



STATUS OF THE GENERAL FUND

Presented to the

BUDGET SECTION

THURSDAY, SEPTEMBER 30, 2021

**GENERAL FUND STATUS STATEMENT
2019-21 BIENNIUM
JUNE 30, 2021 (FINAL)**

Beginning balance:		
Beginning unobligated balance - July 1, 2019	\$65,000,000	
Balance obligated for authorized carryover of appropriations	<u>128,664,231</u>	
Total beginning balance		\$193,664,231
Revenues:		
		<u>5,751,904,322</u>
Total available		\$5,945,568,553
Expenditures:		
Spending authority		
Legislative Appropriations - One-Time	(\$48,639,068.00)	
Legislative Appropriations - Ongoing	(4,794,924,098)	
2021-23 Authority used in 2019-21 Pursuant to Emergency Clause	(100,000)	
17-19 Emergency Clause Carried Over to 2019-21	106,000	
Appropriation adjustments, Cancellations	(3,909)	
Authorized Carryover from Previous Biennium	(128,664,231)	
Supplemental Appropriations	<u>(123,140,000)</u>	
Total spending authority		(\$5,095,365,306)
Unspent authority returned to general fund		337,679,612
Total amount spent or carried over to 2021-23		<u>(4,757,685,694)</u>
Estimated ending balance before transfers and adjustments		\$1,187,882,859
Transfers and adjustments		
Transfer to budget stabilization fund		0 \1
Net effect of other transfers, adjustments, and cash certifications		<u>(65,529,514)</u>
Total transfers and adjustments		<u>(65,529,514)</u>
Ending unobligated balance - June 30, 2021		<u><u>\$1,122,353,345</u></u>

\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.

2019-2021 General Fund Turnback

Agency	Total Unexpended	% Returned	Notes
10100 Governor's Office	155,509.00	3.45%	
10800 Secretary of State	181,656.00	2.64%	
11000 Office of Management & Budget	721,119.00	0.53%	
11200 Information Technology Dept	97,891.00	0.34%	
11700 State Auditor's Office	1,211,787.00	11.98%	
12000 State Treasurer	102,251.00	5.79%	
12500 Attorney General	380,617.00	0.83%	
12700 State Tax Commissioner	3,844,774.00	6.62%	
15000 Legislative Assembly	282,269.00	1.70%	
16000 Legislative Council	1,924,854.00	11.36%	
18000 Courts	2,465,415.00	2.29%	
18800 Counsel for Indigents	844,101.00	4.59%	
19500 Ethics Commission	85,020.00	16.44%	
20100 Public Instruction	61,220,585.00	3.55%	Average daily membership was less than expected during the biennium.
22600 Department of Trust Lands	3,743.00	100.01%	
22900 Williston State College	1,010.00	0.01%	
23800 College of Science	28,606.00	0.08%	
25000 State Library	458,094.00	7.92%	
25300 School for the Blind	53,477.00	1.13%	
27000 Career & Technical Education	925,017.00	2.31%	
30100 Health Department	2,051,955.00	5.64%	
30300 Environmental Quality	617,240.00	4.95%	
31300 ND Veterans' Home	556.00	0.01%	
31600 Indian Affairs Commission	113,671.00	10.35%	
32100 Veterans Affairs	118,348.00	8.07%	
32500 Human Services	179,231,080.00	12.16%	\$146.7 Enhanced FMAP; \$26.5 reduced utilization in foster care and subsidized adoption; \$5.9M HSC, NDSH and LSTC and DHS reduced expenses.
36000 Protection and Advocacy	9,231.00	0.28%	
38000 Job Service	13,057.00	3.03%	
40500 Industrial Commission	3,066,899.00	11.17%	
40600 Labor Commissioner	382,735.00	15.98%	
40800 Public Service Commission	530,182.00	7.90%	
50400 Highway Patrol	21,206,832.00	47.88%	Savings due to CRF replacing general fund expenditures, higher vacancies and lower motorpool rate.
53000 Dept. of Corrections & Rehab.	46,833,202.00	20.19%	Savings due to CRF replacing general fund expenditures.
54000 Adjutant General	2,543,764.00	1.10%	
60100 Department of Commerce	5,451,404.00	19.06%	Salary and operating costs from vacant positions, Unexpended grants: BVLOS, Early Childhood Education, Nonresident Nurse Employment Recruitment.
60200 Department of Agriculture	244,594.00	0.34%	
66500 ND State Fair Association	271,417.00	7.20%	
70900 Council on the Arts	20.00	0.00%	
75000 Parks & Recreation	5,630.00	0.35%	
Total	337,679,612.00	6.63%	

**GENERAL FUND STATUS STATEMENT
2021-23 BIENNIUM
AS OF AUGUST 31, 2021**

Beginning balance:		
Beginning unobligated balance - July 1, 2021	\$1,122,353,345	
Balance obligated for authorized carryover of appropriations	<u>72,429,176</u>	
Total beginning balance		\$1,194,782,521
Revenues:		
Revenues collected to date	\$573,158,942	
Remaining forecasted revenues	<u>3,811,589,107</u>	
Total revenues		<u>4,384,748,049</u>
Total available		\$5,579,530,570
Expenditures:		
Legislative appropriations - One time	(\$114,923,493)	
Legislative appropriations - Ongoing	(4,878,033,837)	
2021-23 authority used in 2019-21	100,000	
Authorized carryover from previous biennium	<u>(72,429,176)</u>	
Total authorized expenditures Estimated		<u>(5,065,286,506)</u>
ending balance - June 30, 2023		<u><u>\$514,244,064</u></u> ^{\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, 2021 FUND BALANCES**

Fund	Balance
Budget Stabilization Fund (July 31 RIO balance)	\$749,849,349
Legacy Fund (July 31 RIO balance plus August oil tax allocation)	\$8,327,131,780
Foundation Aid Stabilization Fund	\$389,261,318
Tax Relief Fund	\$188,399,245
5/31/21 Strategic Investment and Improvement Fund (\$254,942,788 committed)	\$822,318,763

**OIL UPDATE
AUGUST 31, 2021 (Based on June 30, 2021 Production)**

	Forecast	Actual to Date
Average Price:	\$50.00	\$65.47
Average Production:	1,100,000	1,133,498
Oil Revenue	\$160,050,000	\$198,225,875

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
Compared to the Legislative Forecast
2021-23 Biennium
August 2021

Revenues and Transfers	Fiscal Month				Biennium To Date			
	Original 2021 Leg. Forecast	Actual	Variance	Percent	Original 2021 Leg. Forecast	Actual	Variance	Percent
Sales Tax	70,940,434	86,769,883	15,829,449	22.3%	159,574,818	175,442,194	15,867,376	9.9%
Motor Vehicle Excise Tax	11,806,347	12,918,359	1,112,012	9.4%	23,090,883	25,362,546	2,271,663	9.8%
Individual Income Tax	13,841,097	42,396,862	28,555,765	206.3%	71,543,901	77,056,121	5,512,220	7.7%
Corporate Income Tax	277,599	242,575	(35,024)	-12.6%	886,545	13,339,617	12,453,072	1404.7%
Insurance Premium Tax	2,220,836	149,223	(2,071,613)	-93.3%	2,220,836	159,389	(2,061,447)	-92.8%
Oil & Gas Production Tax	37,645,081	37,645,081	-	0.0%	37,645,081	37,645,081	-	0.0%
Oil Extraction Tax	22,064,160	22,064,160	-	0.0%	22,064,160	22,064,160	-	0.0%
Gaming Tax	-	18,522	18,522	100.0%	-	36,221	36,221	100.0%
Lottery	-	-	-	0.0%	-	-	-	0.0%
Cigarette & Tobacco Tax	2,143,862	2,152,412	8,550	0.4%	4,230,998	4,465,021	234,023	5.5%
Wholesale Liquor Tax	721,080	804,668	83,588	11.6%	1,575,278	1,831,862	256,584	16.3%
Mineral Leasing Fees	1,031,513	2,676,139	1,644,626	159.4%	2,869,119	5,364,808	2,495,689	87.0%
Departmental Collections	1,308,670	1,122,112	(186,558)	-14.3%	2,715,488	1,859,558	(855,930)	-31.5%
Interest Income	754,658	396,823	(357,835)	-47.4%	1,041,563	490,092	(551,471)	-52.9%
State Mill & Elevator - Transfer	-	-	-	0.0%	-	-	-	0.0%
Bank of North Dakota - Transfer	-	-	-	0.0%	-	-	-	0.0%
SIIF - Transfer	-	-	-	0.0%	205,000,000	205,000,000	-	0.0%
Gas Tax Administration	-	-	-	0.0%	234,218	234,218	-	0.0%
Miscellaneous	-	2,808,054	2,808,054	100.0%	-	2,808,054	2,808,054	100.0%
Total Revenues and Transfers	164,755,337	212,164,873	47,409,536	28.8%	534,692,888	573,158,942	38,466,054	7.2%

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

June through August 2021

Pay Adjustments

June 2021

253 ND School for the Blind/Visions Services
Cynthia Williams \$ 3,074
Teacher working additional hours for summer contract.

July 2021

253 ND School for the Blind/Visions Services
Sandra Brandt \$ 3,219
Kenneth Dockter \$ 3,063
Lanna Slaby \$ 3,964
Melissa Snyder \$ 3,171
Cynthia Williams \$ 3,074
Teachers working additional hours for summer contract.

301 Health Department
Brenton Nesemeier \$ 914
Equity pay for promotion to division director.

Retroactive Pay

June 2021

325 DHS
Shelly Meyer \$ 4,240
Adjustment for incorrect pay rate used since August 2019.

325 DHS
Shandra Stai \$ 2,004
Adjustment for incorrect pay rate used since April 2021.

July 2021

325 DHS
Julie Hooker \$ 795
Equity increase.

325 DHS
Sara Stolt \$ 848
Nathan Ellenson \$ 554
Angela Kaiser \$ 554
Workload increases.

406 Labor & Human Rights
Erica Thunder \$ 1,000
Temporary workload increase provided while serving as interim Director for the Indian Affairs Commission.

530 DOCR
 Garrett Grundstad \$ 800
 Shift differential pay for 4 months.

709 Arts Council
 Rebecca Engelman \$ 1,250
 Troyd Geist \$ 1,250
 Kim Konikow \$ 2,250
 Amy Rae Schmidt \$ 1,750
 Vanessa Voskuil \$ 1,250

Temporary workload increases provided to assist in administering federal CARES Act grant.

August 2021

665 State Fair
 Aaron Ottmar \$ 703
 Workload increase.

Severance Pay

July 2021

504 Highway Patrol
 Jessie Krodel \$ 17,771
 Tania Molden \$ 17,591
 Darcy Peterson \$ 18,530

Reduction in force as part of a special fund reprioritization. Payments equal to 3 months' salary and benefits.

August 2021

471 Bank of ND
 Lisa Carlson \$ 26,855
 Reduction in force.

Report on Federal Grants Per NDCC 54-27-27

September 30, 2021

Grant Applications

Agency	Description	Time Period of Grant	Amount of Grant Requested
Industrial Commission	US EPA multipurpose grant. ND will use it to plug and abandon an underground injection control well confiscated by the Commission.	10/1/2021 – 9/30/2026	\$25,560
DOCR	Project Safe Neighborhood grants are designed to create safer neighborhoods through a sustained reduction in violent crime. Nine counties in ND have been identified as target areas for these grants.	1/1/2022 – 12/31/2022	\$200,000
Commerce	Statewide planning grant related to economic recovery and responding to economic injury as a result of the coronavirus.	30 Months by Date of Award	\$1,000,000
Parks and Rec	State travel, tourism, and outdoor recreation grant to support marketing campaigns, workforce training, long-term economic development planning, business technical assistance and infrastructure projects that support travel, tourism, and outdoor activities.	9/23/2021 – 5/31/2027	\$2,714,093

Grants Awarded

Agency	Description	Time Period of Grant	Amount of Grant Awarded
DHS	Lifespan Respite Care Program grants enhance, expand, improve, and supplement respite services assisting family caregivers in ND. Amount received is for first year of the grant.	10/1/2020 – 9/30/2021	\$161,690

Industrial Commission	US EPA multipurpose grant. ND will use it to plug and abandon an underground injection control well confiscated by the Commission.	10/1/2021 – 9/30/2026	\$25,560
Adjutant General/DES	The Targeted Violence and Terrorism Prevention grant program will work to establish a prevention framework to counter violent extremism in ND.	10/1/2021 – 9/30/2023	\$160,000



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**Coronavirus
Capital Projects
Fund**

Status Update

Budget Section, September 30, 2021

CORONAVIRUS CAPITAL PROJECTS FUND APPROPRIATIONS

Agency	Project	Amount
OMB	Cooperstown Medical Center	\$ 500,000
Judicial Branch	IT equipment	157,600
DPI	Minot children's science center grant	5,900,000
UND	Airport apron project	5,000,000
DSU	Pulver Hall	4,000,000
CTE	Career center initiative	70,000,000
Highway Patrol	LETA remodel	3,000,000
Historical Society	Historic site repairs	4,200,000
Parks and Recreation	Deferred maintenance projects and IPG loan	11,716,400
Dept. of Agriculture	Intermodal facility grant	2,000,000
Total		\$106,474,000

CORONAVIRUS CAPITAL PROJECT FUND

- 2021-23 appropriation = \$106,474,000
- Preliminary estimate of ND funding = \$112,473,563
- Current estimate of ND funding = \$113,276,228
- 2021 legislative requirement:
 - Moneys cannot be spent until determined to be in compliance with federal guidelines
- Guidance released September 20, 2021

APPLICATION PROCESS

- Not a competitive grant, but states must submit an application and a Grant Plan
- Capital Projects Fund Portal will be launched by Treasury
- State must submit a grant application by December 27, 2021
- Grant Plan must be submitted within 365 days of launch of Capital Projects Fund Portal
- Funds released after approval of state Grant Plan

ALLOWABLE USES – GENERAL GUIDANCE

- Investment in high-quality broadband infrastructure and other connectivity infrastructure, devices, and equipment
- Other capital projects that meet ALL the following criteria:
 - “directly enable work, education, and health monitoring”;
 - address a critical need that resulted from, or was made apparent by, the COVID-19 public health emergency; and
 - address a critical need of the community to be served by the project.

PRESUMPTIVELY ELIGIBLE PROJECTS



Broadband Infrastructure



Digital Connectivity Technology Projects

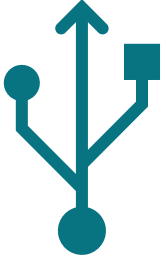


Multi-Purpose Community Facility Projects



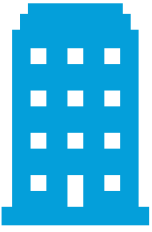
BROADBAND INFRASTRUCTURE

- Must meet or exceed download and upload speeds of 100 Mbps
- Should prioritize fiber-optic infrastructure
- Should address affordability as a barrier to full use of the internet
- Must explain why communities to be served have a critical need related to access, affordability, reliability, and/or consistency



DIGITAL CONNECTIVITY TECHNOLOGY PROJECTS

- Purchase and/or installation of devices and equipment to facilitate broadband internet access
- Permitted devices and equipment include laptops, tablets, and desktop PCs for distribution to the public through a short or long-term loan program
- Ownership of the equipment must be maintained by the recipient or subrecipient
- Permitted equipment includes equipment installed as part of public Wi-Fi infrastructure



MULTI-PURPOSE COMMUNITY FACILITY PROJECTS

- Projects to construct or improve buildings designed to “jointly and directly enable work, education, and health monitoring”
- Projects to construct or improve “full-service community schools” that provide comprehensive academic programs, health monitoring, and workforce training or career counseling
- Projects to construct or improve libraries that provide public access to the internet
- Projects to construct or improve community health centers that provide a broad range of services in addition to health monitoring



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**Determination
of Lost
Revenue**

Status Update

Budget Section, September 30, 2021

ALLOWABLE USES



Support public health response



Address negative economic impacts caused by the COVID-19 pandemic



Address the disproportionate impacts of COVID-19 on communities and population groups



Replace lost public sector revenue



Provide premium pay for essential workers



Invest in water, sewer, and broadband



REPLACE LOST PUBLIC SECTOR REVENUE

- Support for government services, up to the amount of lost revenue
- Government services can include:
 - Maintenance of infrastructure or pay-go spending for building new infrastructure, including roads;
 - Modernization of cybersecurity, including hardware, software, and protection of critical infrastructure;
 - Health services;
 - Environmental remediation;
 - School or education services;
 - Provision of police, fire, and other public safety services



REPLACE LOST PUBLIC SECTOR REVENUE

- General revenue includes all taxes and fees; excludes debt proceeds, sale of investments, federal funds
- Measured against base year of fiscal year 2019 compared to 12 months ended December 31, 2020 adjusted for assumed rate of growth
- Revenue Reduction Formula =
FY2019 Actual Revenue * (1+Growth Adjustment)^(18/12) – Actual Calendar Year 2020 Gen Fund Revenue

\$1.882 Billion loss for ND compared to allocation of \$1.008 Billion