Rehab. | 1,416,487.62 |
| Environmental Quality | 35,344.85 |
| Governor's Office | 18,082.70 |
| Health Department | 37,382,607.10 |
| Human Services | 33,860,638.21 |
| Industrial Commission | 1,944.12 |
| Information Technology Dept | 14,745,444.86 |
| Job Service ND | 1,562,291.86 |
| Legislative Assembly | 838,477.60 |
| Legislative Council | 7,161.02 |
| Library, State | 426.29 |
| ND Racing Commission | 1,000.00 |
| ND Veterans' Home | 281,839.31 |
| Office of Management & Budget | 52,172.08 |
| Protection and Advocacy | 10,063.84 |
| Public Instruction | 170,002.78 |
| Public Service Commission | 4,016.36 |
| Secretary of State | 458,742.36 |
| State Auditor's Office | 10,865.71 |
| State Historical Society | 13,809.04 |
| State Tax Commissioner | 13,644.78 |
| State Treasurer - Allocations to Political Subdivisions | 32,152,233.94 |
| **Total** | **134,828,871.23** |

### Transfers by OMB

| | |
|---|---|
| Job Service - Unemployment Insurance Trust Fund | 310,000,000.00 |
| Workforce Safety and Insurance | 116,576.00 |
| Mill & Elevator | 149,078.00 |
| Bank of North Dakota | 12,000,000.00 |
| **Total** | **322,265,654.00** |

### Higher Education Expenditures

| | |
|---|---|
| NDUS - Core Technology Services | 1,077.00 |
| BSC | 816,981.00 |
| Lake Region | 515,170.00 |
| UND-Williston | 313,541.00 |
| UND | 6,074,292.00 |
| NDSU | 11,258,036.00 |
| College of Science | 788,791.00 |

| | |
|---|---|
| Dickinson State | 577,352.00 |
| Mayville State | 328,643.00 |
| Minot State | 1,517,321.00 |
| Valley City State | 522,392.00 |
| Dakota College at Bottineau | 415,050.00 |
| **Total** | **23,128,646.00** |

**Agricultural Research and Extension Expenditures**

| | |
|---|---|
| Dickinson Research | 12,862.70 |
| Central Grasslands | 20,754.44 |
| Hettinger Research | 7,585.96 |
| Langdon Research | 17,818.33 |
| North Central Research | 5,451.03 |
| Williston Research | 8,387.81 |
| Carrington Research | 12,362.80 |
| NDSU Extension | 146,507.84 |
| Northern Crops | 740.00 |
| Main Research | 103,035.71 |
| **Total** | **335,506.62** |
| **Grand Total** | **$ 480,558,677.85** |

## GENERAL FUND STATUS STATEMENT
## 2019-21 BIENNIUM
## AS OF AUGUST 31, 2020

| | | |
|---|---|---|
| Beginning balance: | | |
| Beginning unobligated balance - July 1, 2019 | $65,000,000 | |
| Balance obligated for authorized carryover of appropriations | 130,404,813 | |
| Total beginning balance | | $195,404,813 |
| Revenues: | | |
| Revenues collected to date | $3,276,912,351 | |
| Remaining forecasted revenues | 1,622,758,285 | |
| Total revenues | | 4,899,670,636 |
| Total available | | $5,095,075,449 |
| Expenditures: | | |
| Legislative appropriations - One time | ($48,639,068) | |
| Legislative appropriations - Ongoing | (4,794,924,098) | |
| 2019-21 authority used in 2017-19 | 106,000 | |
| Authorized carryover from previous biennium | (130,404,813) | |
| Total authorized expenditures | | (4,973,861,979) |
| Estimated ending balance - June 30, 2021 | | $121,213,470 \1 |

\1 NDCC Section 54-27.2-02 provides that any end of biennium balance in excess of $65.0 million must be transferred to the budget stabilization fund, up to a cap of 15.0 percent of general fund appropriations.

## SELECTED SPECIAL FUNDS
## AUGUST 31, 2020 FUND BALANCES

| Fund | Balance |
|---|---|
| Budget Stabilization Fund (June 30 RIO balance) | $726,903,611 |
| Legacy Fund (June 30 RIO balance plus August oil tax allocation) | $7,015,997,683 |
| Foundation Aid Stabilization Fund | $375,960,307 |
| Tax Relief Fund | $290,474,146 |
| 6/30/20 Strategic Investment and Improvement Fund ($673,192,439 committed) | $768,070,988 |

## OIL UPDATE
## AUGUST 31, 2020 (Based on June 30, 2020 Production)

| | Forecast | Actual to Date |
|---|---|---|
| Average Price: | $48.46 | $40.09 |
| Average Production: | 1,403,077 | 1,353,461 |
| Oil Revenue | $2,605,138,700 | $2,115,679,816 |

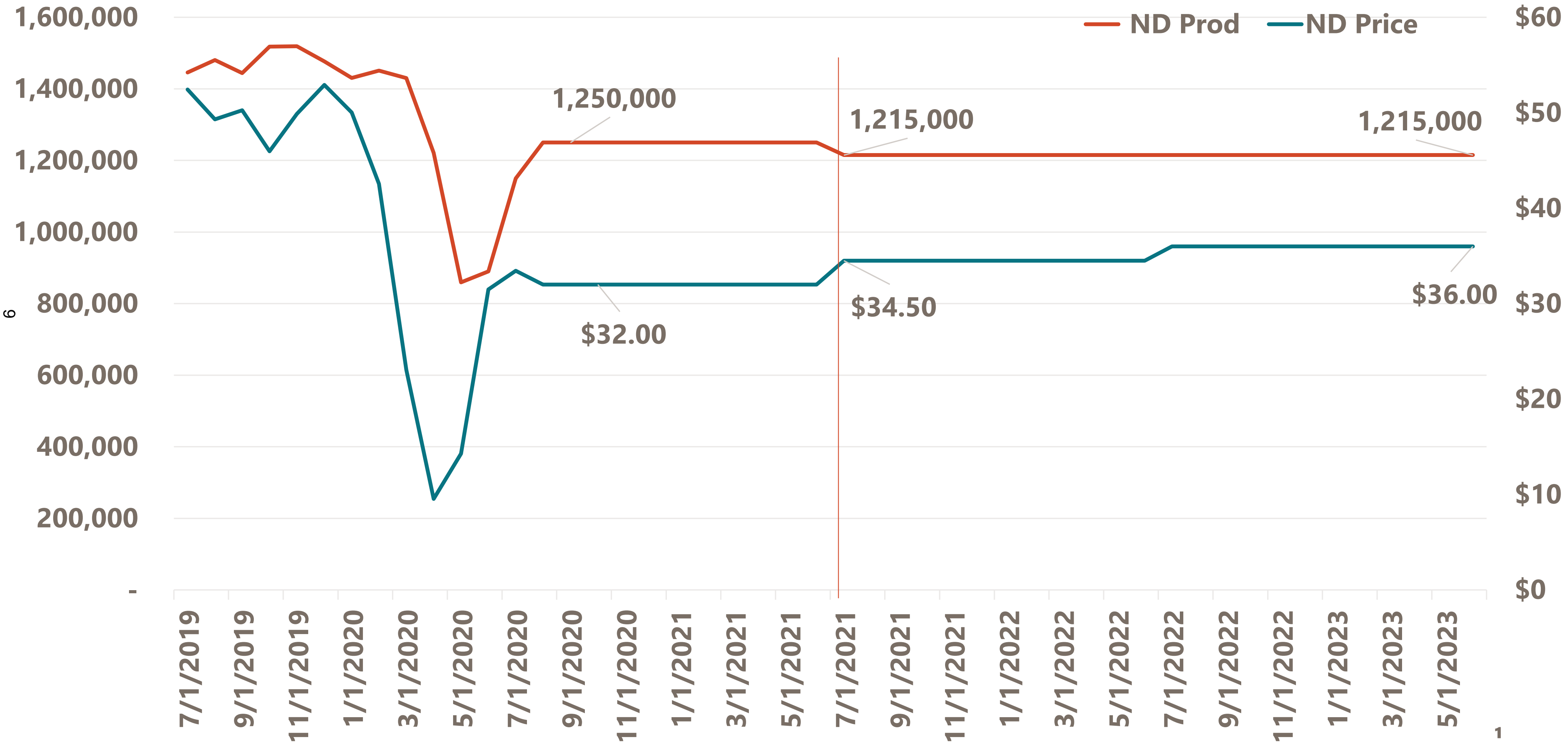
## STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
### *Compared to the Legislative Forecast*
### 2019-21 Biennium
### August 2020

| | Fiscal Month | | | | Biennium To Date | | | |
|---|---|---|---|---|---|---|---|---|
| **Revenues and Transfers** | **Original 2019 Leg. Forecast** | **Actual** | **Variance** | **Percent** | **Original 2019 Leg. Forecast** | **Actual** | **Variance** | **Percent** |
| Sales Tax | 90,683,341 | 67,636,199 | (23,047,142) | -25.4% | 1,112,961,884 | 1,118,285,578 | 5,323,694 | 0.5% |
| Motor Vehicle Excise Tax | 11,924,923 | 11,954,466 | 29,543 | 0.2% | 146,189,645 | 142,209,060 | (3,980,585) | -2.7% |
| Individual Income Tax | 14,416,408 | 10,951,760 | (3,464,648) | -24.0% | 470,319,794 | 487,505,991 | 17,186,197 | 3.7% |
| Corporate Income Tax | 380,551 | 27,695 | (352,856) | -92.7% | 66,253,285 | 92,393,080 | 26,139,795 | 39.5% |
| Insurance Premium Tax | - | - | - | 0.0% | 42,264,905 | 52,903,599 | 10,638,694 | 25.2% |
| Oil & Gas Production Tax* | 14,581,996 | 14,581,996 | - | 0.0% | 223,793,925 | 223,793,925 | - | 0.0% |
| Oil Extraction Tax* | 8,830,353 | 8,830,353 | - | 0.0% | 150,233,342 | 150,233,342 | - | 0.0% |
| Gaming Tax | 471,732 | 1,259,244 | 787,512 | 166.9% | 4,410,284 | 14,400,417 | 9,990,133 | 226.5% |
| Lottery | - | - | - | 0.0% | 6,122,500 | 4,100,000 | (2,022,500) | -33.0% |
| Cigarette & Tobacco Tax | 2,155,258 | 2,373,086 | 217,828 | 10.1% | 28,707,595 | 29,977,793 | 1,270,198 | 4.4% |
| Wholesale Liquor Tax | 776,572 | 824,068 | 47,496 | 6.1% | 11,047,958 | 10,918,959 | (128,999) | -1.2% |
| Coal Conversion Tax | 1,640,502 | 1,594,475 | (46,027) | -2.8% | 22,349,501 | 22,693,199 | 343,698 | 1.5% |
| Mineral Leasing Fees | 1,408,439 | 618,743 | (789,696) | -56.1% | 22,724,376 | 24,588,803 | 1,864,427 | 8.2% |
| Departmental Collections | 2,326,404 | 1,122,525 | (1,203,879) | -51.7% | 37,787,571 | 39,980,166 | 2,192,595 | 5.8% |
| Interest Income | 419,000 | 633,088 | 214,088 | 51.1% | 4,090,400 | 12,197,755 | 8,107,355 | 198.2% |
| State Mill & Elevator-Transfer | - | - | - | 0.0% | 6,700,000 | 5,423,841 | (1,276,159) | -19.0% |
| Bank of North Dakota - Transfer | - | - | - | 0.0% | 70,000,000 | 70,000,000 | - | 0.0% |
| Legacy Fund - Transfer | - | - | - | 0.0% | - | - | - | 0.0% |
| Tax Relief Fund - Transfer | - | - | - | 0.0% | 8,600,000 | 8,600,000 | - | 0.0% |
| SIIF - Transfer | - | - | - | 0.0% | 764,400,000 | 764,400,000 | - | 0.0% |
| Gas Tax administration | - | - | - | 0.0% | 1,244,390 | 1,244,784 | 394 | 0.0% |
| Miscellaneous | - | - | - | 0.0% | - | 1,062,059 | 1,062,059 | 100.0% |
| **Total Revenues and Transfers** | **150,015,479** | **122,407,698** | **(27,607,781)** | **-18.4%** | **3,200,201,355** | **3,276,912,351** | **76,710,996** | **2.4%** |

* The General Fund cap for oil and gas taxes contains two tiers. The first tier of $200.0 million was reached in November 2019. Additional oil taxes were allocated to the Tax Relief Fund until that fund received $200.0 million, and then to the Budget Stabilization Fund until that fund reached its max fund balance of $726.5 million. In March, the General Fund began receiving allocations to meet its second tier of $200.0 million.

# OIL PRICE AND PRODUCTION

## SEPTEMBER 2020 REVENUE FORECAST

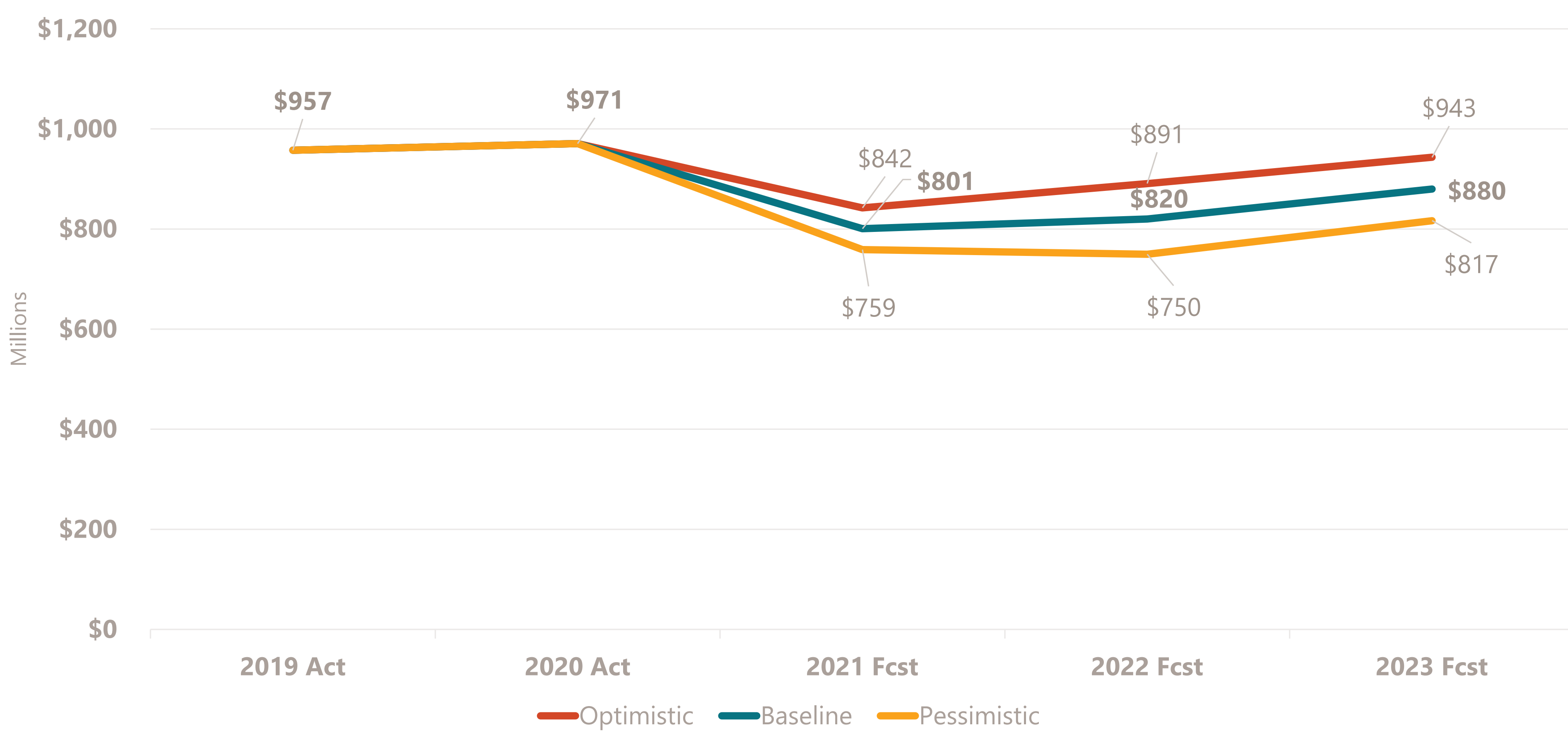


# OIL TAX ALLOCATIONS

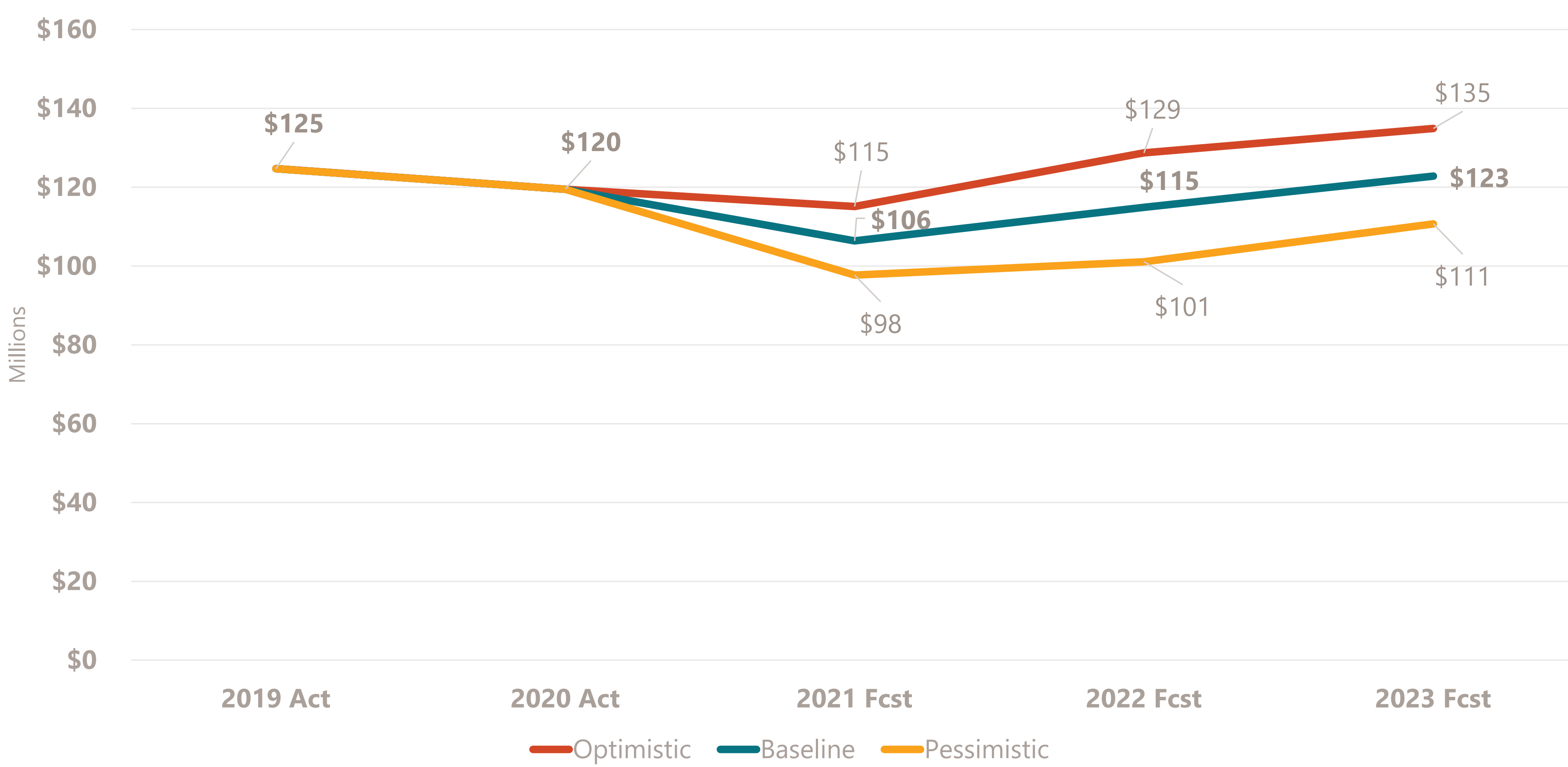


| | Original 2019-21 | Revised 2019-21 | Projected 2021-23 |
|---|---|---|---|
| Counties and Cities | $661,151,412 | $496,690,547 | $429,558,741 |
| Tribal Allocations | 525,114,357 | 370,411,592 | 328,273,121 |
| Legacy Fund | 1,297,823,623 | 913,520,467 | 811,329,200 |
| Foundation Aid Stabilization Fund | 213,288,197 | 145,147,362 | 133,336,256 |
| Common Schools Trust Fund | 213,288,197 | 145,147,362 | 133,336,256 |
| Resources Trust Fund | 433,040,805 | 293,352,091 | 269,139,324 |
| Renewable Energy Development Fund | 3,000,000 | 3,000,000 | 3,000,000 |
| Energy Conservation Fund | 1,200,000 | 1,200,000 | 1,200,000 |
| Oil and Gas Research Fund | 16,000,000 | 16,000,000 | 16,000,000 |
| State Energy Research Fund | 5,000,000 | 5,000,000 | 5,000,000 |
| ND Outdoor Heritage Fund | 15,000,000 | 15,000,000 | 15,000,000 |
| Well Plugging and Site Reclamation Fund | 14,686,534 | 10,643,929 | 9,211,290 |
| General Fund | 400,000,000 | 400,000,000 | 400,000,000 |
| Tax Relief Fund | 200,000,000 | 200,000,000 | 200,000,000 |
| Budget Stabilization Fund | 75,000,000 | 48,431,258 | 0 |
| OPD | 250,000,000 | 30,375,000 | 30,375,000 |
| Lignite Research Fund | 10,000,000 | 10,000,000 | 10,000,000 |
| State Disaster Relief Fund | 0 | 0 | 0 |
| Strategic Investment & Improvements Fund | 517,599,976 | 311,560,210 | 237,944,599 |
| Total | $4,851,193,101 | $3,415,479,818 | $3,032,703,787 |

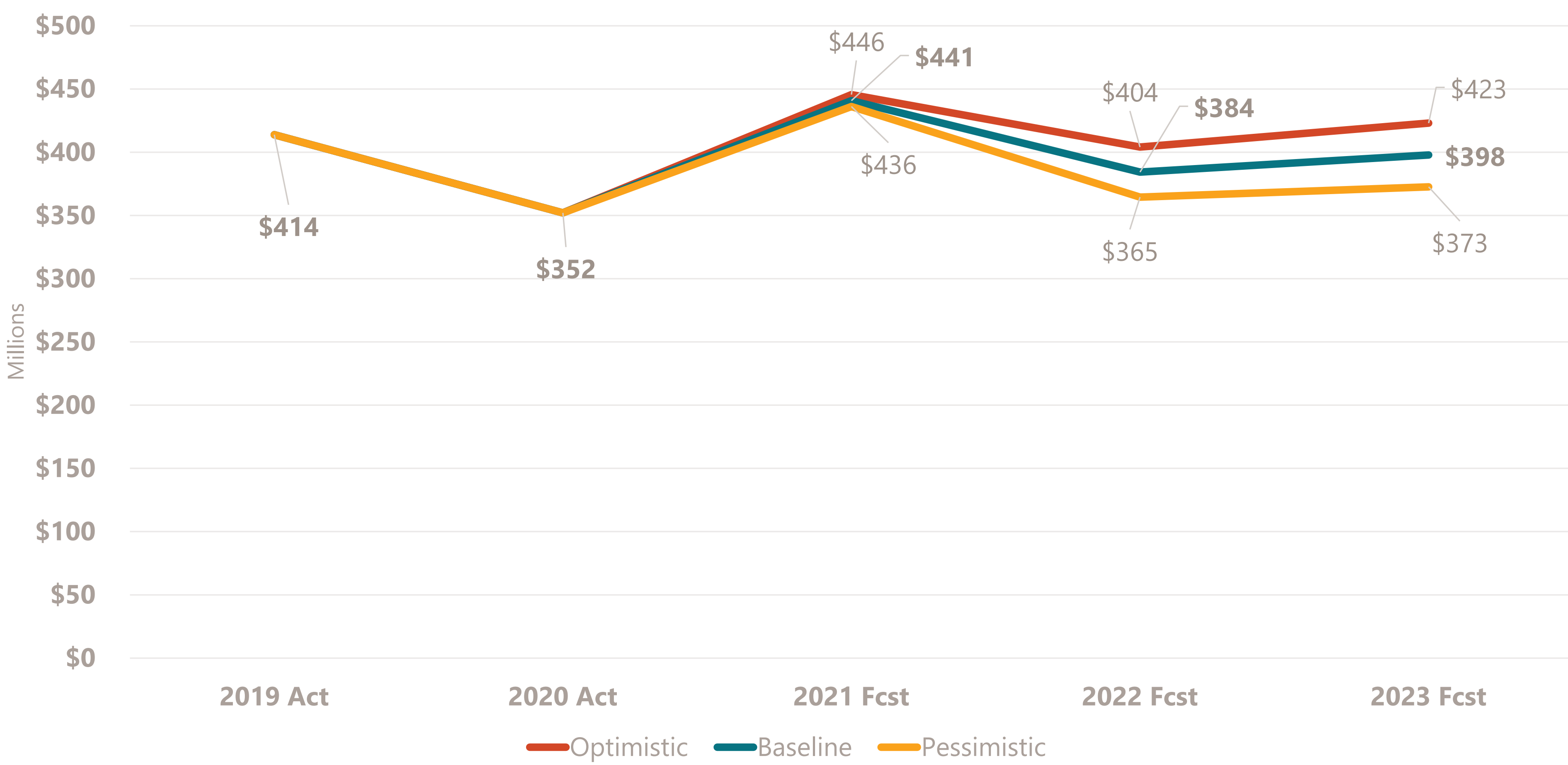
# SALES & USE TAX



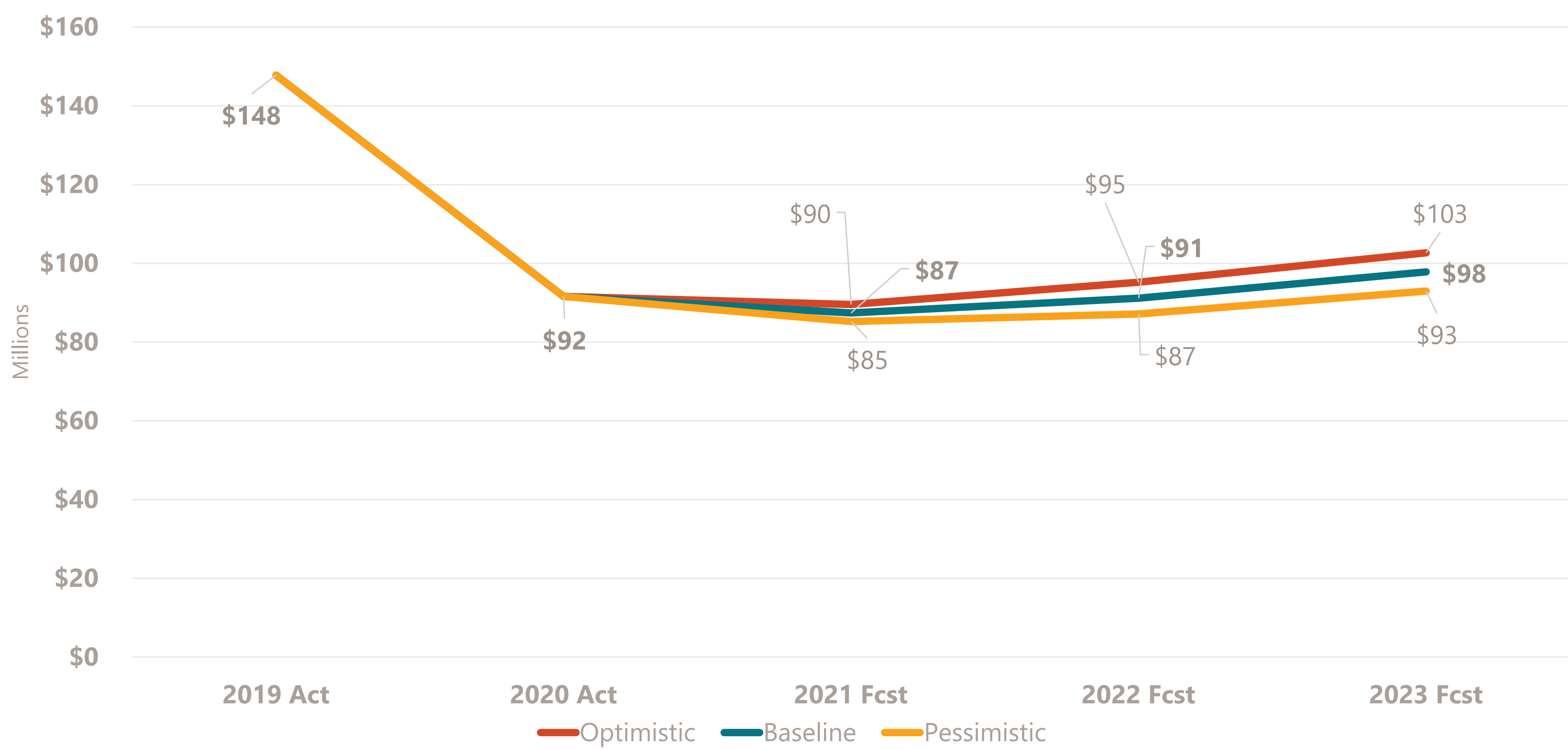
# MOTOR VEHICLE EXCISE TAX



# INDIVIDUAL INCOME TAX



# CORPORATE INCOME TAX



# 2019-21 REVISED FORECAST

| | Original Forecast | Revised Forecast | Change |
|---|---|---|---|
| Sales and use taxes | $1,868,262,000 | $1,771,298,564 | ($96,963,436) |
| Motor vehicle excise tax | 249,951,800 | 225,871,814 | (24,079,986) |
| Individual income tax | 803,305,000 | 792,937,603 | (10,367,397) |
| Corporate income tax | 132,268,000 | 178,960,333 | 46,692,333 |
| Insurance premium tax | 72,944,050 | 94,520,219 | 21,576,169 |
| Oil and gas taxes | 400,000,000 | 400,000,000 | 0 |
| Gaming tax | 7,511,200 | 28,304,238 | 20,793,038 |
| Lottery | 12,245,000 | 10,222,500 | (2,022,500) |
| Cigarette and tobacco tax | 47,838,000 | 48,670,505 | 832,505 |
| Wholesale liquor tax | 18,703,000 | 18,268,734 | (434,266) |
| Coal conversion tax | 41,438,000 | 42,398,724 | 960,724 |
| Mineral leasing fees | 38,000,000 | 29,368,017 | (8,631,983) |
| Departmental collections | 91,521,566 | 78,964,720 | (12,556,846) |
| Interest income | 10,000,000 | 28,272,315 | 18,272,315 |
| State Mill profits - Transfer | 13,400,000 | 10,923,841 | (2,476,159) |
| Bank of North Dakota - Transfer | 140,000,000 | 140,000,000 | 0 |
| Legacy Fund - Transfer | 100,000,000 | 235,630,000 | 135,630,000 |
| Tax Relief Fund - Transfer | 8,600,000 | 8,600,000 | 0 |
| SIIF - Transfer | 764,400,000 | 764,400,000 | 0 |
| Gas Tax administration | 1,991,024 | 1,991, 418 | 394 |
| Miscellaneous | 581,000 | 1,643,059 | 1,062,059 |
| TOTAL REVENUES AND TRANSFERS | **$4,822,959,640** | **$4,911,246,604** | **$88,286,964** |

# GENERAL FUND STATUS – 2019-21

| | | | |
|---|---|---|---|
| Total beginning balance | | | $65.0 |
| Revenues: | | | |
| | Revised forecast - September 2020 | | 4, 911.2 |
| Total available | | | 4,976.2 |
| Expenditures: | | | |
| | Legislative appropriations - One time | ($48.6) | |
| | Legislative appropriations - Ongoing | (4,794.9) | |
| | 2019-21 authority used in 2017-19 | 0.1 | |
| | Estimated deficiencies | (34.2) | |
| | Estimated turnback | 62.0 | |
| | Total authorized expenditures | | (4,815.7) |
| Estimated ending balance - June 30, 2021 | | | $160.5 |

# 2021-23 PRELIMINARY FORECAST

| | FY20 | FY21 | FY22 | FY23 |
|---|---|---|---|---|
| Sales and use taxes | $970,559,564 | $800,739,000 | $820,239,000 | $880,025,000 |
| Motor vehicle excise tax | 119,506,814 | 106,365,000 | 114,938,000 | 122,790,000 |
| Individual income tax | 352,096,603 | 440,841,000 | 384,295,000 | 397,832,000 |
| Corporate income tax | 91,564,033 | 87,396,300 | 91,185,000 | 97,848,000 |
| **Total** | **$1,533,727,014** | **$1,435,341,300** | **$1,410,657,000** | **$1,498,495,000** |

| | 19-21 Biennium | 21-23 Biennium | Variance |
|---|---|---|---|
| Sales and use taxes | $1,771,298,564 | $1,700,264,000 | ($71,034,564) |
| Motor vehicle excise tax | 225,871,814 | 237,728,000 | 11,856,186 |
| Individual income tax | 792,937,603 | 782,127,000 | (10,810,603) |
| Corporate income tax | 178,960,333 | 189,033,000 | 10,072,245 |
| **Total** | **$2,969,068,314** | **$2,909,152,000** | **($59,916,314)** |