



EXECUTIVE BUDGET 2021-2023 BIENNIUM

GOVERNOR DOUG BURGUM

Joe Morrisette, Director
Office of Management and Budget



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

State of North Dakota

For the Biennium Beginning

July 1, 2019

Christopher P. Morill

Executive Director

Governor's Message	
Executive Budget	1
Introduction	4
How to Use the Executive Budget Document.....	4
Budget Publications	4
Budget Process	4
Amending the Budget	5
Budget Process Timeline.....	6
Budgetary Policies	7
State Financial Structure	11
Organizational Chart.....	11
Demographics.....	12
Economic Analysis.....	12
Fiscal Policies	12
Financial Organization	12
Fund Structure	13
Appropriated Funds	13
Non-appropriated Funds.....	13
Financial Summary	14
Revenues.....	14
Supplemental Appropriations	15
Expenditures.....	17
General Fund Status	24
Special Funds Status	27
Authorized FTE	47
Compensation	50
One-Time Expenditures	53
Leases	55
Capital Assets	58
Capital Projects.....	65
Extraordinary Repairs.....	67
Other Capital Payments.....	68
Financing	70
Outstanding Bonds	71
Equipment Over \$5000.....	72
IT Equipment and Software Over \$5000	78
Technology	80
General Government	
101 Office of the Governor	81
108 Office of the Secretary of State	83
110 Office of Management and Budget.....	85
112 Information Technology Department	87
117 Office of the State Auditor	89
120 Office of the State Treasurer	91
125 Office of the Attorney General	93
127 Office of the State Tax Commissioner.....	96
140 Office of Administrative Hearings	98
150 Legislative Assembly	100
160 Legislative Council.....	102
180 Judicial Branch.....	104
188 ND Commission on Legal Counsel for Indigents.....	106
190 Retirement and Investment Office	108
192 Public Employees Retirement System	110
195 Ethics Commission	112
Education	
201 Department of Public Instruction	114
215 North Dakota University System.....	116
226 Department of Trust Lands	119
227 Bismarck State College	121
228 Lake Region State College.....	123
229 Williston State College.....	125
230 University of North Dakota.....	127
232 UND Medical Center	129
235 North Dakota State University	131
238 North Dakota State College of Science	133
239 Dickinson State University	135
240 Mayville State University.....	137
241 Minot State University	139
242 Valley City State University.....	141
243 Dakota College at Bottineau	143
244 North Dakota Forest Service	145
250 State Library.....	147
252 School for the Deaf/Hard of Hearing	149
253 North Dakota School for the Blind/Vision Services.....	151
270 Dept of Career and Technical Education.....	153
Health and Human Services	
301 North Dakota Department of Health	155
303 Dept of Environmental Quality	157
313 Veterans Home.....	159
316 Indian Affairs Commission	161
321 Department of Veterans Affairs	163
325 Department of Human Services.....	165
360 Protection and Advocacy Project	168
380 Job Service North Dakota	170
Regulatory	
401 Office of the Insurance Commissioner	172
405 Industrial Commission	174
406 Office of the Labor Commissioner	176
408 Public Service Commission	178
412 Aeronautics Commission	180

413 Department of Financial Institutions	182	640 NDSU Main Research Center.....	214
414 North Dakota Securities Department.....	184	649 Agronomy Seed Farm.....	216
471 Bank of North Dakota	186	665 North Dakota State Fair	218
473 North Dakota Housing Finance Agency	188	670 North Dakota Racing Commission.....	220
475 North Dakota Mill and Elevator Association	190	Natural Resources/Transportation	
485 Workforce Safety & Insurance.....	192	701 State Historical Society	222
Public Safety		709 Council on the Arts	224
504 Highway Patrol.....	194	720 Game and Fish Department	226
530 Department of Corrections and Rehabilitation	196	750 Department of Parks and Recreation	228
540 Adjutant General.....	198	770 State Water Commission	230
Agriculture/Economic Development		801 Department of Transportation.....	232
601 Department of Commerce	200	Optional Requests.....	234
602 Department of Agriculture.....	202	Federal Funds.....	249
627 Upper Great Plains Transportation Institute	204	Special Funds	258
628 Branch Research Centers	206	Glossary.....	269
630 NDSU Extension Service.....	210	Management and Fiscal Analysts	273
638 Northern Crops Institute	212		

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	Indian Affairs Commission	316	Racing Commission, North Dakota	670
Administrative Hearings, Office of	140	Indigents, Commission on Legal Counsel for	188	Retirement and Investment Office	190
Aeronautics Commission	412	Industrial Commission	405		
Agriculture, Dept of	602	Information Technology Department	112	Secretary of State, Office of the	108
Agronomy Seed Farm	649	Insurance Commissioner, Office of the	401	Securities Department, North Dakota	414
Arts, Council on the	709				
Attorney General, Office of the	125	Job Service North Dakota	380	Tax Commissioner, Office of the State	127
Auditor, Office of the State	117	Judicial Branch	180	Transportation, Dept of	801
				Treasurer, Office of the State	120
Bank of North Dakota	471	Labor and Human Rights, Dept of	406		
Bismarck State College	227	Lake Region State College	228	UND Medical Center	232
Branch Research Centers	628	Lands, Department of Trust	226	University of North Dakota	230
		Legislative Assembly	150	University System, North Dakota	215
Career and Technical Education, Dept of	270	Legislative Council	160	Upper Great Plains Transportation Institute	627
Commerce, Dept of	601	Library, State	250		
Corrections and Rehabilitation, Dept of	530			Valley City State University	242
		Management and Budget, Office of	110	Veterans Affairs, Dept of	321
Dakota College at Bottineau	243	Mayville State University	240	Veterans Home	313
Deaf, Res Ctr for Deaf & HoH/Sch for the	252	Mill and Elevator Association, ND	475	Vision Services, ND School for Blind	253
Dickinson State University	239	Minot State University	241		
				Water Commission, State	770
Environmental Quality, Dept of	303	NDSU Extension Service	630	Williston State College	229
Ethics Commission	195	NDSU Main Research Center	640	Workforce Safety and Insurance	485
		ND State College of Science	238		
Fair, North Dakota State	665	ND State University	235		
Financial Institutions, Dept of	413	Northern Crops Institute	638		
Forest Service, ND	244				
		Parks & Recreation, Dept of	750		
Game and Fish Department	720	Protection and Advocacy Project	360		
Governor, Office of the	101	Public Employees Retirement System	192		
		Public Instruction, Dept of	201		
Health, ND Dept of	301	Public Service Commission	408		
Highway Patrol	504				
Historical Society, State	701				
Housing Finance Agency, ND	473				
Human Services, Dept of	325				

EXECUTIVE BUDGET ADDRESS

Gov. Doug Burgum
December 3, 2020

A photograph showing two healthcare workers at a drive-through testing site. On the left, a man in a camouflage cap, glasses, a blue surgical mask, and a clear face shield is looking into the window of a car. He is wearing a yellow protective gown. On the right, a woman with her hair in a bun, wearing a blue surgical mask and a clear face shield, is also looking into the car window. She is wearing a dark blue uniform with a name tag that reads "NORTH DAKOTA DEPARTMENT OF HEALTH". The background shows a tent and other vehicles.

THANK YOU, FRONTLINE WORKERS

A person is riding a brown and white spotted horse through a field of tall, golden-brown grass. The sun is setting in the background, creating a warm, orange glow. The sky is a mix of blue and orange. The text "EMPOWER PEOPLE IMPROVE LIVES INSPIRE SUCCESS" is overlaid in large, white, sans-serif capital letters.

EMPOWER PEOPLE
IMPROVE LIVES
INSPIRE SUCCESS

NORTH
Dakota
Be Legendary.™

FISCALLY CONSERVATIVE BUDGET

- HOLDS GENERAL FUND SPENDING STEADY
- INVESTS IN PRIORITIES
- MAINTAINS HEALTHY RESERVES

***WITHOUT* RAISING TAXES.**

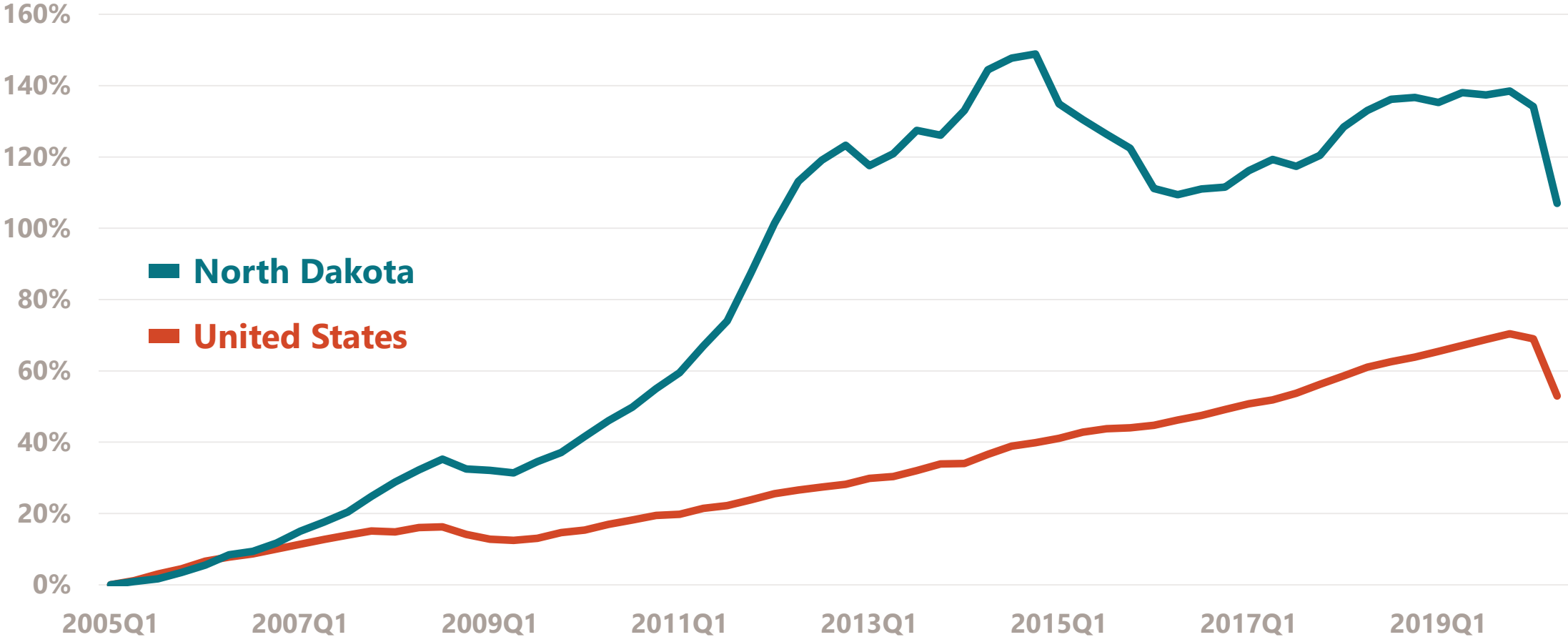
BRIDGING THE GAP

**Responsible spending and
healthy reserves are helping
North Dakota navigate the
economic fallout of COVID-19.**

DECLINE IN GDP GROWTH

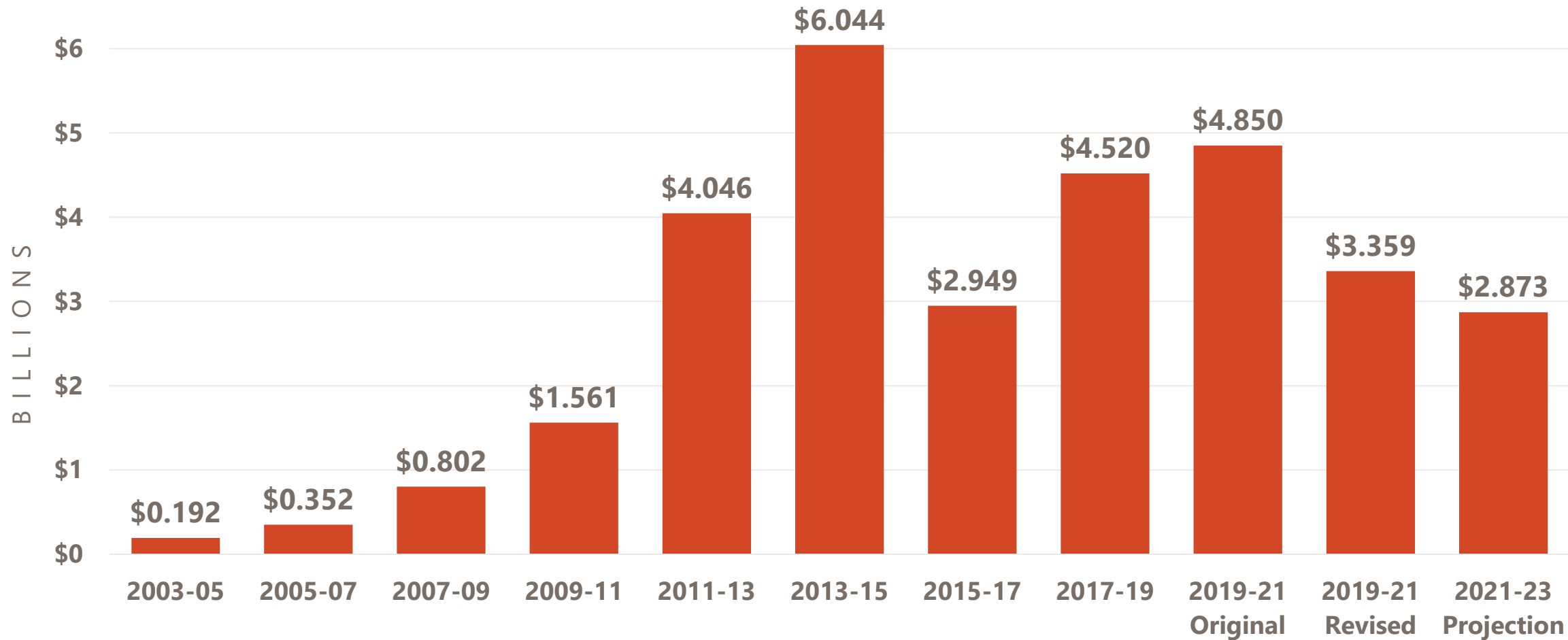
DUAL IMPACT OF PANDEMIC AND OIL PRICE DROP IN ND

Gross Domestic Product Cumulative Growth (%), 2005 Q1 – 2020 Q2



DECREASED OIL REVENUE

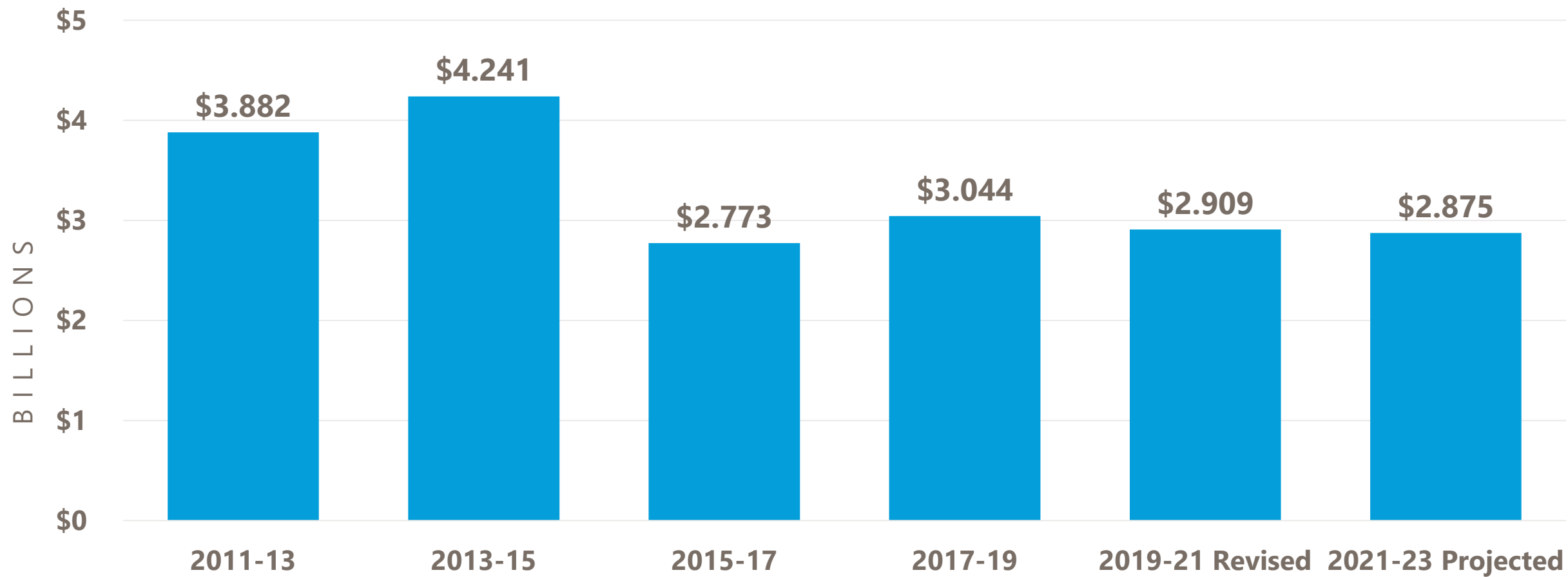
ND OIL TAX REVENUES DECEMBER 2020 EXECUTIVE FORECAST



LOWER TAX REVENUES

GENERAL FUND REVENUES

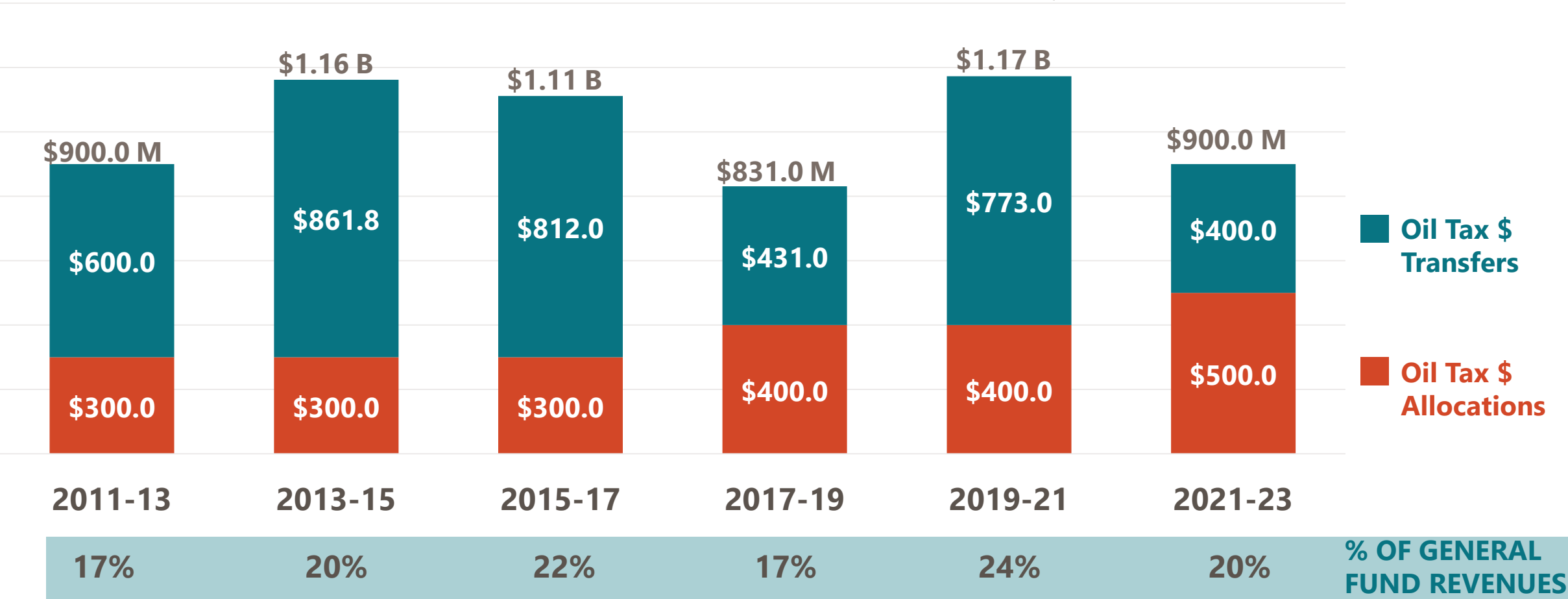
FOUR MAJOR TAX TYPES: SALES, INDIVIDUAL & CORPORATE INCOME, MOTOR VEHICLE



IMPROVING TRANSPARENCY

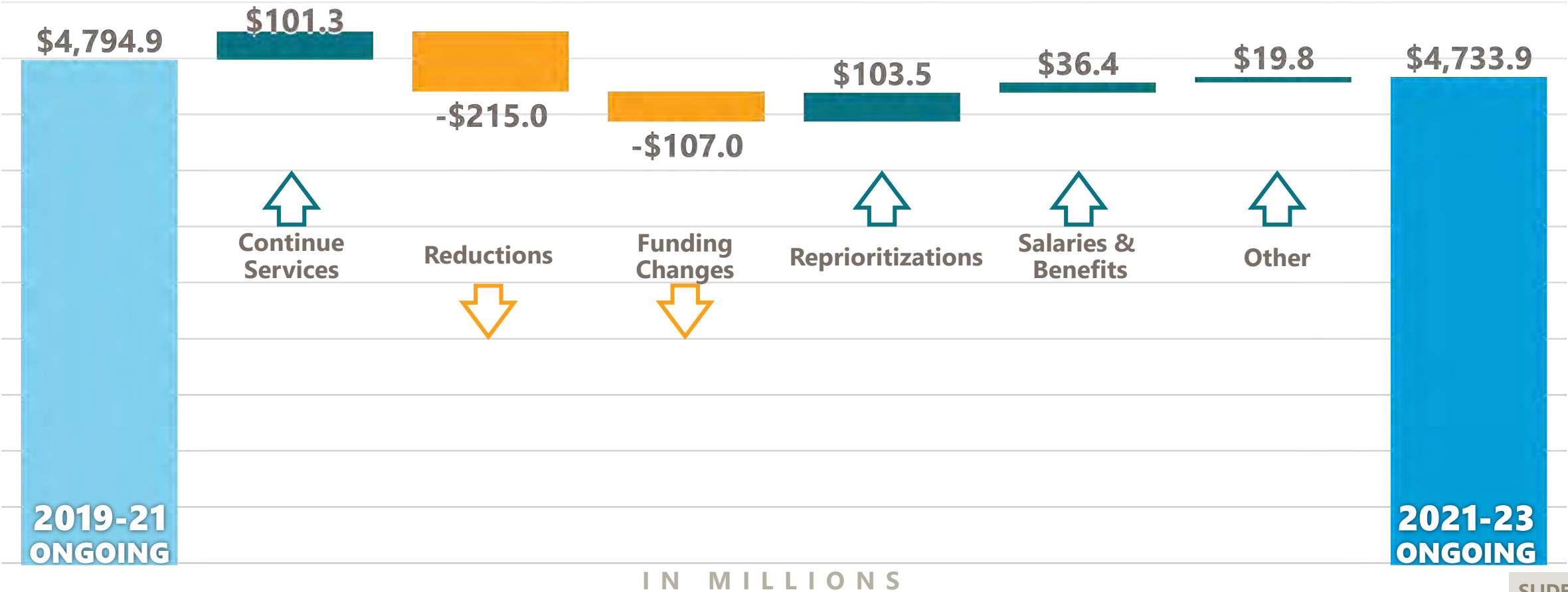
OIL TAX TRANSFERS & ALLOCATIONS

PROPOSE RAISING DIRECT ALLOCATION TO \$500M



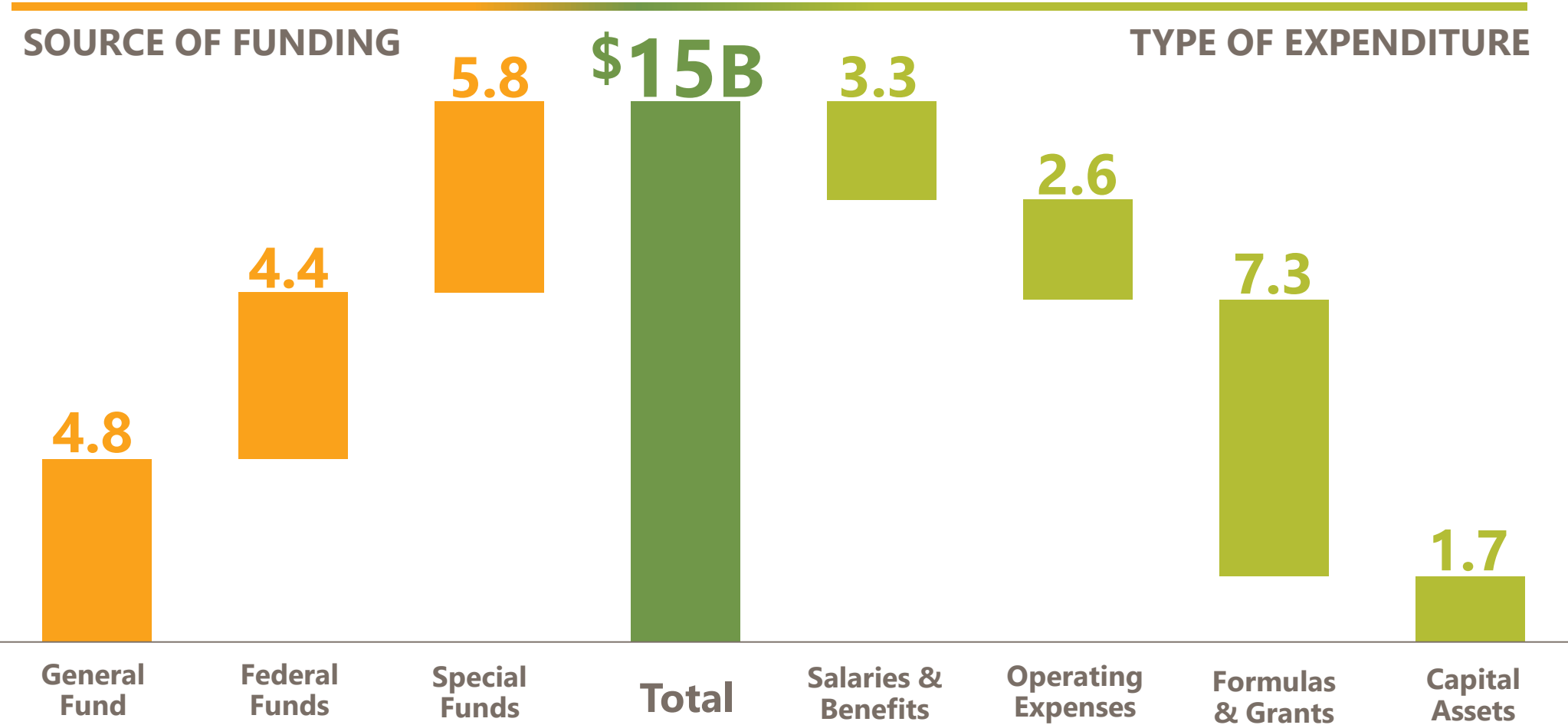
ONGOING GF SPENDING

DECREASE ONGOING GENERAL FUND SPENDING BY \$61M
OVERALL GENERAL FUND EXPENDITURES DOWN \$8M

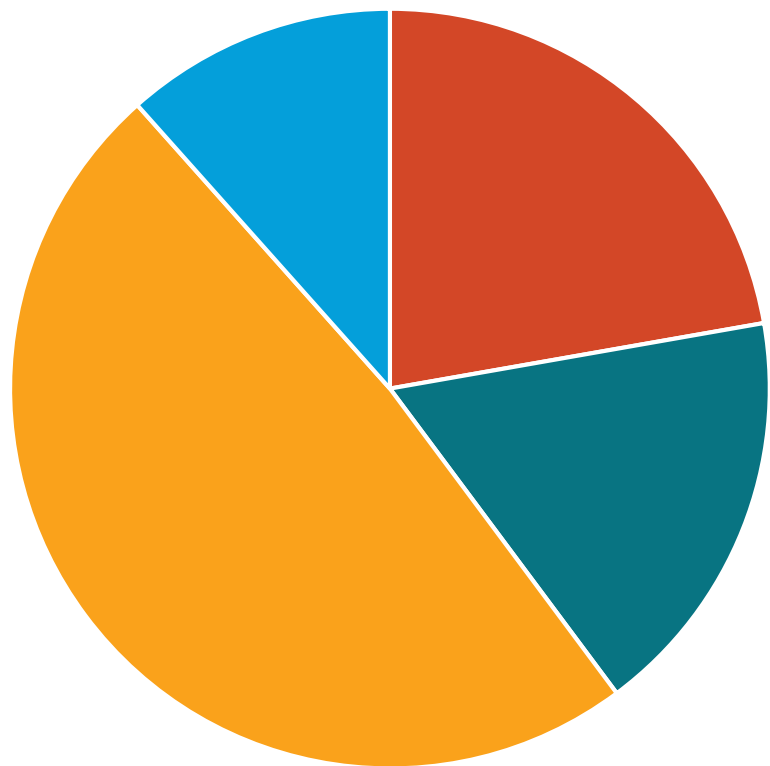


TOTAL STATE BUDGET

2021-23 EXECUTIVE BUDGET PROPOSAL



TOTAL EXPENDITURES



67% goes to education and health & human services

\$3.3B

TEAM ND

Salary and benefit investments

\$2.6B

OPERATING EXPENSES

Funding government

\$7.3B

FORMULAS & GRANTS

Support K-12, Medicaid and essential infrastructure, etc.

\$1.7B

CAPITAL ASSETS

Long-term, game-changing investments in capital assets

MODERNIZING TECHNOLOGY

\$105M

invested in long-overdue
information technology
projects.

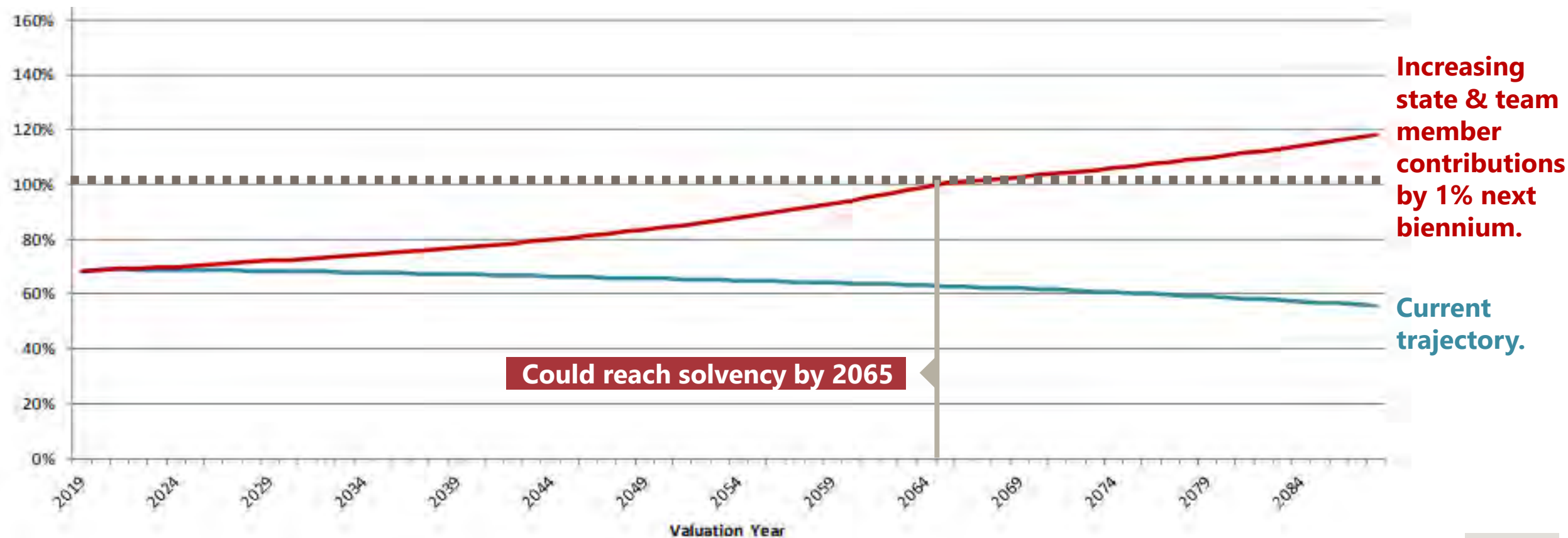


**Replacing outdated systems
to better serve citizens:**

- Job Service ND
- Dept. of Human Services
- Dept. of Transportation
- and more

PATH TO PENSION SOLVENCY

TAKING ACTION TO ADDRESS UNFUNDED LIABILITY CURRENT GAP OF \$1.6B DEMANDS ATTENTION



INVESTING IN EDUCATION

Nearly

\$200M

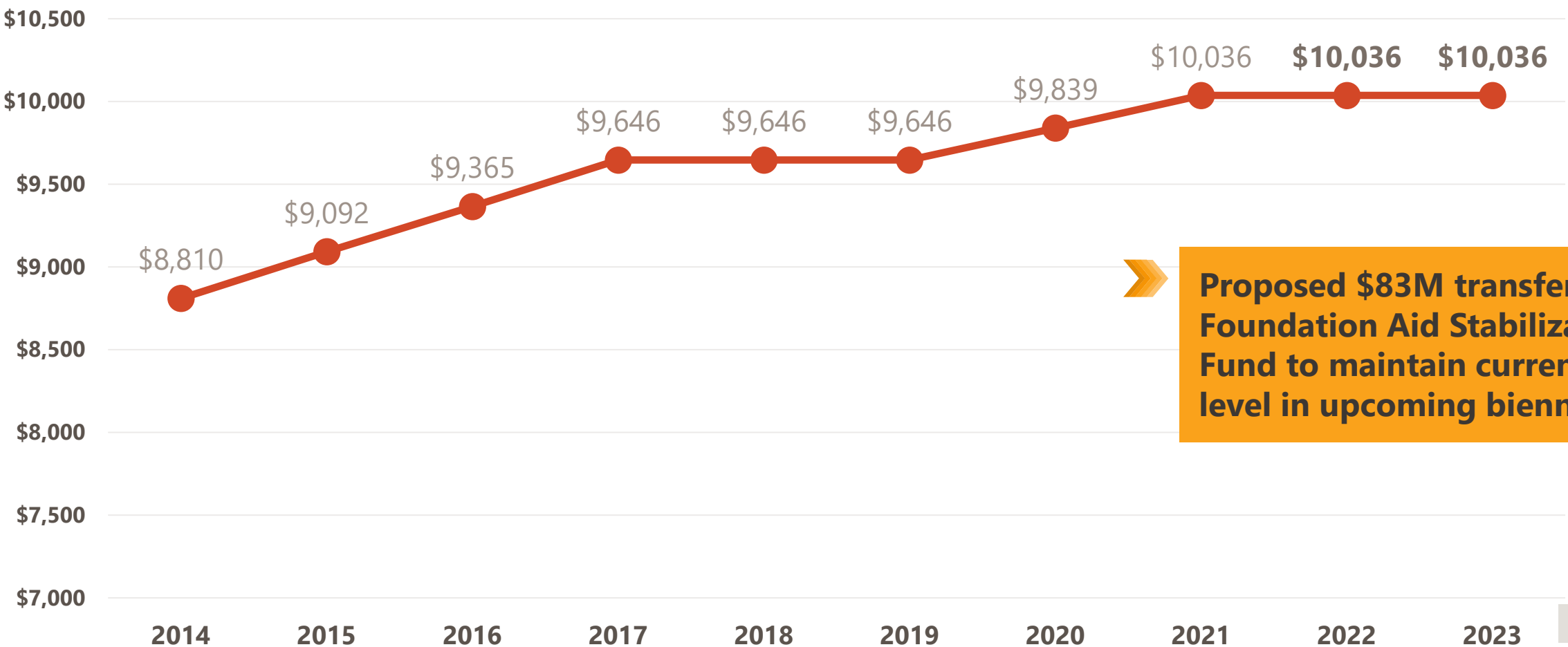
of federal funding provided to public and private school districts and higher education institutions to adapt to the COVID-19 pandemic.

Funding from the CARES Act

NORTH
Dakota
Be Legendary.™

MAINTAIN K-12 PUPIL RATES

K-12 SCHOOL AID REMAINS TOP PRIORITY



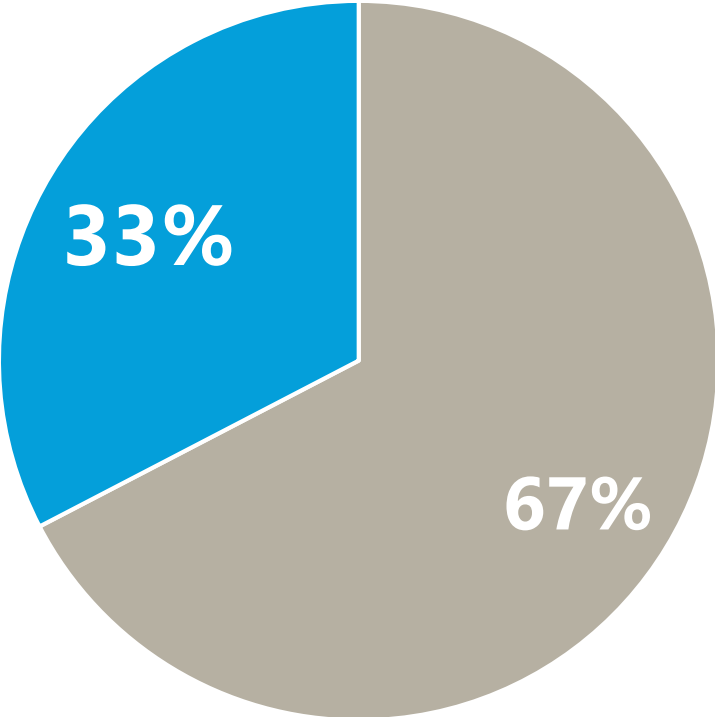
➤ **Proposed \$83M transfer from Foundation Aid Stabilization Fund to maintain current level in upcoming biennium.**

K-12 GROWS TO 38% OF GF

K-12 SCHOOL AID REMAINS HIGH PRIORITY

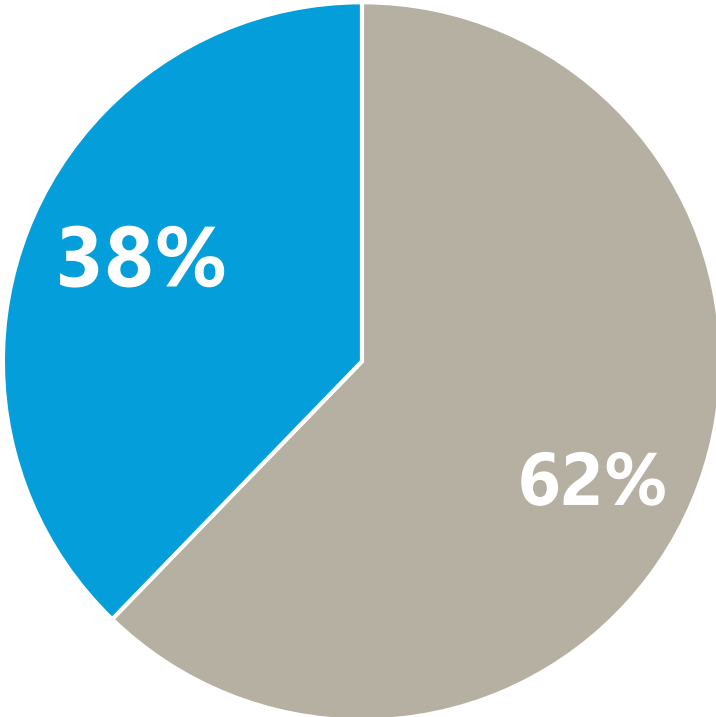
% OF ONGOING GENERAL FUND REVENUE

2013-15



- **K-12 school aid
general fund**
- Ongoing general
fund revenue
dedicated to
other than K-12

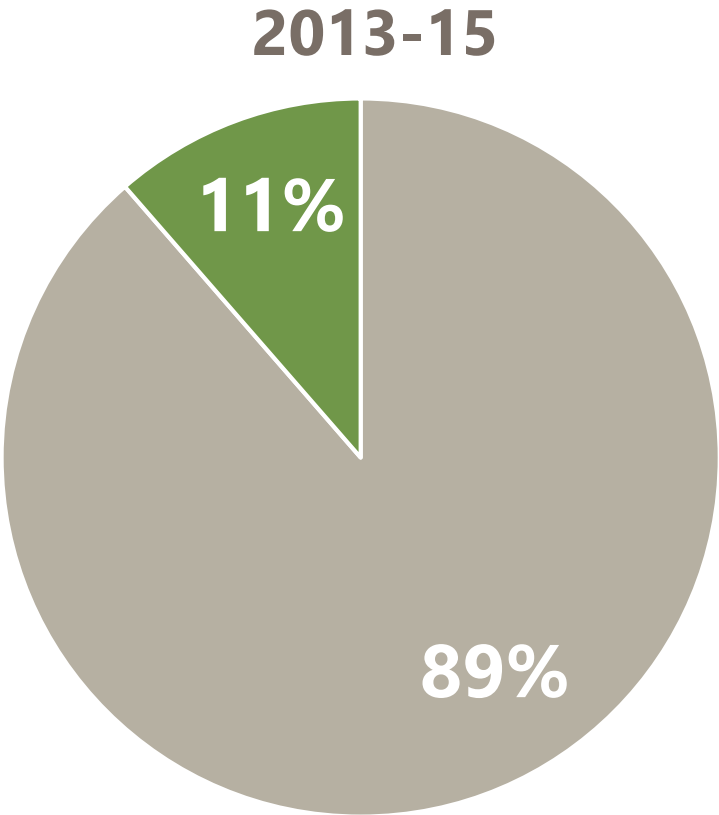
2021-23



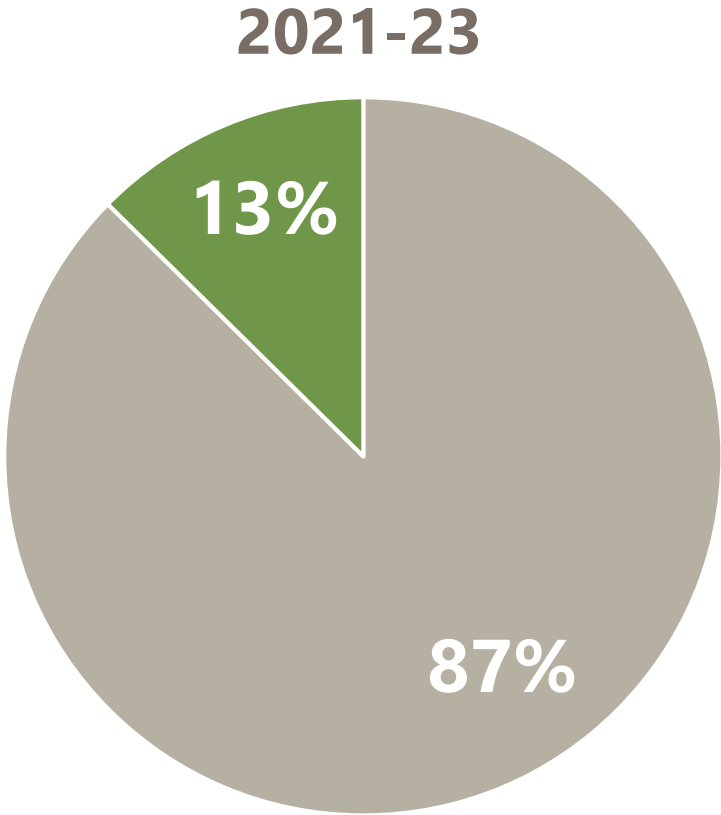
HIGHER ED 13% OF GENERAL FUND

HIGHER EDUCATION PROPORTION ABOVE 2013-15

% OF ONGOING GENERAL FUND REVENUE AFTER
7.5% REDUCTION IN FORMULA RATE



- Higher education general fund
- Ongoing general fund revenue dedicated to other than higher education

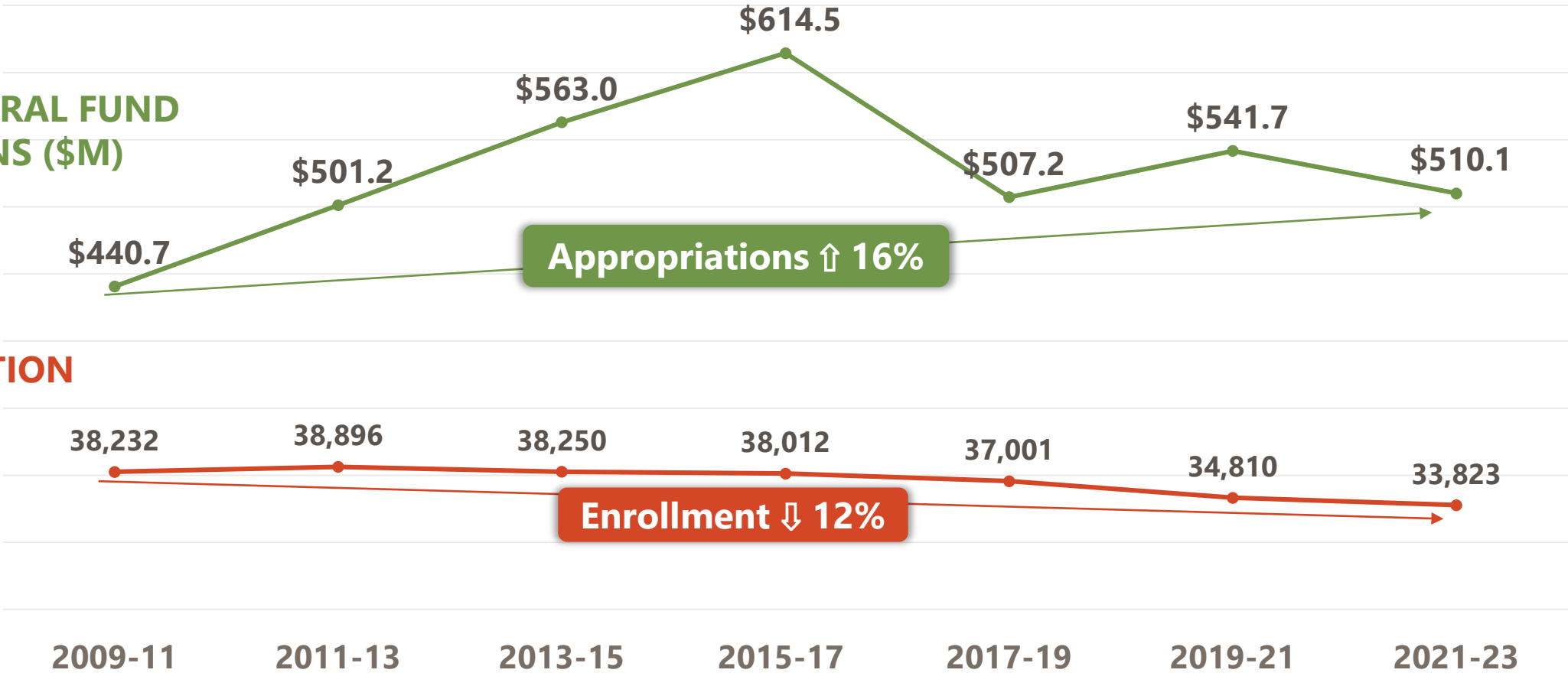


FUNDING OUTPACING ENROLLMENT

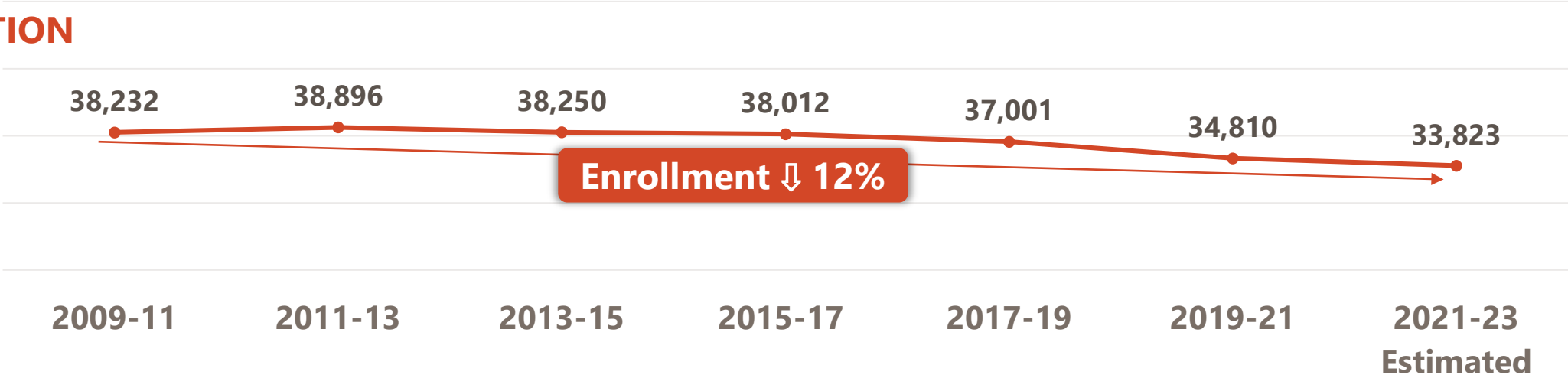
ND HIGHER ED ENROLLMENT TRENDING DOWN
GENERAL FUND APPROPRIATIONS HAVE INCREASED



**ONGOING GENERAL FUND
APPROPRIATIONS (\$M)**



**HIGHER EDUCATION
ENROLLMENT**



BUILDING OUR FUTURE WORKFORCE

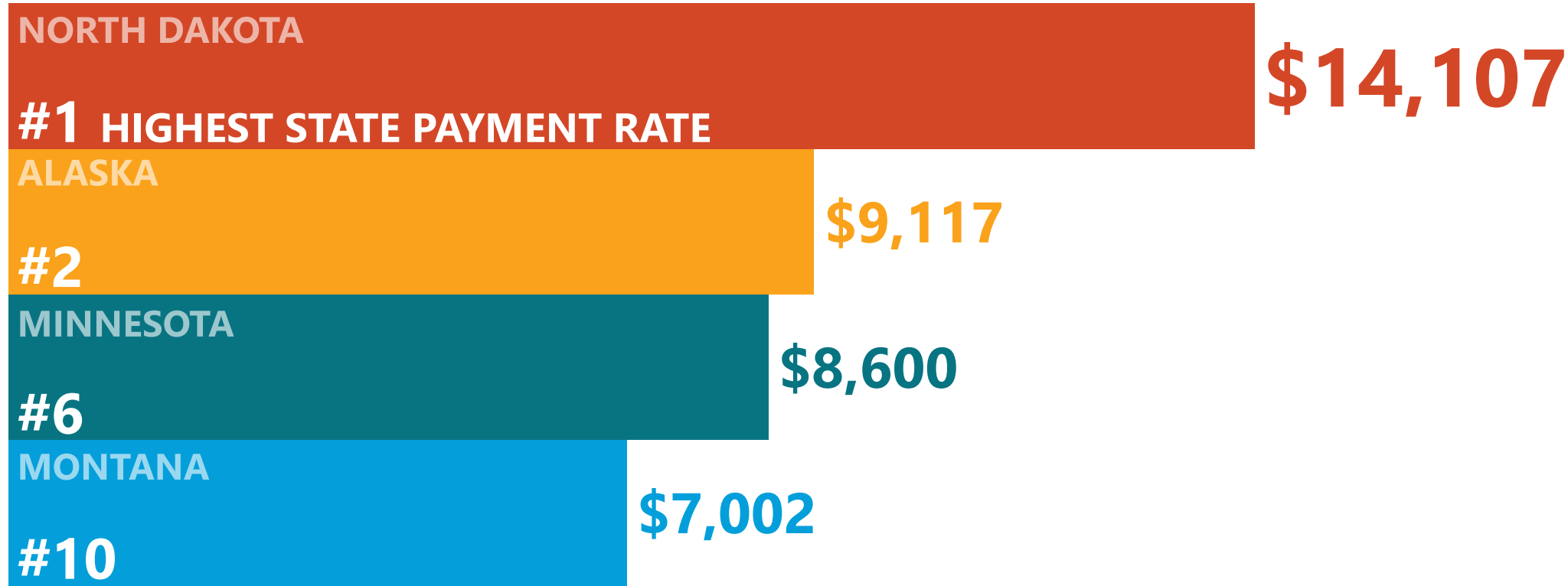
- Matching grants to new centers for **career and technical education**
- Increased funding to the **Higher Education Challenge Grant Program**
- Continued support for **tribal community college grants**

ONGOING COVID-19 RESPONSE

- Supporting health care and frontline workers
- Protecting the most vulnerable
- Keeping businesses open and kids in school

MEDICAID EXPANSION

PAYMENTS TO PROVIDER PER MEDICAID EXPANSION CLIENT



Medicaid expansion provides health care to **22,500** North Dakotans.

SUPPORT FOR BEHAVIORAL HEALTH

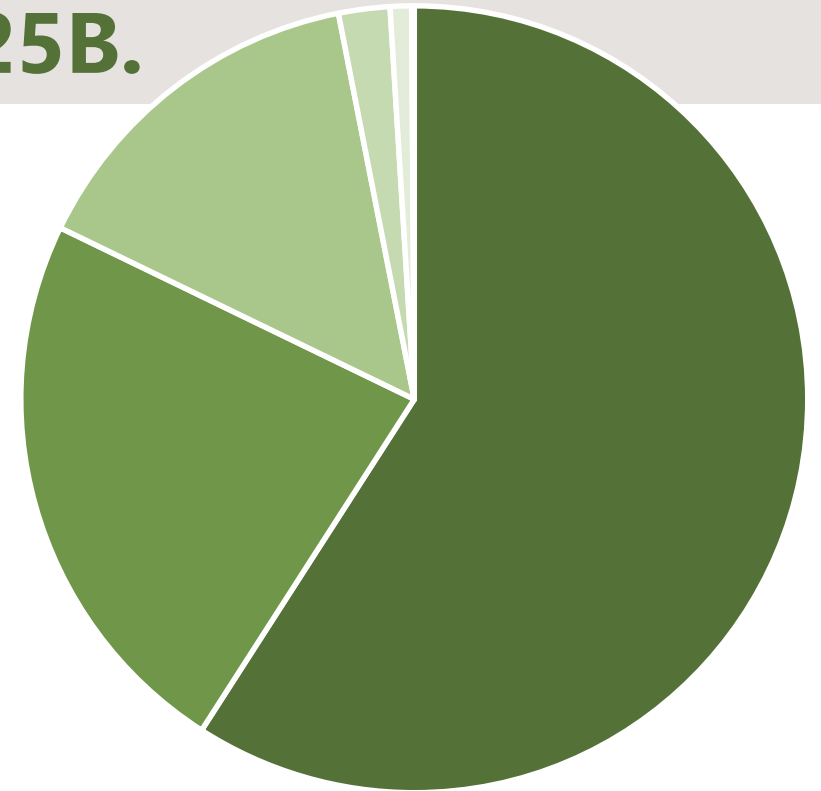
- **Increase funding to the Substance Use Disorder Voucher Program from \$8M to \$17M.**
 - Program exhausted its entire appropriation in just 14 months this biennium.

**SMART,
EFFICIENT,
MODERN
INFRASTRUCTURE**

ALREADY UTILIZING BONDING

North Dakota currently has existing bonding totaling approximately \$2.25B.

- ➡ **\$1.33B** – Housing Finance Agency
- ➡ **\$520M** – Public Finance Authority
- ➡ **\$332M** – University System
- ➡ **\$47.5M** – University System Foundations
- ➡ **\$19.7M** – Building Authority
- \$2.45M** – Other





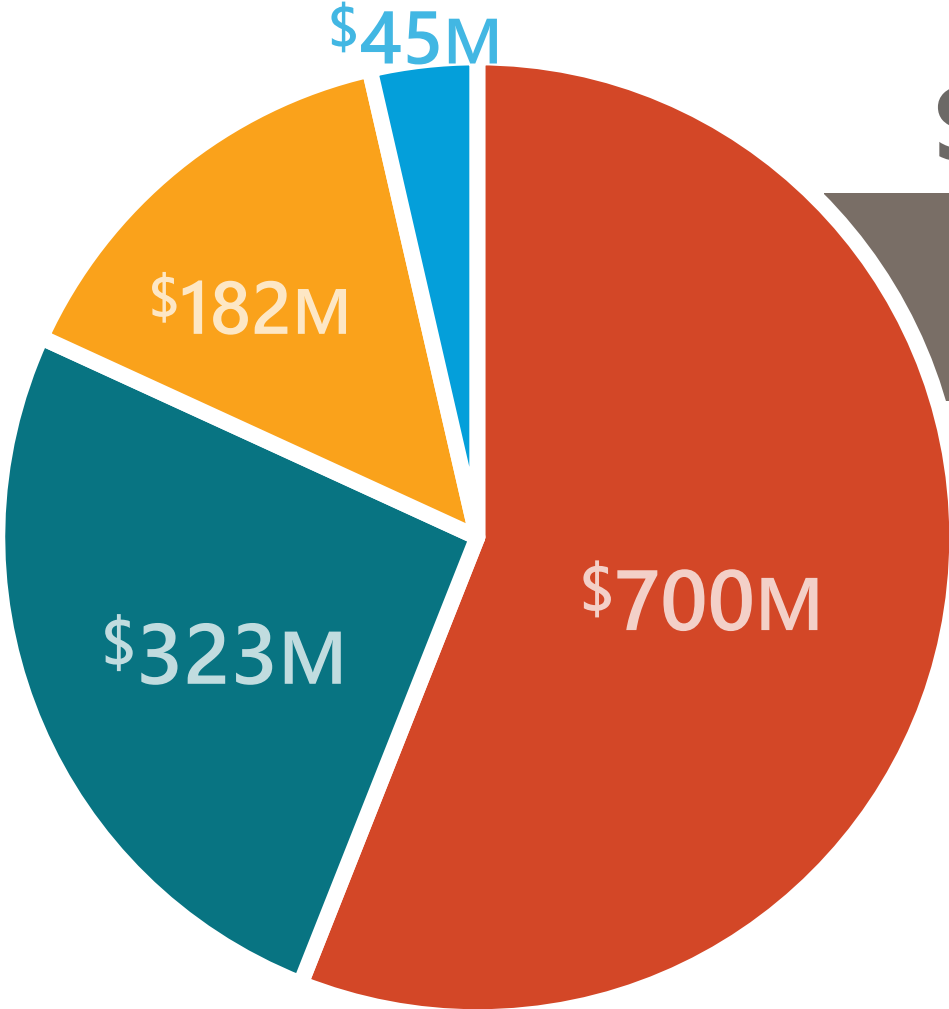
INVEST IN INFRASTRUCTURE WITH

\$ 1.25 BILLION

OF BONDING



RIGHT TIME TO INVEST IN ND

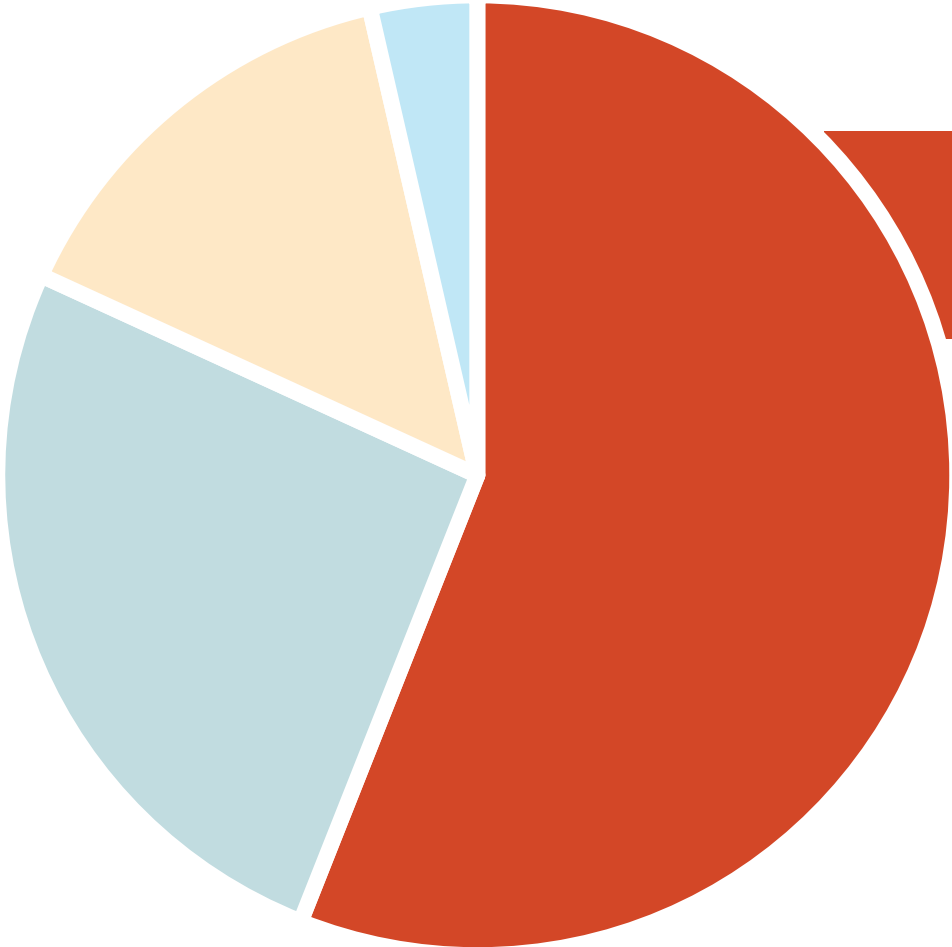


\$1.25B

**BOND ISSUANCE WILL CREATE
LONG-TERM POSITIVE IMPACT FOR ND**

- Proceeds from bond sale will go into infrastructure projects and perpetual revolving loan funds.
- Low interest rates ensure a high return on investment for citizens.

PERMANENT INFRASTRUCTURE FUNDS

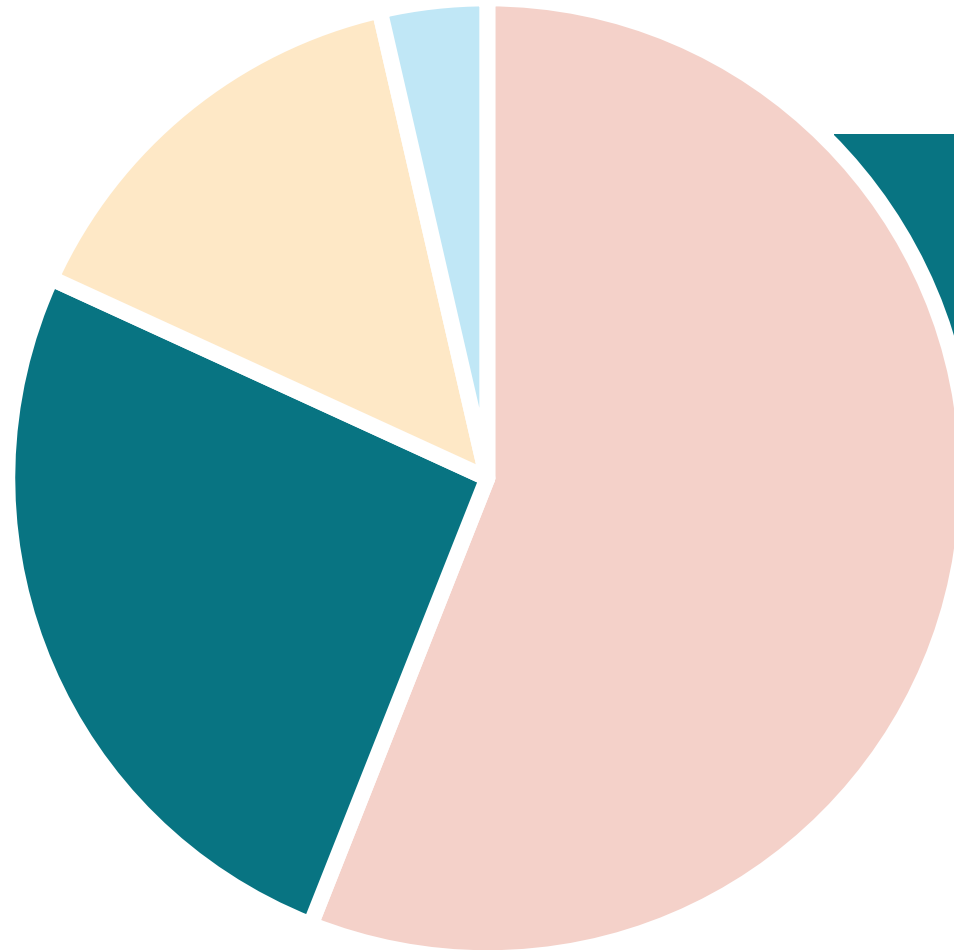


\$700M

**ESTABLISH LOW-INTEREST
REVOLVING LOAN FUNDS**

- Loaned to political subdivisions for water, road, bridge and other projects.
- Helps keep property taxes low.
- Permanent investment for future generations of North Dakotans.

IMMEDIATE, DIRECT IMPROVEMENTS

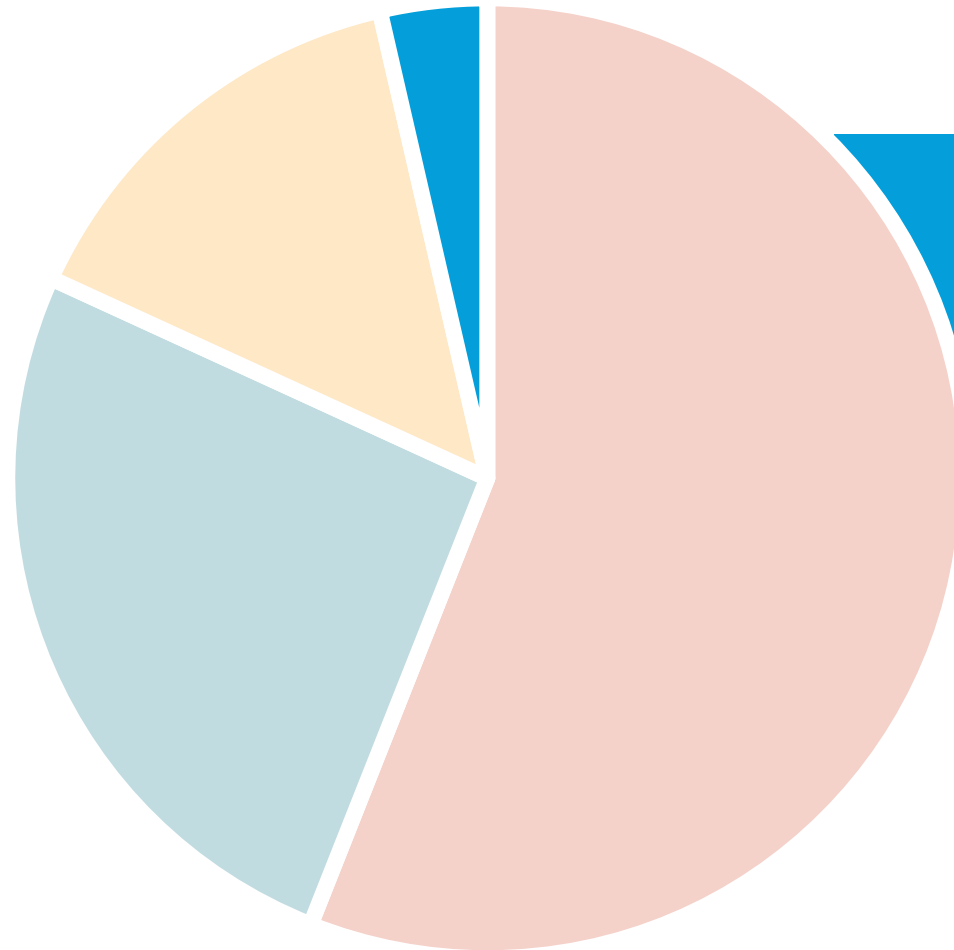


\$323M

**INFRASTRUCTURE
INVESTMENTS**

- State and county bridges.
- DOT road and bridge infrastructure improvements to increase capacity.
- DOT Highway 85 expansion.
- Matching grants to park districts.

INVEST IN WORKFORCE

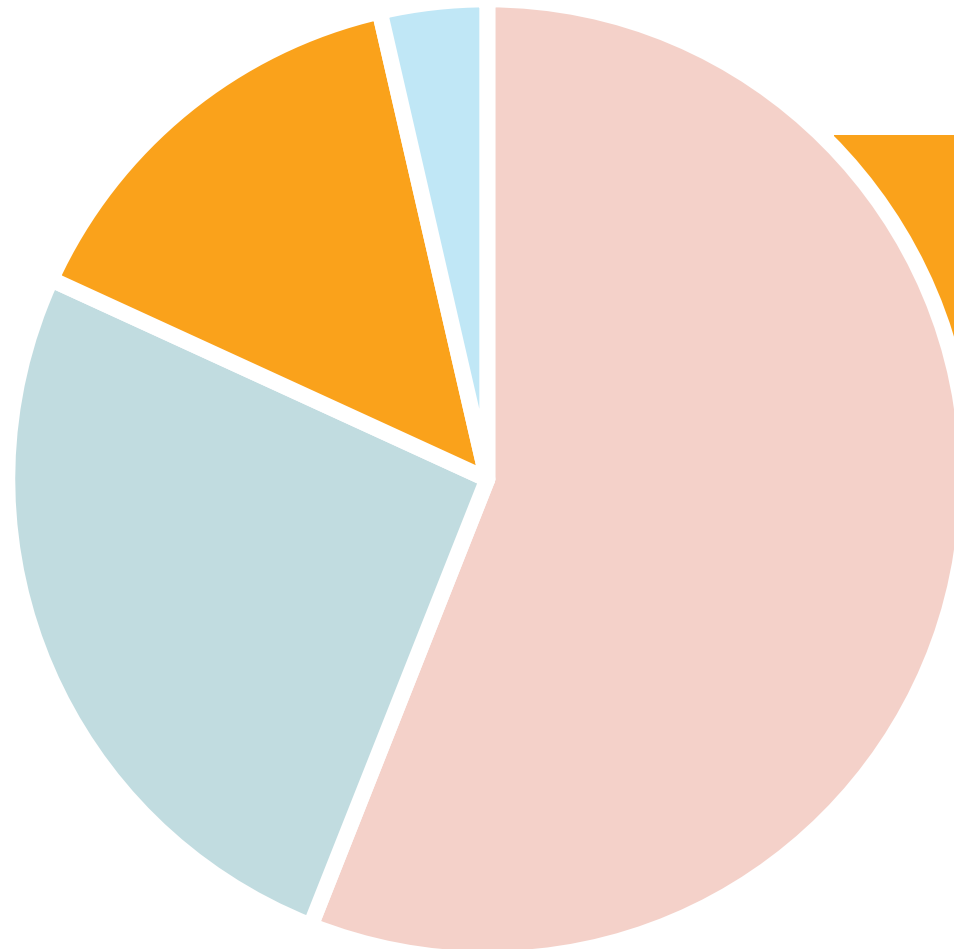


\$45M

**CAREER AND TECHNICAL
EDUCATION CENTERS**

- Cost-sharing grant program to incentivize construction of local career academies.
- Build a workforce that's better positioned for future job opportunities here in North Dakota.

INCREASE VALUE OF STATE ASSETS

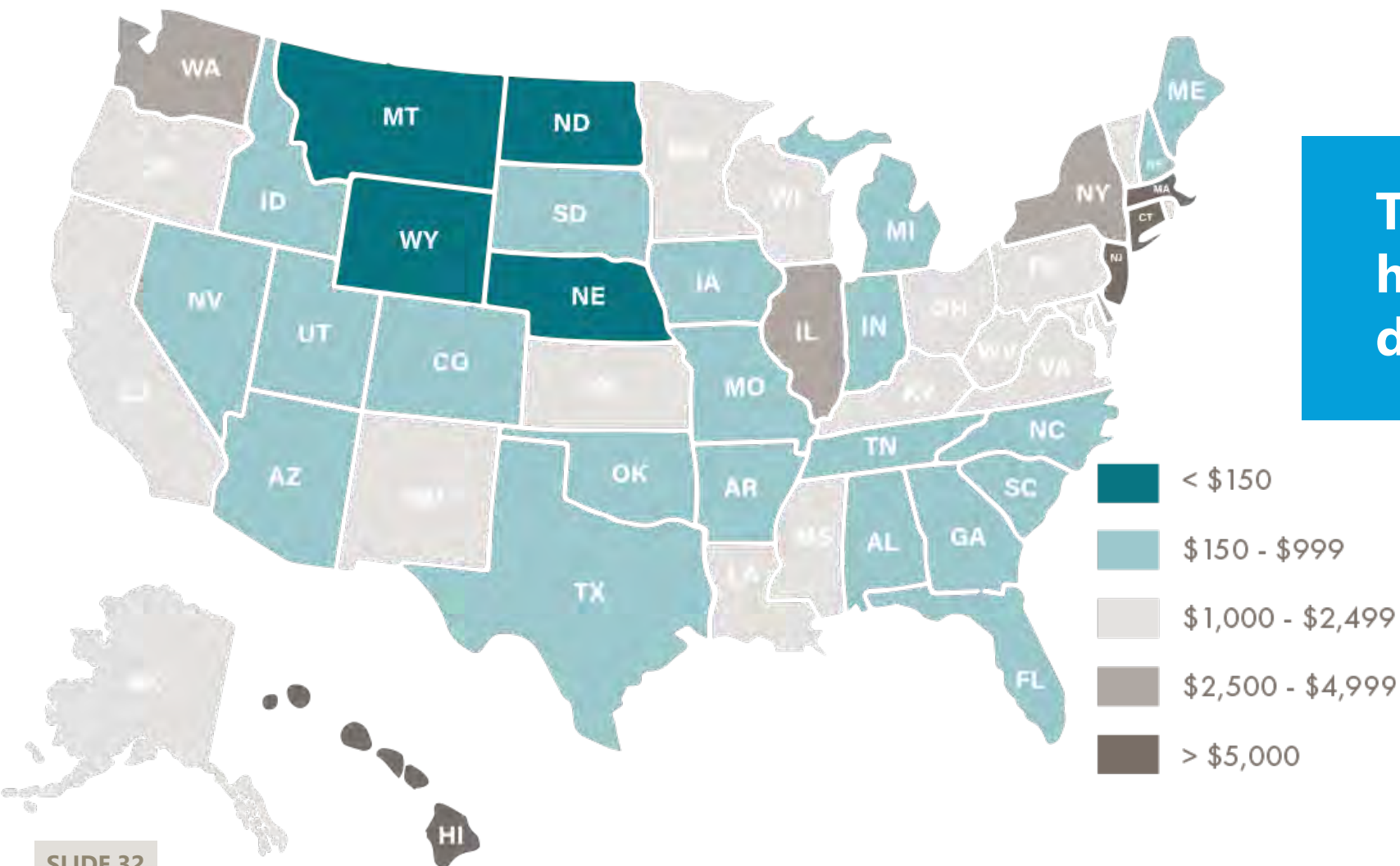


\$182M

IMPROVEMENT OF STATE-OWNED FACILITIES

- Address maintenance and repair issues long overdue.
- Improve facilities for Team ND and citizens, including higher education.
- Better utilize existing space and lower facility costs over time.
- Does not expand our footprint.

GOOD STARTING POSITION



The State of North Dakota has a very low amount of debt per capita.

➤ ND has the third-lowest rate of tax-supported debt per capita: just \$131 compared with a national average of \$1,493.

BUILDING A LEGACY FOR OUR FUTURE

A person with long dark hair, wearing a maroon jacket and dark pants, is running through a field of tall, dry grass. The background shows a vast, open landscape under a sky with scattered clouds. The person is captured in motion, with their hair and clothing slightly blurred.

We can multiply Legacy Fund earnings to provide **opportunity, impact and stability** for generations to come.

MAXIMIZING OUR IMPACT

FIVE CRITERIA FOR LEGACY INVESTMENT

**LASTING
IMPACT
BEYOND
CURRENT
GENERATION**

1.

**REGIONAL,
STATE,
NATIONAL OR
INTERNATIONAL
IMPACT**

2.

**LEVERAGE
OTHER
FINANCIAL
SUPPORT
(HIGH ROI)**

3.

**ONE-TIME
SPENDING THAT
DOESN'T GROW
GOVERNMENT**

4.

**SUPPORTS
COMMUNITIES,
DIVERSIFIES
THE ECONOMY**

5.

LEGACY FUND EARNINGS

Executive budget proposes five themes for distributing 2021-23 Legacy Fund earnings for the Legislature to consider and implement:

- 1. Economic Diversification, Community Building and Strategic Initiatives.
- 2. Research and Innovation.
- 3. Government Transformation.
- 4. Legacy Bond Repayment.
- 5. Legacy Projects.



STRONGER ECONOMY FOR ALL

20%

ECONOMIC DIVERSIFICATION, COMMUNITY BUILDING & STRATEGIC INITIATIVES

LEGACY FUND EARNINGS

20%

- These funds should drive the expansion and development of **new businesses and industries**.
- Support building healthy, vibrant communities to attract and retain a 21st century workforce.

BUILDING THE FUTURE

10% **RESEARCH
& INNOVATION**

- Dedicated to research and innovation both in higher education and throughout the private sector.
- Embracing bold ideas that solve world problems, such as **advancing autonomous technology** or **solving carbon capture and utilization**.

**LEGACY FUND
EARNINGS**

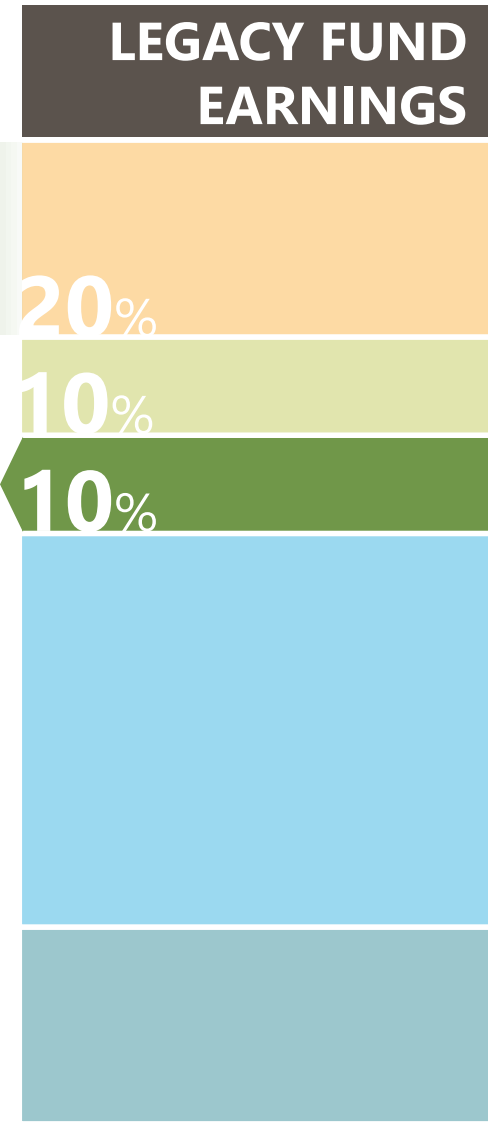
20%

10%

IMPROVING CITIZEN SERVICES

10% GOVERNMENT TRANSFORMATION

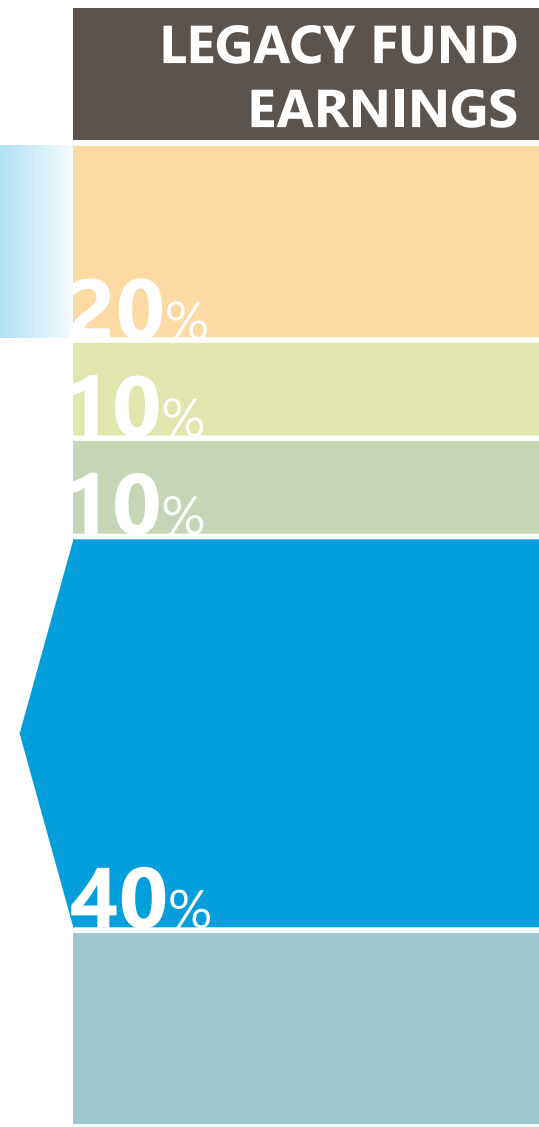
- Transforming how government provides services to **improve citizen experience.**
- Provide members of Team ND with tools and resources they need to be more efficient and effective.



MULTIPLYING LEGACY EARNINGS

40% **LEGACY BOND
REPAYMENT FUND**

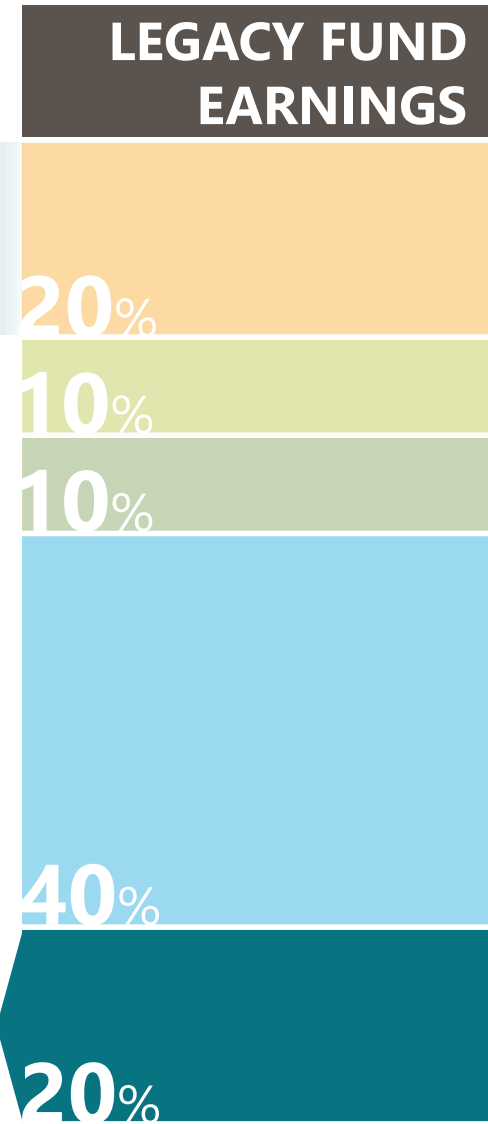
- These funds would be used to make bond payments created by investment of \$1.25B in statewide infrastructure, maintenance and repair of state facilities, workforce development and revolving loan funds.
- Provide necessary resources to meet future bonding needs.



TRANSFORMATIONAL PROJECTS

20% LEGACY PROJECTS

- Support for transformational legacy projects in all parts of the state.
- Big-picture projects with a high return on investment for our citizens with a multi-generational impact.



LEGACY FUND PROPOSED ALLOCATIONS

JUNE 30, 2021

With these themes, we can implement proposals with a lasting impact.

ECONOMIC DIVERSIFICATION, COMMUNITY BUILDING AND STRATEGIC INITIATIVES.

- \$27M to the UAS fund; \$8M to Housing Incentive Fund

RESEARCH AND INNOVATION

- \$30M to the LIFT program; \$10M to Higher Education Challenge Grants

GOVERNMENT TRANSFORMATION

- \$25M for statewide cybersecurity

LEGACY PROJECTS

- \$10M for state park infrastructure; \$10M for State Park Challenge Grant Program; \$5M for environmental quality restoration fund

LEGACY FUND EARNINGS

20%

10%

10%

40%

20%

A PLACE TO BE LEGENDARY

NORTH
Dakota
Be Legendary.™



2021-2023 EXECUTIVE BUDGET ADDRESS
The Honorable Doug Burgum
Governor of North Dakota
December 3, 2020

Good morning. It is my distinct honor to be here today to present the Executive Budget for the 2021-2023 biennium during these historic times.

Welcome to all those joining us in person and virtually: members of the 67th Legislative Assembly – a special welcome to those present in the House chamber and those across the hall in the Senate – Justices of the Supreme Court, Lieutenant Governor Brent Sanford, elected officials, cabinet leaders, state team members, fellow North Dakotans, and North Dakota's First Lady Kathryn Helgaas Burgum.

First and foremost, on behalf of all North Dakotans, let us lead with gratitude for the frontline health care workers and first responders who continue to amaze us every day with their awe-inspiring dedication and devotion to those suffering from this cruel virus.

From the nurses fighting through fatigue to care for their patients, to the CNAs filling extra shifts at our nursing homes, to our team members in the State Lab working tirelessly to process test results, to the local public health and National Guard members collecting test samples in every corner of our state, to the ambulance crews rushing patients to the emergency room as they fight for every breath, to the police and firefighters and North Dakota Highway Patrol troopers who keep our communities safe from danger – we share our deepest gratitude for your exceptional service.

Please join me in a round of applause for these heroes who are working every day to save the lives of their fellow North Dakotans.

We also thank the frontline members of **Team North Dakota** who continue to deliver on our administration's purpose:

to **Empower People, Improve Lives, and Inspire Success** – a purpose that has come to include saving lives AND livelihoods during this pandemic.

We are grateful for **all** our state legislators, who continue to work through logistical challenges so they can fulfill their important responsibilities.

As the executive branch, we have a constitutional and statutory duty to deliver a budget and recommended legislation to this body.

We deeply appreciate the leadership of OMB Director Joe Morrisette and his small and mighty band of analysts in the Office of Management and Budget, our cabinet leaders and their fiscal teams, the Governor's Office policy team, our statewide elected officials and their teams, and all state agencies for their steady work to prepare this budget even as the pandemic created disruptions and uncertainties like never before.

Even with these uncertainties, our comprehensive strategic planning and budgeting process reflects our belief that strategy should drive budgets, not budgets driving strategy. Budgets are simply inputs.

No farmer ever boasted to his neighbor about who spent the most money on seed, fertilizer, and chemicals. But rightly so that same farmer might have engaged in some friendly coffee shop talk about who produced the most bushels – that is, who had the best outcomes.

State government must keep shifting its focus to measurable outputs and outcomes.

As we continue to navigate these dual public health and global economic crises and the extraordinary economic response measures we have undertaken, we must all look beyond the pressures and emotions of today and toward the future.

Our post-pandemic future will also present opportunities in North Dakota for robust economic growth, just as the United States experienced in the roaring '20s following the 1918 flu pandemic.

New challenges create opportunities and demand fresh ideas and approaches, and our proposed budget charts a course for North Dakota agencies and institutions to overcome these challenges and **emerge stronger than ever before.**

We can accomplish this with a **fiscally conservative budget** that holds the line on general fund spending, invests in our priorities and maintains healthy reserves, all without raising taxes.

This budget also preserves the measures that have created over \$10.2 billion of permanent tax relief that's been provided over the last decade, including nearly \$505 million in permanent relief from the state assuming funding of county social services starting in 2017 and continuing in this budget through 2023.

And very importantly, we include ZERO Legacy Fund earnings that will be available at the end of the 2021-23 biennium to cover gaps in our general fund spending for 2021-23, instead utilizing a portion of Legacy Fund earnings to catalyze a major bonding package to make critical investments in our state's future. The Legacy Fund was not created to support day-to-day government operations, and we must resist the temptation to make that common practice.

When the pandemic reached North Dakota last March, agencies found ways to limit state spending and utilize federal funds where allowed. These efforts will help deliver a positive ending balance next June of \$312 million – seven times what was originally projected for 2019-21.

In addition, by keeping our economy open and driving 54 percent of our \$1.25 billion in Coronavirus Relief Funds toward economic support for individuals and businesses, North Dakota is in a strong position. General fund revenues were still running 2 percent ahead of forecast

at the end of October, two-thirds of the way through the biennium, and our unemployment rate has been among the lowest in the nation.

Working together and without raising taxes, we can deliver a balanced, fiscally conservative 2021-23 budget that funds our priorities, unleashes the financial power of our balance sheet to build critical infrastructure, and provides all North Dakotans with the high level of customer service they deserve and expect.

BRIDGING THE GAP, SPENDING RESPONSIBLY

We are truly blessed to live in a state so incredibly rich in natural resources: our abundant and diverse minerals, our incredibly productive soil, our enormous amounts of clean fresh water, and even our famous prairie winds, are all assets that support our leading industries of agriculture and energy.

However, many of these natural resources are commodities that are vulnerable to volatile global price swings beyond our control, creating challenging ups and downs for our economy.

After getting hit with a double whammy of collapsing ag and energy prices in 2015 and 2016, we slowly recovered, rebuilding our rainy-day fund to a record high. Things were looking up heading into the current biennium starting in July 2019. General fund revenues for the first six months were running 7 percent, or \$102 million, ahead of forecast. Sales tax collections, which typically account for over 40 percent of our general fund revenues, were 10 percent ahead of forecast.

Then the COVID-19 pandemic threw the global economy into a tailspin and crushed demand for oil, triggering an oil price war that sent prices crashing to such a low point that oil futures actually fell below zero dollars a barrel into the negative.

The pandemic dealt a major blow to the global economy overall, including here in North Dakota. Our state's real gross domestic

product plummeted by 27.6 percent between the first and second quarters of this year. Although that was the sixth-**smallest** decrease in the nation, it was a devastating drop nonetheless as thousands were suddenly out of work and businesses large and small fought to stay afloat.

While oil prices have partially recovered, the impact to oil tax revenues is significant. For the current biennium, North Dakota is now projected to collect about \$3.36 billion in oil tax revenue. That's nearly \$1.5 billion, or 30 percent, less than forecasted in May 2019. Oil tax revenues are projected to drop to \$2.87 billion next biennium, nearly half a billion dollars less than this biennium.

When looking at the four major tax types – sales tax, individual income tax, corporate income tax and motor vehicle excise tax – we're projected to collect \$135 million less this biennium than last biennium. And it's projected that revenues will be even lower next biennium, by another \$34 million.

This requires us to take a hard look at **all the ongoing** expenditures we took on as a state during the oil boom, when general fund revenues from the four major tax types were \$800 million to \$1.3 billion higher than they are now.

Together, the legislature and the executive branch must challenge our existing institutions, our political subdivisions and ourselves to rethink our approaches in this post-pandemic world.

We also know that during this pandemic emergency, when our citizens may be struggling physically, emotionally, and economically, the importance of maintaining essential government services.

Thankfully, we worked with the Legislature last session to make sure our rainy-day fund, the Budget Stabilization Fund, would be fully replenished during the current budget cycle – and it has been.

The fund's current maximum balance is \$727 million, having been capped at 15 percent of general fund appropriations in state law for the past two budget cycles. Prior to that, the fund was capped at 9.5 percent of general fund appropriations.

We propose a return to a 10 percent cap, after a one-time transfer of about \$240 million from the Budget Stabilization Fund to the general fund to help balance the budget for 2021-23.

Capping the rainy-day fund at 10 percent should be enough to withstand any future budget shortfalls. In order to access the entire balance of the rainy-day fund, an across-the-board budget reduction of 6 percent is required by law. So, with a 10 percent cap, the state could absorb a **16 percent** reduction in general fund revenues, or about \$774 million.

And given that the Budget Stabilization Fund is invested in short-term, liquid, low-returning assets, anything more than a 10 percent balance would be an underutilization of state resources.

Today, we again propose being more transparent about how our oil tax revenue is used to directly support general fund expenditures. Oil tax allocations to the general fund were set at \$400 million this biennium and last biennium.

We propose setting the oil tax allocation at \$500 million to better balance ongoing revenue with ongoing spending. Combined with an additional \$400 million in oil tax transfers from the Strategic Investment and Improvements Fund, the total oil tax revenue going to the general fund next biennium would amount to \$900 million.

That represents 20% of the general fund from oil tax allocations, which is down from 24% in the current biennium, reducing our dependence on oil tax revenues.

Despite the disruptions from the pandemic, we pressed ahead with our strategy review process again this interim, conducting a comprehensive review of agency budgets to prioritize and optimize use of taxpayer dollars. The continuation of existing services and programs required an additional \$101 million of scarce ongoing general fund resources.

To fund that increase and reduce our ongoing spending, we identified \$322 million in budget reductions and funding source changes. This allowed for \$104 million to be redirected to new priorities, along with \$36 million for state team member salary and benefit changes and \$20 million for other changes, leading to an overall reduction **of \$61 million** in ongoing general fund spending. Overall general fund expenditures will decrease slightly by about \$8 million, to \$4.836 billion.

The Executive Budget proposes a total budget of \$15 billion from general, federal, and special funds, and that amount includes \$550 million of proposed appropriations for infrastructure projects as part of a \$1.25 billion bonding package.

Overall, expenditures of \$3.3 billion will support Team North Dakota through salary and benefit investments, \$2.6 billion will fund operating expenses, and \$7.3 billion will be distributed through formulas and grants to areas such as K-12 and higher education, Medicaid and essential infrastructure, directly benefiting citizens and political subdivisions.

The remaining \$1.7 billion allows for significant and game-changing, long-term investments in capital assets. In sum, nearly 67 percent of our total budget goes to support health and human services and education. Within the general fund, these services consume 82 percent of the recommended appropriation.

INFORMATION TECHNOLOGY AND REALIGNMENT

Investing in technology that improves service to citizens remains a top priority. And protecting the sensitive data that citizens entrust to government agencies is one of our highest responsibilities.

Our budget invests nearly \$105 million in information technology projects. This includes funding for 15 projects spread across seven agencies, dealing with a variety of systems and data from procurement to juvenile case management to traffic data and analysis. Our budget moves forward on some long-overdue projects to replace or upgrade systems that rely on antiquated mainframe technology.

- For example, the current unemployment insurance mainframe has been miraculously patched together, at considerable cost, to get us through the pandemic surge, but this 1980s technology is beyond end of life and is almost impossible to manage.
- Another aged system that is critical to the delivery of essential services is the Comprehensive Child Welfare Information and Payment System in the Department of Human Services. As the payment processing system for foster care and adoption providers and families, a system failure would impact over 2,400 North Dakota families.
- Replacing the Department of Transportation's long-outdated Roadway Information Management System will reduce manual tasks such as paper handling and data re-entry, while improving the accuracy of forms, reports, and tests to better serve the public.

We have kicked this IT replacement can down the road for decades. There is not much can left to kick, and we've run out of road. The perpetually deferred replacement of these 30- to 40-year-old systems increases both cost and risk to the state and our citizens. We must act now to protect citizens and their information.

INVESTING IN TEAM MEMBERS

This budget authorizes 15,779 FTEs, a **decrease of 91 FTEs** from the current biennium, and includes proposed performance-based (not

across the board) salary increases of 2 percent in each year of the biennium. The cost of the salary increases is about \$72 million for the biennium. Agencies may provide additional salary increases based on performance if they can identify long-term salary savings through further FTE reductions, which will incentivize efficiency and innovation.

We propose continuing the state's excellent health insurance benefits package with no changes to deductibles or co-insurance. Thankfully, and bucking a trend, health insurance premiums are only increasing one-tenth of 1 percent, or \$760,000 for the biennium.

We also must ensure we can live up to the promises made to state team members.

The unfunded liability of the pension fund, now estimated at \$1.6 billion, jeopardizes our ability to cover the state's obligations to retired team members and current members. It also negatively affects local bond ratings, increasing borrowing costs at all levels of government.

We acknowledge that, given our current revenue situation, there are not resources available this biennium to make a large cash infusion into the pension fund to close the unfunded liability gap.

However, we can slowly chip away at it by increasing both state and team member contributions to the retirement fund by 1 percent, at a cost to the state of about \$9.4 million next biennium.

This important proposal will put the pension fund on a path toward solvency by 2065, and this proposal received a favorable recommendation from the interim Employee Benefits Programs Committee.

The state needs to fund its commitment, and state team members have a personal interest in ensuring the pension fund remains solvent. This is a shared responsibility.

Along with the increased state contribution, the 1 percent additional contribution by team members will benefit their future retirement by growing the pension fund, which will increase earnings to help ensure the fund delivers on its commitment to Team ND long into the future.

WORKFORCE AND EDUCATION

Children are the future of our state. And education is the key to their success and North Dakota's prosperity in the decades ahead.

Throughout the pandemic, we have been able to provide significant support to our K-12 schools and higher education institutions.

Of the COVID relief dollars provided to the state through the CARES Act, nearly \$200 million was provided to both public and private school districts and higher education institutions with the important goal of keeping our students learning in their classrooms.

Let's take a moment to thank all the teachers, administrators, staff, and school board members across the state who are fighting to keep our kids learning and our educators safe.

Last session, we worked together to increase the K-12 per-pupil payment by 2 percent in each year of this biennium, putting it over \$10,000 for the first time in state history.

Under current projections, we will not have enough ongoing revenue to sustain that level of payment. Therefore, the executive budget proposes a one-time transfer of \$83 million from the Foundation Aid Stabilization Fund to maintain the per-pupil payment at the current level of \$10,036.

The Foundation Aid Stabilization Fund has been used to support school aid for the past three biennia. Even with our proposed transfer, the fund will still maintain its very healthy and constitutionally required balance of 15 percent of the most recent general fund appropriation for state aid to school districts.

Still, this one-time transfer should serve as notice to school districts that, barring a significant increase in ongoing revenues, we will not be able to maintain the per-pupil payment at this level beyond next biennium. Districts should plan their budgets accordingly.

To be clear, our state's commitment to K-12 education has never been stronger. In our budget, the state will dedicate 38 percent of its ongoing revenue to K-12 school aid, up from 33 percent in 2013-15.

Funding for higher education as a percentage of ongoing general fund revenue will also remain higher than in 2013-15, at 13 percent compared with 11 percent.

Total funding for higher education next biennium is proposed at \$2.6 billion, including a general fund decrease of \$9.3 million from the current biennium's legislative base level. This reflects a trend of decreasing enrollment and a 7.5 percent reduction in the formula payment rate.

Prior to the pandemic, we spoke repeatedly about how higher education is changing due to the unstoppable forces of technology, economics, demographics, and culture.

The pandemic has only accelerated these changes, and our institutions must continue to find ways to adapt, innovate and become more efficient to remain successful in a world of increasing competition and alternatives.

Our budget proposal includes \$45 million for workforce development through matching grants to expand and establish new centers for career and technical education.

Since we proposed this idea two years ago, the need for career academies has only grown and the concept continues to gain popularity, with a shining example here at the Bismarck Career

Academy. Dickinson, Watford City and Cass County have all made progress toward career academy efforts. While local efforts continue to gain traction, we need to move faster to support our workforce, our economy, and most importantly, our youth.

In this budget, we also propose increasing the funding for the Higher Education Challenge Grant program, from \$9.4 million to \$20 million – \$10 million from the general fund and \$10 million from potential June 30, 2021, Legacy Fund earnings – to support North Dakota's public colleges and universities.

By requiring a 2-to-1 match in private donations, investing \$20 million into the Challenge Fund will bring a total of \$60 million into our higher education system.

Continuing our commitment to our tribal partners, we have once again included funding to provide grants to our tribal community colleges across the state. This \$1 million grant will support the five tribal colleges in educating and training the ND workforce.

HEALTH CARE AND HUMAN SERVICES

This year has challenged our health care system and our state Department of Health like never before.

We've used our share of the federal CARES Act funding thoughtfully and responsibly to support our state response to the pandemic. And we recognize the importance of continuing these efforts through the upcoming months until an effective vaccine becomes widely available.

The executive budget reflects the support needed for the Department of Health to maintain our pandemic response. We propose \$95 million in COVID-related funding, of which \$84 million is one-time funding, including \$40 million in federal and special funds.

As a state, we're fortunate to have access to quality health care, thanks in part to the investments made by this assembly. Each of us has a

responsibility to ensure those investments are used to support all citizens equitably.

Medicaid provides much-needed health care to tens of thousands of low-income North Dakotans. Children, pregnant women, older adults, and individuals with developmental disabilities all receive health care from the Medicaid program.

Additionally, **Medicaid expansion** in North Dakota importantly covers 22,500 low-income, able-bodied adults to assist them in receiving the health care services they need.

However, just because as a state we undertook **Medicaid Expansion** – along with 37 other states – does not mean we should reimburse providers far more for each Medicaid expansion client than any other state.

Today, North Dakota reimburses providers about \$14,000 for each Medicaid expansion client. Alaska, the next highest state, reimburses providers \$9,000 for each Medicaid expansion client, while Minnesota is at \$8,600 and Montana at \$7,000 – half of what North Dakota reimburses providers for the same services. Our reimbursement rate to health care providers is unsustainable and unaffordable.

Even more concerning is that while we reimburse providers the most in the U.S. for **Medicaid expansion** clients who are able to work, we reimburse our providers about 75 percent less for care delivered to regular Medicaid clients such as children, seniors, and individuals with disabilities – the very populations for whom the Medicaid program was created.

To resolve this, we are renewing our proposal to streamline administration and reduce the Expansion fee schedule to match traditional Medicaid rates, versus the substantially higher commercial rates. This change would become effective July 1, 2022, allowing

health systems time for the transition to take place after the pandemic and related stresses on the health care system have passed.

These changes would have **no impact** on any individual's eligibility or access to services.

After the last eight months fighting COVID it is clearer than ever that we must keep innovating on how to best care for our elderly and most vulnerable citizens.

We must continue to provide safe, affordable alternatives so that as more individuals and families decide they want their loved ones cared for at home, we have providers trained and ready to take care of them.

This executive budget builds on prior reinvestments that shifted dollars from institutional care to expanding home and community-based care.

We also know that sometimes seniors choose to be in nursing homes, or their families feel nursing homes are the best place for them.

Our current payment system can penalize nursing facilities based on its pure cost-based methodology. When nursing facilities operate more efficiently and reduce their costs, their payment rates go down the next year. This does not make sense.

To fix these disincentives, we have included funds in the budget to change the payment system to reward operational efficiency and well-maintained properties.

Our strategic initiative on behavioral health continues to drive progress on treatment and recovery in North Dakota. And First Lady Kathryn, through her personal courage to share her own lived experience with addiction, continues to inspire others to celebrate the

power and hope of recovery and eliminate the shame and stigma of the disease of addiction.

To expand access to treatment services, the executive budget increases funding from \$8 million to \$17 million for the Substance Use Disorder Voucher program through the Department of Human Services. The SUD program exhausted its entire appropriation in just 14 months this biennium. Our budget proposal matches funding to the increased demand for the program.

We also propose construction of a new State Hospital in Jamestown. This proposal utilizes existing authority in state law to enter into a public-private partnership. A private entity would build and maintain the hospital through a 40-year agreement. DHS would realize savings and efficiencies of about \$5.5 million per year, which would help offset the cost, leaving a gap payment of approximately \$1.7 million per year for debt service on the new hospital starting in the 2023-25 biennium.

INVESTING IN INFRASTRUCTURE

Every day 440,000 vehicles travel on our state highways, and each year tens of billions in goods are shipped to and from North Dakota by truck. Our agriculture industry, our energy sector and our communities expect us to maintain the bridges and road systems we have built over generations.

Investing in bridge maintenance or replacement of state and local roads will reduce the need for load restrictions and provide support for both farmers and energy producers throughout North Dakota.

To accomplish this, the executive budget proposes a powerful financial model that utilizes a predictable portion of Legacy Fund earnings to build infrastructure now for North Dakota's future.

For decades, North Dakota has harnessed the power of bonding with successful programs at the Housing Finance Agency, the Public

Finance Authority, the North Dakota University System, North Dakota Building Authority, and the State Water Commission. Since 1982, the Housing Finance Agency alone has completed 116 bond issues totaling over \$5.5 billion.

Currently our state agencies hold a modest balance of \$2.25 billion in bonds, and with our extremely strong balance sheet, we're able to do more. Interest rates are at historic lows: Two days ago, the Housing Finance Agency completed a \$125 million bond issuance at 1.9 percent yield. Now is the time to invest in our future with a backbone of smart, efficient, modern infrastructure.

We can save tens if not hundreds of millions of dollars for the state and our political subdivisions over time versus waiting for years and years to pay cash for infrastructure.

And by creating an additional, flexible financing vehicle for some of our strategic high-dollar infrastructure projects, we create budget room in our DOT budget and Resources Trust Fund to support many other smaller yet essential water and road projects in every corner of the state.

While bonding isn't new to North Dakota, the bonding we have done has been focused mainly on clean water projects and public housing, not for transportation infrastructure as many states have used it. For example, three years ago the Utah Legislature approved a bill allowing \$1 billion to be bonded over four years to accelerate transportation projects across the state. Today, Utah has one of the nation's fastest-growing economies.

Under our proposal, the state will sell bonds in the amount of \$1.25 billion.

The proceeds from that bond sale will be used to invest in infrastructure projects and perpetual revolving loan funds. The infrastructure projects will help grow and expand our economy and

provide a return on the investment that far exceeds the cost of borrowing.

Thanks to the foresight of our citizens over 10 years ago, we have a unique opportunity to leverage the earnings of the Legacy Fund and create lasting value for North Dakota. With these stable and predictable Legacy Fund earnings as an assured source of repayment, interest rates on **ND Legacy Bonds** in today's environment will be extremely low. Communities and our economy will benefit as the infrastructure projects can move forward now.

The permanent revolving loan funds will offer low interest loans to cities and other political subdivisions, who will then repay monies back into the revolving funds, creating a permanent legacy asset for future generations.

Waiting to build major infrastructure projects only until we can pay cash defers the economic benefits, exposes us to future construction inflation, raises local cost share and limits our growth.

Bonding works. Our school districts and cities do it regularly. It's simple, and most importantly, and in today's interest rate environment, it is very smart and economical.

Let's look at how our bonding package breaks down:

- We propose \$700 million to capitalize the infrastructure revolving loan funds to be loaned out to political subdivisions for water, road, bridge, and other projects under long-term, low-interest loans, which will help keep property taxes low. The best part? This funding mechanism is revolving, it is perpetual, and it is a permanent gift to future generations of North Dakotans.
- We propose \$323 million for transportation, bridge, and community projects grants that can be undertaken **now** to see immediate improvements in our communities and roadways.

These infrastructure funds can be multiplied with federal DOT grants and other sources.

- We propose a \$45 million cost-sharing match grant program to incentivize the expansion and opening of local career academies. These academies will be built around partnerships with local school districts and our institutions of higher education to enhance career and workforce development.
- Finally, we propose \$182 million for state facilities. We need to maintain and protect the state's significant investment in capital assets by addressing maintenance and repair issues that have gone unaddressed for too long.
- We also must make improvements so we can better utilize our existing space and lower our facility costs over time.
- This includes \$131 million for maintenance and repair projects identified as the most critical as a result of the statewide real estate assessment authorized by the 2019 Legislature.
- This amount also includes \$19 million for higher education Tier II and Tier III infrastructure projects; \$14 million for the completion of the NDSU Agriculture Development Center; \$10 million for state parks infrastructure; and nearly \$7 million to make the Capitol complex more accessible to all citizens, useful for legislators and better utilized by state agencies.

With interest rates low, now is the time to make greater use of this standard financing tool. Plus, we are in a good starting position. Historically, the State of North Dakota has carried a low amount of debt supported by taxes.

In fact, the most recent figures available from Moody's show North Dakota with the third-lowest percentage of tax-supported debt per capita in the nation at 0.3%, compared with a national average of 2.8%.

We're also **third lowest** when looking at tax-supported debt as a percentage of personal income – just \$131 in North Dakota, compared

with a national average of \$1,493. We are less than one-tenth of the national average.

And the advantage of our bonding proposal is that it's not tied to tax collections, but rather secure, predictable Legacy Fund earnings that aren't dependent on oil prices.

LEGACY FUND

We're grateful to the Legislature's interim Legacy Fund Earnings Committee for traveling the state and giving citizens the opportunity to provide input on how the Legacy Fund's earnings should be used.

We agree with the committee's direction that using a percent of market value of the Legacy Fund is the most prudent way to create a stable distribution of earnings, while protecting and growing the principal.

We propose using 4 percent of a five-year average market value for distribution, while investing the rest of the earnings back into the principal.

Based on an estimated rate of return of 5.8 percent, we project the Legacy Fund will earn \$989 million during the 2021-23 biennium. Under our proposal, nearly \$560 million would be available to use during the 2023-25 biennium. We propose reinvesting the other 40 percent of earnings back into the fund, growing the balance to over \$8.9 billion. Using this same formula going forward, the Legacy Fund would surpass \$14.6 billion by 2031, while supporting over \$4.3 billion in Legacy investments back into our state during that same timeframe.

The Legacy Fund is in good hands with our State Investment Board. Legacy Fund earnings and principal should continue to be invested and held under the management of the State Investment Board until allocated. This will ensure the fund continues to grow with maximum returns for future generations while supporting worthy projects.

Legacy Fund projects should meet the criteria of having a lasting impact beyond our current generation; have regional, state and national impact; should leverage other financial support and partnerships for a high return on investment; should be one-time projects that do not grow government; and, most importantly, they should create positive impact for our economy, workforce and communities.

Based on what we've learned from the interim committee and discussions from across the state, we're proposing five themes for high-impact investment of Legacy Fund earnings:

- We propose using 20 percent of Legacy earnings to drive economic diversification, community development and strategic initiatives across the state. Envision support for the expansion and development of new businesses and industries including value-added energy and agriculture, unmanned aerial systems, autonomous technologies, advanced manufacturing, biosciences, as well as building healthy, vibrant communities.
- 10 percent of the Legacy earnings would go for research and innovation both in our higher education systems and throughout the private sector. These funds should embrace bold ideas that will solve major problems the world currently faces such as carbon capture and utilization, drive commercialization of products and discover opportunities for the future.
- We propose using 10 percent of Legacy earnings to transform how government provides services. We can accelerate a culture of innovation and transformation that promotes efficiency and replaces antiquated brick-and-mortar, in-person approaches and paper-based business processes with state-of-the-art systems to save citizens time and money.
- We propose using 40 percent of Legacy Fund earnings to create the Legacy Bond Repayment Fund. This fund will be used to make the debt payment on the \$1.25 billion in bonds

as previously described. This fund will also provide a source of dollars for future generations to utilize for bonding needs.

- The executive budget proposes investing 20 percent of Legacy Fund earnings into transformational legacy projects, driving big-picture ideas with a high return on investment for our citizens.

In addition, we propose utilizing these themes and criteria for the following Legacy investments to be funded from the estimated \$500 million or more Legacy earnings to be realized at the end of this biennium on June 30, 2021.

Economic Diversification, Community Building and Strategic Initiatives

- \$27 million is proposed to the UAS fund to continue the growth of the UAS industry and carry on the work from last session by expanding the Beyond Visual Line of Sight statewide network, or *Vantis*, and supporting Grand Sky. In addition, \$8 million is proposed to support the Housing Incentive Fund to increase affordable housing across the state.

Research and Innovation

- \$30 million is proposed within the Research and Innovation theme for the continuation and expansion of the Innovation Technology Loan Fund, or LIFT Fund. This program, first developed by the 66th Legislative Assembly, has already demonstrated significant return on investment through the growth or relocation of at least 16 companies. A second \$10 million will be included to enhance the 2-to-1 Higher Education Challenge Grants program.

Government Transformation

- Our proposal for Government Transformation includes \$25 million for statewide cybersecurity. This will ensure our citizens and state team members are protected from threats near and far.

Legacy Projects

- Within the Legacy Projects category, we have included \$10 million for state park infrastructure upgrades, the establishment of a \$10 million State Park Challenge Grant Program to drive private investments, and \$5 million for an environmental quality restoration fund.

LOOKING AHEAD

In trying times like these, there's a natural tendency to hunker down, to focus on the immediate crisis at hand, and rightfully so. Yet we must not lose sight of the fact that our future extends far beyond the current emergency. We must remember that this too shall pass. And as it does, we need a North Dakota that is strongly positioned with healthy, vibrant communities and smart, efficient infrastructure that can attract and retain a talented 21st century workforce.

When businessinsider.com ranked the 30 best American cities to live in after the pandemic, Fargo and Bismarck both made the Top 10, and Grand Forks ranked 19th, affirming what we all know, that North Dakota is a great place to live, work and play.

With a fiscally conservative budget that prioritizes general fund needs WITHOUT the ongoing reliance on Legacy earnings, we set our state on a historic path of harnessing the predictable free cash flow of Legacy earnings to multiply its impact through **economic diversification, community building, infrastructure, research and innovation, government transformation, and lasting true Legacy projects.**

The pandemic and other events of the past year have taught us all lessons in courage, curiosity, gratitude, and humility.

And we all recognize how fortunate we are to be Americans, and to hold the opportunity to work hard at work worth doing.

We can make a difference in the lives of North Dakotans every day by working as one, by showing leadership everywhere, and by bringing a growth-mindset to work and being citizen-focused.

To quote author Lynne Twist, "This is not a time of mere change. This is a time of transformation, and transformation comes not out of scarcity but out of the context of possibility, responsibility and sufficiency."

And with our abundant human and natural resources, the possibilities for North Dakota remain unlimited.

To each and every legislator in the 67th Assembly, thank you for your important service.

Serving the citizens of North Dakota is a tremendous honor for us all, especially in this incredibly challenging time in our state's history. Together with OMB and our agency leaders, we stand ready to work together with you to build a brighter future for all North Dakotans.

To the citizens of North Dakota, we know you will continue to rise to meet the historic challenge we are facing. We are inspired by your passion and your compassion, as well as your perseverance and optimism.

Thank you, God bless you, and may God Bless the Great State of North Dakota.

**COMPARISON OF 2019-2021 LEGISLATIVE BASE AND
2021-2023 BASE BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2021-2023

Category/Agency	2019-2021 Legislative Base		2021-2023 Base Budget Request		2021-2023 Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Executive Branch						
101 Office of the Governor	4,287,298	4,287,298	4,072,933	4,072,933	4,333,956	4,333,956
108 Secretary of State	5,623,063	9,854,704	5,060,757	12,490,250	5,702,347	13,295,461
110 Office of Management and Budget	32,915,852	41,662,367	25,138,496	33,885,011	31,896,780	185,794,192
112 Information Technology	17,165,311	213,047,645	15,448,780	211,331,114	17,824,839	275,233,775
117 Office of the State Auditor	10,106,860	14,280,038	9,096,174	13,301,226	9,521,824	14,598,119
120 Office of the State Treasurer	1,746,370	1,746,370	1,659,052	1,659,052	1,779,467	1,779,467
125 Office of the Attorney General	45,604,596	81,490,880	38,896,818	74,149,040	47,260,701	86,325,107
127 Office of State Tax Commissioner	54,071,616	54,196,616	57,382,203	57,507,203	62,449,257	62,574,257
140 Office of Administrative Hearings	0	2,830,664	0	2,741,665	0	2,782,417
188 Commission on Legal Counsel for Indigents	18,384,627	20,374,662	16,546,164	18,536,199	17,712,805	19,709,703
190 Retirement and Investment Office	0	5,869,164	0	5,869,164	0	6,180,318
192 Public Employees Retirement System	0	9,346,193	0	9,346,193	0	10,108,112
195 Ethics Commission	517,155	517,155	491,297	491,297	653,674	653,674
Total	190,422,748	459,503,756	173,792,674	445,380,347	199,135,650	683,368,558
Legislative and Judicial Branches						
150 Legislative Assembly	15,307,755	15,307,755	20,314,661	20,314,661	20,330,194	20,330,194
160 Legislative Council	12,890,318	12,960,318	15,318,589	15,388,589	15,945,379	16,015,378
180 Judicial Branch	107,355,691	109,497,988	113,305,248	115,499,657	115,967,211	118,161,669
Total	135,553,764	137,766,061	148,938,498	151,202,907	152,242,784	154,507,241
Elementary, Secondary & Other Education						
201 Department of Public Instruction	1,721,161,137	2,533,714,880	1,717,331,281	2,529,885,022	1,598,055,407	2,579,738,885
226 Department of Trust Lands	0	8,108,401	0	8,108,401	0	10,345,068
250 State Library	5,781,419	8,155,780	5,492,348	7,643,505	6,023,909	8,392,134
252 School for Deaf/Res Ctr for Deaf and HoH	7,528,850	9,959,208	6,775,965	9,206,321	7,457,297	10,944,731
253 ND Vision Services/School for the Blind	4,717,989	5,770,304	4,482,090	5,534,405	4,622,428	6,199,718
270 Career and Technical Education	40,064,988	54,768,109	38,517,267	53,234,694	39,978,448	99,998,265
Total	1,779,254,383	2,620,476,682	1,772,598,951	2,613,612,348	1,656,137,489	2,715,618,801
Higher Education						
215 ND University System	102,327,097	126,329,303	110,701,968	135,043,997	124,591,002	167,883,523
227 Bismarck State College	31,068,227	100,666,243	30,081,194	100,083,047	26,358,629	96,755,722
228 Lake Region State College	12,945,280	37,921,794	14,360,235	39,495,427	12,694,861	37,972,176
229 Williston State College	10,067,743	33,858,028	10,469,782	34,439,333	9,238,600	33,270,852
230 University of North Dakota	148,332,155	892,517,832	160,032,065	910,202,006	137,831,175	894,132,663
232 UND Medical Center	64,883,503	223,920,514	69,343,067	231,566,703	64,065,329	224,970,019
235 North Dakota State University	132,714,983	751,574,675	145,196,570	767,546,827	125,141,333	764,800,792

**COMPARISON OF 2019-2021 LEGISLATIVE BASE AND
2021-2023 BASE BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2021-2023

Category/Agency	2019-2021 Legislative Base		2021-2023 Base Budget Request		2021-2023 Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
238 ND State College of Science	36,542,022	96,737,790	36,878,543	97,464,331	32,750,556	93,571,158
239 Dickinson State University	18,393,063	48,970,072	20,705,866	51,410,802	18,126,267	49,109,020
240 Mayville State University	16,420,616	48,078,547	19,264,624	51,316,820	17,199,194	49,395,663
241 Minot State University	39,896,693	103,424,693	42,749,307	106,292,749	37,676,963	101,687,805
242 Valley City State University	22,658,933	48,632,751	23,144,847	49,217,494	20,551,560	46,901,742
243 Dakota College at Bottineau	7,740,826	21,554,613	9,705,361	23,816,451	8,626,489	26,811,210
244 ND Forest Service	4,676,664	15,342,064	4,806,012	15,517,178	4,556,471	15,225,461
Total	648,667,805	2,549,528,919	697,439,441	2,613,413,165	639,408,429	2,602,487,806

Health and Human Services

301 ND Department of Health	36,270,590	158,222,269	32,399,279	158,231,179	88,879,743	260,160,376
303 Department of Environmental Quality	12,480,922	57,674,496	12,304,275	58,977,583	12,597,698	59,807,354
313 Veterans Home	5,654,324	24,406,096	5,088,892	23,842,202	5,466,701	25,144,083
316 Indian Affairs Commission	1,098,639	1,098,639	1,043,707	1,043,707	1,112,086	1,112,086
321 Department of Veterans Affairs	1,268,930	2,354,587	1,205,483	3,064,906	1,378,624	3,244,287
325 Department of Human Services	1,461,150,884	4,084,755,065	1,525,588,477	4,222,874,939	1,563,943,856	4,377,564,216
360 Protection and Advocacy	3,240,015	7,166,150	3,078,014	7,266,553	3,155,580	7,441,039
380 Job Service North Dakota	430,624	65,074,342	409,092	63,413,836	410,561	65,450,721
Total	1,521,594,928	4,400,751,644	1,581,117,219	4,538,714,905	1,676,944,849	4,799,924,162

Regulatory

401 Office of the Insurance Commissioner	0	28,534,703	0	50,330,888	0	50,426,100
405 Industrial Commission	27,254,198	39,977,988	23,166,068	33,414,312	25,986,966	50,364,926
406 Department of Labor and Human Rights	2,325,510	2,806,191	2,208,489	2,695,357	2,534,973	3,051,841
408 Public Service Commission	6,714,928	18,887,404	6,043,435	18,506,526	6,613,408	20,036,769
412 Aeronautics Commission	500,000	29,331,082	475,000	29,216,082	475,000	31,228,807
413 Department of Financial Institutions	0	8,684,567	0	8,684,567	0	9,167,283
414 Securities Department	0	2,757,119	0	2,757,119	0	2,825,725
471 Bank of North Dakota	0	64,357,799	0	64,357,799	0	66,961,079
473 ND Housing Finance Agency	0	47,421,891	0	49,886,478	0	58,903,412
475 ND Mill and Elevator Association	0	76,994,824	0	76,994,182	0	88,599,394
485 Workforce Safety and Insurance	0	60,887,842	0	60,887,842	0	73,460,852
Total	36,794,636	380,641,410	31,892,992	397,731,152	35,610,347	455,026,188

Public Safety

504 Highway Patrol	44,213,575	59,586,945	37,581,539	52,954,909	44,820,848	61,476,948
530 Department of Corrections and Rehabilitation	228,286,826	268,411,015	195,000,252	236,209,928	229,179,922	274,173,401
540 Office of the Adjutant General	27,390,197	144,712,986	23,530,851	154,182,861	26,779,578	180,053,623
Total	299,890,598	472,710,946	256,112,642	443,347,698	300,780,348	515,703,972

**COMPARISON OF 2019-2021 LEGISLATIVE BASE AND
2021-2023 BASE BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2021-2023

Category/Agency	2019-2021 Legislative Base		2021-2023 Base Budget Request		2021-2023 Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Agriculture and Economic Development						
601 Department of Commerce	32,866,721	86,990,014	27,936,714	97,770,096	33,398,770	95,964,378
602 Department of Agriculture	10,700,429	39,022,835	9,630,383	38,143,748	11,067,647	39,756,971
627 Upper Great Plains Transportation Institute	4,396,329	23,292,223	4,176,513	23,072,407	4,283,050	23,347,234
628 Branch Research Centers	18,201,026	38,801,413	17,297,636	37,898,023	17,699,004	38,415,480
630 NDSU Extension Service	27,709,666	55,487,825	23,553,216	51,331,375	25,196,268	53,495,411
638 Northern Crops Institute	1,943,810	3,840,027	1,846,620	3,742,837	1,895,053	3,819,277
640 NDSU Main Research Center	52,667,326	109,170,101	44,820,520	101,323,295	48,187,301	105,254,423
649 Agronomy Seed Farm	0	1,565,975	0	1,565,975	0	1,582,478
665 ND State Fair	542,833	542,833	515,691	515,691	515,691	515,691
670 ND Horse Racing Commission	399,072	565,037	379,118	545,083	390,473	557,212
Total	149,427,212	359,278,283	130,156,411	355,908,530	142,633,257	362,708,555
Natural Resources						
701 Historical Society	17,368,691	20,562,943	15,780,749	18,698,766	18,143,330	21,678,841
709 Council on the Arts	1,606,204	3,345,126	1,525,894	3,211,301	1,564,547	3,249,955
720 Game and Fish Department	0	85,303,632	0	88,576,700	0	91,812,839
750 Parks and Recreation Department	14,343,129	34,723,856	12,914,793	34,570,567	13,069,337	74,465,700
770 Water Commission	0	867,254,091	0	722,232,354	0	709,047,231
Total	33,318,024	1,011,189,648	30,221,436	867,289,688	32,777,214	900,254,566
Transportation						
801 Department of Transportation	0	1,388,445,404	0	1,459,134,593	0	1,829,935,907
Total	0	1,388,445,404	0	1,459,134,593	0	1,829,935,907
Total All Categories	4,794,924,098	13,780,292,753	4,822,270,264	13,885,735,333	4,835,670,367	15,019,535,756

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 summarizes the governor's strategic vision for the state and identifies the key components of the executive budget. 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, over the base level as defined in the executive budget guidelines.

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 published after the conclusion of the legislative session)

Budget Process

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

At the beginning of each even-numbered year (2020), the Office of Management and Budget holds a series of strategic reviews with agencies to discuss priorities for the upcoming budget process. The Governor then releases budget guidelines that define the starting point for each agency budget for the upcoming biennium (July 1, 2021 – June 30, 2023).

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

From July to October, budget meetings are held with most agencies to review their budget requests. The budget analyst assigned to each agency develops a recommendation in collaboration with the director of the Office of Management and Budget, the Governor and the policy advisor team within the Office of the Governor.

In November, the executive revenue forecast is completed and budget 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, the executive budget team presents budget details to the legislative Budget Section committee and provides training and instruction for legislators regarding how to use the budget publications.

In January of each odd-numbered year (2021), the legislature convenes for a maximum of 80 legislative 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 executive budget team within the Office of Management and Budget 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 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

Conduct Strategy Review meetings																								
Prepare budget instructions and guidelines and issue to agencies																								
Complete initial revenue forecast																								
Extensions for budget requests 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 automated budget system																								
Conduct special studies																								
Provide information to 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 should 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 repair or 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 15 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 is considered as a one-time revenue source.

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 four times each biennium, as requested by the director of the Office of Management and Budget, to coincide with economic forecasts prepared four times during each biennium.
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 four times per biennium.
- 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 estimates of general fund revenues for the upcoming two bienniums. 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 two bienniums 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, to the extent possible.
 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 and the removal of one-time appropriations. 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 OMB 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 reasonable economic assumptions. The executive budget will lay out a fiscal plan for the state, balancing expenditures with 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 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 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 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, when necessary to balance current revenues and current

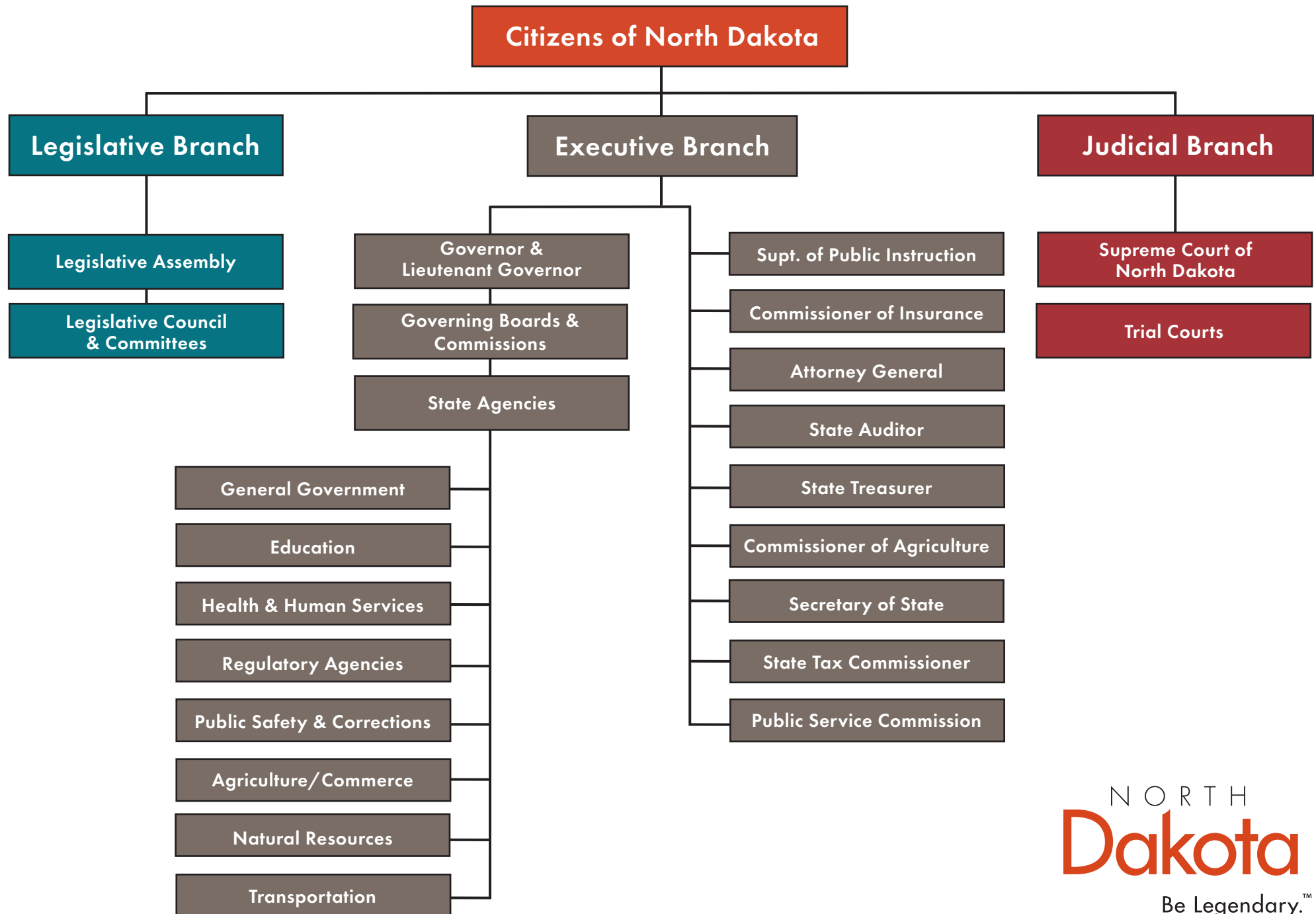
obligations of the state, or to leverage future revenue streams when the return on investment for the state exceeds the borrowing cost.

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, demographic trends, return on investment, and available funding sources.
13. **Extraordinary Repairs Recommendation** – The Office of Management and Budget will to the extent possible, recommend funding for extraordinary repairs on the basis of objective evaluation and analysis of building and infrastructure condition.
14. **Extraordinary Repairs as Pool** – Funding for extraordinary repairs, regardless of the basis of allocation, 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.

STATE OF NORTH DAKOTA ORGANIZATIONAL CHART



Demographics

North Dakota's current population is approximately 762,000 people, which is 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 2003, with an estimated population of about 631,700 residents. Since then, North Dakota's population has grown every year, with a total increase of more than 130,000 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 8,974 to 10,447 in 2019.

Additionally, North Dakota is becoming younger, with the state's median age dropping to 35.1 in 2017 and 2018, down from 37.1 in 2011. 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 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.

North Dakota's unemployment rate is low, and the number of job openings continues to be strong, even though the effects of the COVID-19 pandemic have weakened the state labor market. Major employers in the state include Sanford Health Systems, UND, NDSU, Altru Health System, Grand Forks Air Force Base, CHI St. Alexius, Essentia Health, Wal-Mart Stores, Fargo VA Medical Center, LM Wind Power, Microsoft Business Solutions, Noridian Healthcare Solutions, U.S. Bank Service Center, Hornbacher's Foods, Shooting Star Casino/Hotel/Event Center, Bismarck State College, American Crystal Sugar, Eventide Senior Living Communities, Wanzek Construction, Inc., and MDU Resources Group, Inc.

In 2019, per capita personal income in North Dakota was \$57,232, which ranked 16th in the United States and is 101 percent of the national average.

Economic Analysis

Although North Dakota ranks second in the nation in terms of oil production, it is arguably the state with the highest economic reliance on the oil industry. Texas is the nation's number one oil producer but has an economy 30 times larger than North Dakota. North Dakota's gross domestic product (GDP) in 2019 was about \$57.2 billion. At the same time, Texas had a state GDP of about \$1.844 trillion. The mining and oil extraction category contributed 11.1 percent to the state GDP in North Dakota. In Texas, that percentage was 7.9 percent.

The global pandemic has had a devastating impact on oil demand. Price has recovered from the historic lows of early 2020, but the outlook shows only modest improvements in price over the forecast horizon. Although production in North Dakota has recovered, it remains well below pre-pandemic levels. As prices remain below the levels required to incentivize new drilling, oil production is expected to decline slightly during the first year of the 2021-23 biennium.

The North Dakota agricultural industry contributed \$2.60 billion to the state GDP in 2019 and remains a critically important component of the state's economy. The agricultural economy faces challenges from declining exports and low prices.

North Dakota's economy is not expected to contract as severely as the national economy during the COVID-19 pandemic. However, reliance on volatile commodities will hinder the economic recovery in North Dakota. The tight labor market will keep the unemployment rate relatively low and cushion the negative impact to the North Dakota economy. It is possible the tight labor market could prove to be a positive if it attracts job seekers to North Dakota from other states, as was the case following the Great Recession.

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 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, 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 fund expenditures 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 2021-23 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>.

Revenue Forecast for General Fund and Oil and Gas Taxes – Legacy Fund Earnings – Supplemental Appropriations

2019-21

Original Legislative Revenue Forecast

The 2019-21 biennium began with a General Fund balance of \$65.0 million, after a \$548.0 million transfer to the Budget Stabilization Fund. The legislative revenue forecast provided for General Fund revenues of \$4.82 billion; the original biennial General Fund appropriation was \$4.84 billion, including \$48.6 million in one-time appropriations.

Revised Forecast

The November 2020 executive revenue forecast revises the original forecast for the 2019-21 biennium based on actual collections through October 2020 and new economic assumptions for the remainder of the biennium. The November 2020 executive forecast anticipates 2019-21 biennium revenues of \$4.96 billion, an increase of \$137.6 million. Based on the executive revenue forecast, authorized appropriation levels, and estimated deficiency appropriations, the projected June 30, 2021 ending balance is \$311.9 million.

Estimated Oil Prices and Production

The first year of the 2019-21 biennium saw North Dakota oil prices fluctuate from a high of \$52.92 (the monthly average price on which taxes were paid in December 2019) to a low of \$9.54 (monthly average in April 2020). The COVID-19 pandemic resulted in an unprecedented collapse in worldwide oil demand and a drop to historic lows. North Dakota oil prices have improved from the lows of April 2020, but are expected to continue in the mid \$30's through the 2021-23 biennium. The executive budget forecast assumes North Dakota oil prices average \$32 per barrel for the remainder of the 2019-21 biennium. Production topped 1.5 million barrels per day in late 2019, but dropped below 900,000 barrels per day in May 2020 due to the collapse in prices. Production has since recovered to above 1.2 million barrels per day in September 2020 and is expected to remain at that level through June 30, 2021.

Oil extraction and gross production tax collections are projected to total \$3.36 billion during the 2019-21 biennium, \$1.49 billion less than originally estimated in the legislative forecast.

Legacy Fund Earnings

Legacy fund earnings that will be transferred to the general fund on June 30, 2021, pursuant to North Dakota Constitution Article X, Section 26, are expected to be at least \$500.0 million. The executive budget proposes the following allocation:

1. \$100.0 million – State General Fund
2. \$64.4 million – Common Schools Trust Fund, pursuant to 2019 Senate Bill 2362
3. \$235.6 million – State General Fund
4. \$25.0 million – NDIT operating fund for statewide cyber security initiatives covering all levels of state and local government
5. \$27.0 million – Transfer to Unmanned Aircraft Systems Program Fund

6. \$30.0 million – Transfer to the Innovation Loan Fund to Support Technology Advancement (LIFT)
7. \$8.0 million – Transfer to Housing Incentive Fund
8. \$10.0 million – State Parks and Recreation operating fund for park infrastructure upgrades

If earnings exceed \$500.0 million, the executive budget proposes the following allocations:

1. First \$5.0 million – Transfer to Environmental Quality Restoration Fund
2. Next \$10.0 million – Transfer to State Parks Gift Fund for proposed state parks challenge grant program
3. Next \$10.0 million – Transfer to ND University System for higher education challenge grant program
4. Any remaining amount – State General Fund

2021-23

Executive Revenue Forecast

Comparing the 2021-23 biennium executive forecast to the 2019-21 November revised forecast:

- Sales and use tax collections are expected to decline by \$96.2 million, a decrease of 5.5 percent reflecting a gradual economic recovery as the negative impact of the pandemic diminishes, a vaccine becomes widely available and accepted, and normal business activity resumes.
- Motor vehicle excise tax collections are expected to increase by \$7.5 million, an increase of 3.2 percent.
- Individual income tax collections are expected to increase by \$45.0 million, or 6.1 percent.
- Corporate income tax collections are anticipated to increase by \$9.0 million, an increase of 5.0 percent.
- Allocations from oil and gas tax revenue collections, which were \$400.0 million in the 2017-19 biennium are proposed to be increased to \$500.0 million for the 2021-23 biennium and all subsequent bienniums.
- The transfer from the Legacy Fund is estimated to be \$560.0 million for the 2021-23 biennium, but is proposed to be allocated for specific purposes to be spent during the 2023-25 biennium. No legacy earnings that will be transferred on June 30, 2023 are included in the 2021-23 general fund revenue forecast.

Based on the executive revenue forecast and recommended appropriation levels, the projected June 30, 2023 General Fund ending balance is estimated to be \$57.4 million.

Estimated Oil Prices and Production

Oil prices are anticipated to remain low but stable in the 2021-23 biennium. The forecast assumes North Dakota prices starting at \$34.50 per barrel in August 2021 and increasing slightly to \$36.00 by the end of the biennium. Production is anticipated to decline slightly during the first year of the biennium to 1.1 million

barrels per day, then increase to 1.2 million barrels per day for the second year of the biennium.

Oil extraction and gross production tax collections are projected to total \$2.87 billion during the 2021-23 biennium, allocated as shown on the table at the end of this section.

Legacy Fund Earnings

Legacy fund earnings that will be transferred to the general fund on June 30, 2023, are expected to be \$560.0 million using a percent of market value distribution methodology based on 4.0 percent of the previous five-year average fund balance. The executive budget proposes the following allocation:

- 20.0 percent – Economic diversification and strategic initiatives
- 10.0 percent – Research and innovation
- 10.0 percent – Government transformation
- 20.0 percent – Legacy projects
- 40.0 percent – Bond repayment

Federal Funds

Federal funds represent 29.3 percent of the recommended state budget. Agencies receiving significant federal funds include the Department of Transportation, Department of Human Services, Job Service North Dakota, Department of Public Instruction and the Adjutant General.

Congress sets the amount of federal funds received by states in annual appropriation sessions. The amounts that appear in the 2021-23 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 2021-23 biennium.

Special Funds

Special funds represent 38.5 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 interest from investments. The Bank of North Dakota and the North Dakota Mill and Elevator Association operate on their own profits.

Agencies like ND Information Technology 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 2021-23 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.

Oil Tax Allocations

Oil taxes are allocated to counties, tribes, and various state funds. Estimated allocations for the 2019-21 and 2021-23 bienniums are reflected on the table below:

	<u>2019-21</u> <u>Biennium</u>	<u>2021-23</u> <u>Biennium</u>
Counties and Cities	\$ 489,019,546	\$ 440,593,155
Tribal Allocations	364,302,552	310,998,614
Legacy Fund	898,421,934	768,635,141
Foundation Aid Stabilization Fund	142,666,024	126,319,787
Common Schools Trust Fund	142,666,024	126,319,787
Resources Trust Fund	288,265,349	254,755,563
Renewable Energy Development Fund	3,000,000	3,000,000
Energy Conservation Fund	1,200,000	1,200,000
Research Fund	16,000,000	16,000,000
Oil and Gas Impact Grant Fund	5,000,000	5,000,000
ND Outdoor Heritage Fund	15,000,000	15,000,000
Well Plugging and Site Reclamation Fund	10,460,106	8,899,194
General Fund	400,000,000	500,000,000
Tax Relief Fund	200,000,000	200,000,000
Budget Stabilization Fund	48,431,258	0
State Disaster Fund	0	0
Energy Impact Fund	0	0
Lignite Research Fund	10,000,000	10,000,000
Municipal Infrastructure	30,375,000	30,375,000
Strategic Investment & Improvements Fund	<u>294,234,539</u>	<u>56,019,509</u>
Total Oil and Gas Taxes	\$3,359,042,332	\$2,873,115,750

Supplemental Appropriation

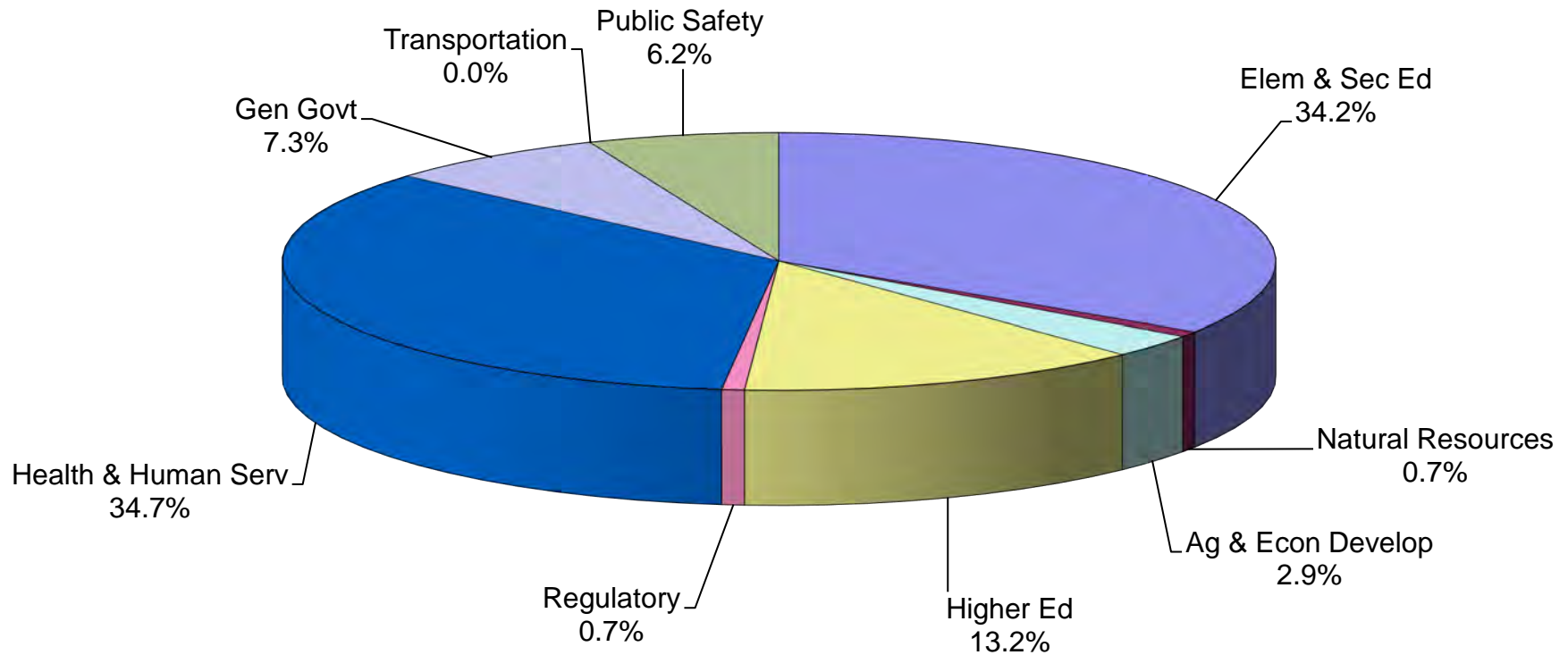
Supplemental appropriations have been recommended for various agencies as noted below. All supplemental appropriations are funded from the General Fund.

- The Office of Management and Budget to cover \$400,000 for a potential loss on a judgement related to election law.
- The Secretary of State to cover \$97,500 in attorney fees for Self Advocacy Solutions ND (SAS) vs. Jaeger.
- The Attorney General's office for \$175,435 for attorney fees resulting from the loss related to the Farm Bureau vs. State of North Dakota lawsuit.
- The Tax Department to cover a shortfall of \$1.3 million in Homestead Tax credits and \$2.7 million in Disabled Veterans tax credits.
- The North Dakota State University for \$474,657 for litigation fees from A Glenn Hill Center construction project.
- The Department of Health for \$32.1 million for COVID-19 expenditures.
- The Department of Environmental Quality for \$1.4 million for the COVID-19 wastewater testing project.
- The Adjutant General to repay anticipated Bank of North Dakota loans of \$8.1 million for the state share of disaster costs and \$14.1 million related to costs associated with response to the DAPL protest.

State of North Dakota Recommended General Fund Appropriations by Function for the 2021-23 Biennium

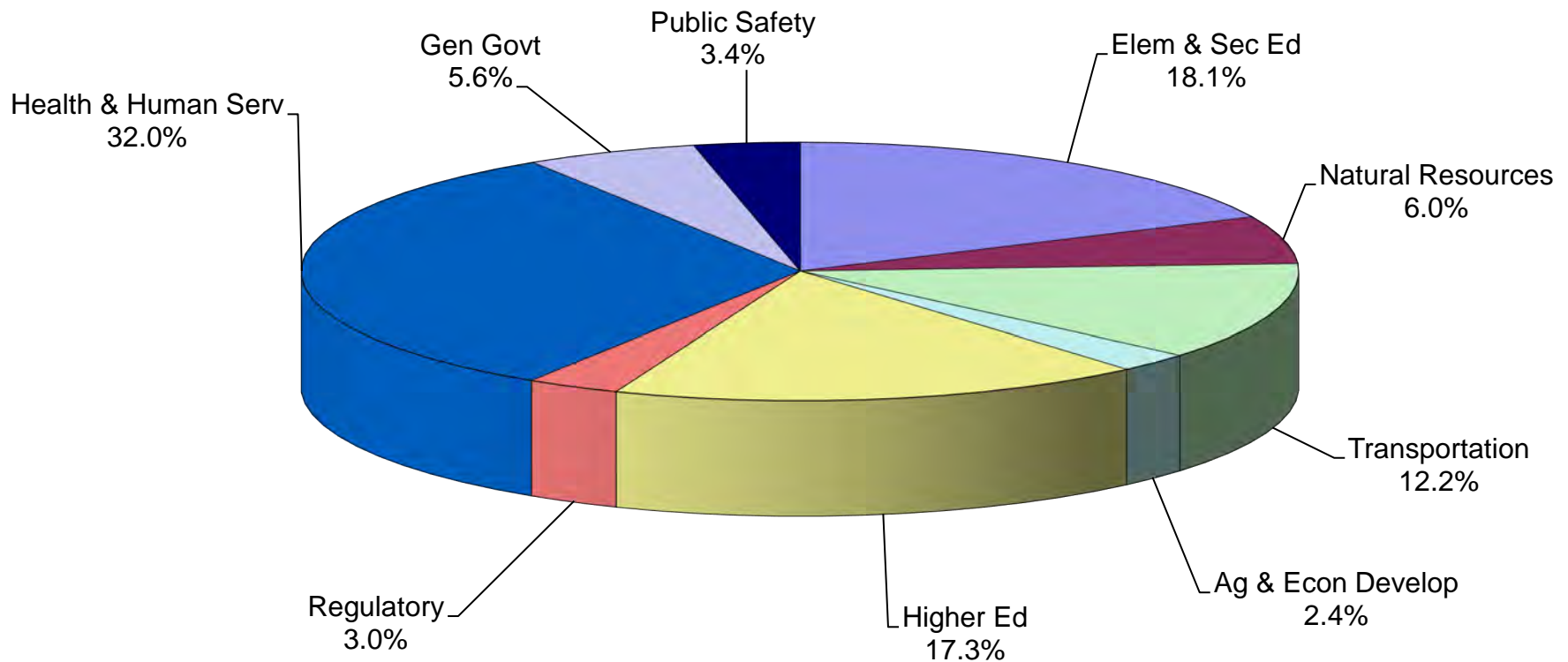
\$4.83 Billion *

*** \$4.73 Billion On-Going Expenditures
\$101.8 Million One-Time Expenditures**



**State of North Dakota
Recommended Total Fund Appropriations by Function
for the 2021-23 Biennium**

\$15.02 Billion



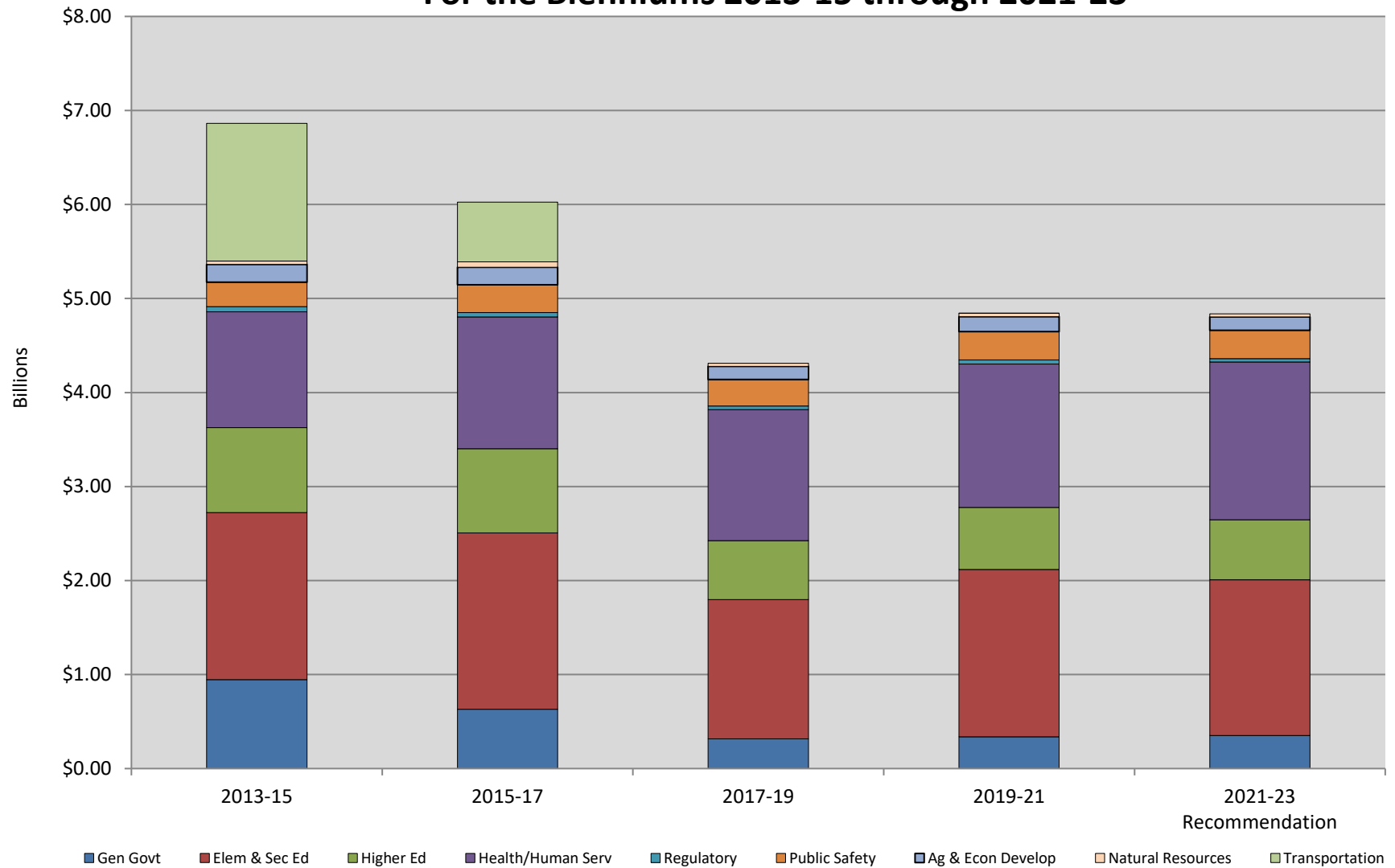
State of North Dakota
Comparison of General Fund Appropriation by Function
For the Bienniums 2013-15 through 2021-23

	2013-15		2015-17		2017-19		2019-21		Recommendation 2021-23	
General Government	\$945,308,413	13.8%	\$629,904,600	10.5%	\$315,167,384	7.3%	\$338,917,188	7.0%	\$351,378,434	7.3%
Elementary and Secondary Education	1,777,375,701	25.9%	1,875,898,743	31.1%	1,482,659,240	34.4%	1,779,454,383	36.7%	1,656,137,489	34.2%
Higher Education	902,629,915	13.2%	896,574,867	14.9%	625,796,780	14.5%	660,517,805	13.6%	639,408,429	13.2%
Health and Human Services	1,232,145,048	18.0%	1,400,402,280	23.2%	1,394,429,314	32.4%	1,523,442,581	31.5%	1,676,944,849	34.7%
Regulatory	55,511,072	0.8%	48,650,467	0.8%	37,428,449	0.9%	44,559,295	0.9%	35,610,347	0.7%
Public Safety	259,674,260	3.8%	295,076,923	4.9%	282,750,554	6.6%	301,544,678	6.2%	300,780,348	6.2%
Agriculture and Economic Development	188,904,694	2.8%	186,648,265	3.1%	139,138,124	3.2%	157,712,212	3.3%	142,633,257	2.9%
Natural Resources	37,018,251	0.5%	56,630,975	0.9%	32,892,796	0.8%	34,915,024	0.7%	32,777,214	0.7%
Transportation	1,464,020,000	21.3%	636,375,558	10.6%	-	0.0%	2,500,000	0.1%	-	0.0%
TOTAL	\$6,862,587,354	100.0%	\$6,026,162,678	100.0%	\$4,310,262,641	100.0%	\$4,843,563,166	100.0%	\$4,835,670,367	100.0%

State of North Dakota

Comparison of General Fund Appropriations by Function

For the Bienniums 2013-15 through 2021-23



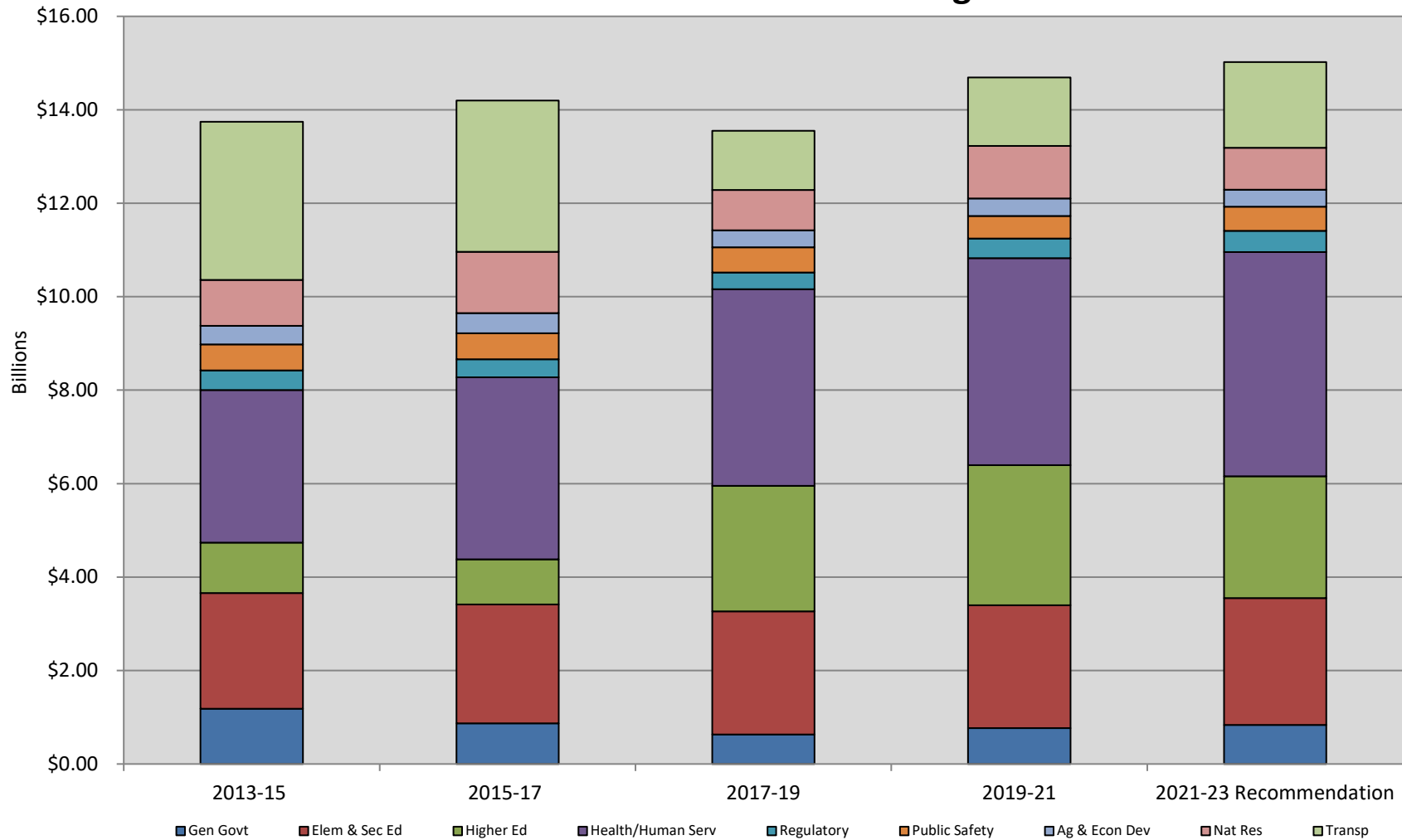
State of North Dakota
Comparison of Total Funds Appropriations by Function
For the Bienniums 2013-15 through 2021-23

	2013-15		2015-17		2017-19		2019-21		Recommendation 2021-23	
General Government	\$1,183,314,550	8.6%	\$869,877,389	6.1%	\$629,813,085	4.6%	\$768,543,452	5.2%	\$837,875,799	5.6%
Elementary and Secondary Education	2,477,986,312	18.0%	2,547,225,542	17.9%	2,637,441,995	19.5%	2,628,577,182	17.9%	2,715,618,801	18.1%
Higher Education	1,077,610,856	7.8%	961,584,277	6.8%	2,685,747,055	19.8%	2,999,878,919	20.4%	2,602,487,806	17.3%
Health and Human Services	3,263,326,715	23.7%	3,896,093,235	27.4%	4,205,549,975	31.0%	4,427,658,576	30.1%	4,799,924,162	32.0%
Regulatory	418,004,610	3.0%	388,192,041	2.7%	361,465,962	2.7%	422,623,374	2.9%	455,026,188	3.0%
Public Safety	559,046,321	4.1%	554,654,697	3.9%	538,822,472	4.0%	481,184,307	3.3%	515,703,972	3.4%
Agriculture and Economic Development	399,813,205	2.9%	429,056,283	3.0%	360,016,250	2.7%	375,303,749	2.6%	362,708,555	2.4%
Natural Resources	980,360,307	7.1%	1,316,181,753	9.3%	864,024,790	6.4%	1,122,082,774	7.6%	900,254,566	6.0%
Transportation	3,384,799,434	24.6%	3,237,531,577	22.8%	1,270,504,868	9.4%	1,464,745,404	10.0%	1,829,935,907	12.2%
TOTAL	\$13,744,262,310	100.0%	\$14,200,396,794	100.0%	\$13,553,386,452	100.0%	\$14,690,597,737	100.0%	\$15,019,535,756	100.0%

State of North Dakota

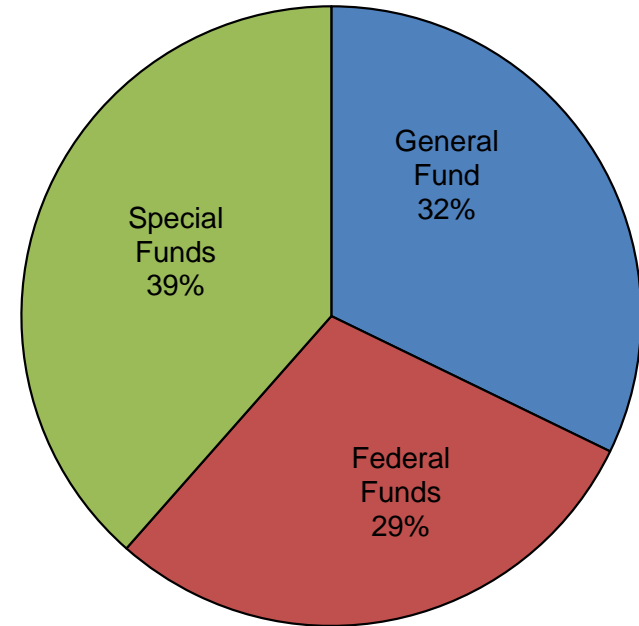
Comparison of Total Funds Appropriations by Function

For the Bienniums 2013-15 through 2021-23



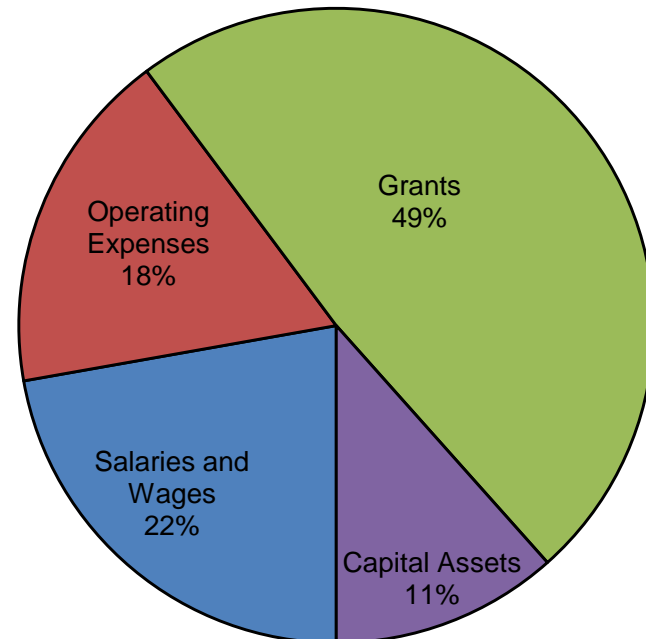
Recommended Funding Source - Total Funds

General Fund	\$4,835,670,367
Federal Funds	4,401,378,064
Special Funds	5,782,487,325
Total	\$15,019,535,756



Recommended Expenditures By Type - Total Funds

Salaries and Wages	\$3,336,002,248
Operating Expenses	2,643,258,524
Grants	7,300,475,323
Capital Assets	1,739,799,661
Total	\$15,019,535,756



General Fund Status Statement

	2017-19 Actual ^{\1}	2019-21		2021-23 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$65,000,000	\$65,000,000	\$65,000,000 ^{\2}	\$311,954,541
Revenue	\$4,913,448,662	\$4,822,959,640	\$4,960,580,330 ^{\3}	\$4,581,131,201 ^{\3}
Expenditures:				
Original Appropriations - One Time	(\$14,638,226)	(\$48,639,068)	(\$48,639,068)	(\$101,754,458)
Original Appropriations - Ongoing	(4,295,624,415)	(4,794,924,098)	(4,794,924,098)	(4,733,915,909)
Adjustments for Emergency Clauses	(106,000)	0	106,000	0
Supplemental Appropriations	(115,560,181)	0	(60,807,488)	0
Unspent Authority/Adjustments	61,389,781	0	190,638,865	0
Total Expenditures	(\$4,364,539,041)	(\$4,843,563,166)	(\$4,713,625,789)	(\$4,835,670,367)
Ending Balance Before Transfers	\$613,909,621	\$44,396,474	\$311,954,541	\$57,415,375
Transfers and Adjustments:				
Transfer to Budget Stabilization Fund	(\$548,010,854) ^{\4}	\$0	\$0	\$0
Adjustments and Cash Certifications	(898,767)	0	0	0
Total Transfers and Adjustments	(\$548,909,621)	\$0	\$0	\$0
Ending Balance	\$65,000,000	\$44,396,474	\$311,954,541	\$57,415,375

^{\1} Final revenues and expenditures per state accounting system reports dated June 30, 2019.

^{\2} Actual July 1, 2019 balance.

^{\3} Based on actual revenues through October 31, 2020, and estimated revenues for the remainder of the biennium using the November 2020 executive revenue forecast.

^{\4} NDCC Section 54-27.2-01 requires a transfer of the ending General Fund balance in excess of \$65.0 million to the Budget Stabilization Fund, sufficient to bring the balance of the Budget Stabilization Fund to 15.0 percent of appropriations.

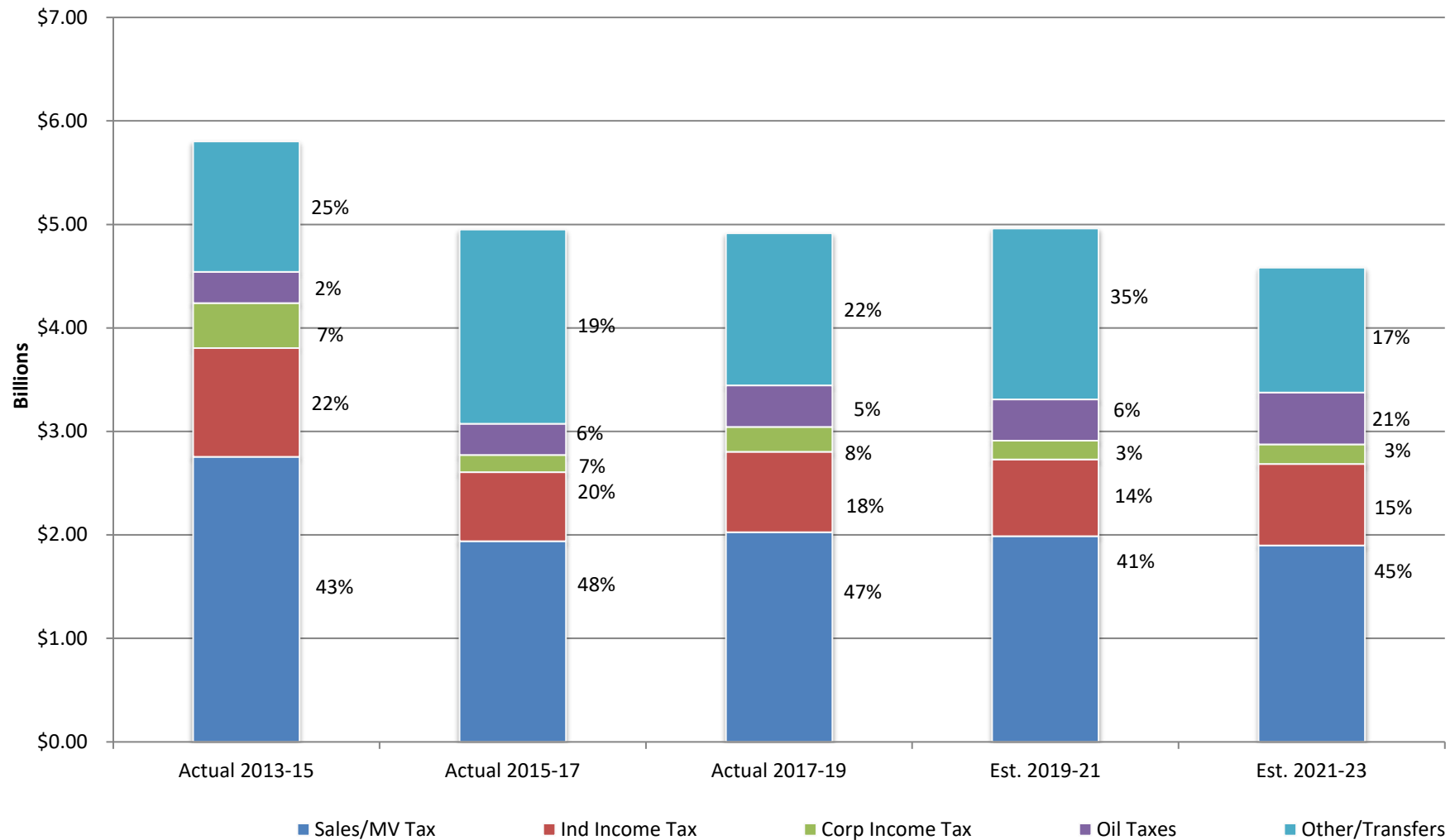
State of North Dakota
Comparison of General Fund Revenue by Major Source
For Bienniums 2013-15 through 2021-23

Revenue Source	Actual 2013-15	Actual 2015-17	Actual 2017-19	Revised Forecast 2019-21	Executive Forecast 2021-23
Tax Revenue:					
Sales and Use Taxes	\$2,478,246,782	\$1,717,867,835	\$1,786,479,717	\$1,756,066,564	\$1,659,855,000
Motor Vehicle Excise Tax	277,152,752	221,784,456	239,039,038	231,847,814	239,317,000
Individual Income Tax	1,050,062,577	666,659,666	778,054,900	741,900,603	786,857,000
Corporate Income Tax	435,243,053	166,806,392	240,106,623	179,481,033	188,519,000
Insurance Premium Tax	92,526,177	110,725,700	115,544,049	94,520,219	87,269,974
Financial Institutions Tax	(4,985,620)	1,309,357	0	0	0
Oil and Gas Production Tax	146,071,108	127,164,784	212,147,128	237,855,277	288,300,044
Oil Extraction Tax	153,928,892	172,835,217	187,852,872	162,144,723	211,699,956
Gaming Tax	7,195,937	6,722,714	9,156,498	31,304,238	41,000,000
Cigarette and Tobacco Tax	60,262,693	56,398,692	52,381,863	49,032,505	43,846,000
Wholesale Liquor Tax	18,704,869	17,897,488	17,768,453	17,972,734	16,932,000
Coal Conversion Tax	40,767,149	43,669,236	44,572,708	42,398,724	42,600,000
Mineral Leasing Fees	41,348,389	29,039,291	42,197,590	30,168,017	25,000,000
Departmental Collections	83,270,753	83,175,546	81,466,893	79,914,882	76,423,632
Interest Income	38,103,283	15,547,723	11,319,365	30,272,315	34,000,000
Total Tax Revenue	\$4,917,898,794	\$3,437,604,097	\$3,818,087,697	\$3,684,879,648	\$3,741,619,606
Ongoing Transfers:					
Bank of North Dakota Profits	\$0	\$100,000,000	\$140,000,000	\$140,000,000	\$140,000,000
Transfers from State Mill Profits	6,817,200	9,051,496	17,677,472	10,923,841	15,500,000
Lottery	13,300,000	15,780,000	15,900,000	10,222,500	14,600,000
Gas Tax Administration	1,740,815	2,030,496	2,016,120	1,991,418	1,873,744
Total Ongoing Transfers	\$21,858,015	\$126,861,992	\$175,593,592	\$163,137,759	\$171,973,744
One-time Transfers:					
Strategic Investment & Improvement Fund	\$520,000,000	\$155,000,000	\$248,000,000	\$764,400,000	\$400,000,000
Tax Relief Fund	341,790,000	\$657,000,000	\$183,000,000	8,600,000	23,040,408
Legacy Fund	0	0	455,263,216	335,630,000	0
Budget Stabilization Fund	0	572,485,454	0	0	244,497,443
Miscellaneous Transfers	250,698	253,870	33,504,157	3,932,923	0
Total One-time Transfers	\$862,040,698	\$1,384,739,324	\$919,767,373	\$1,112,562,923	\$667,537,851
Total Revenues	\$5,801,797,507	\$4,949,205,413	\$4,913,448,662	\$4,960,580,330	\$4,581,131,201

State of North Dakota

Comparison of General Fund Revenue by Major Source

For Bienniums 2013-15 through 2021-23



Bonding Fund Status Statement

	2017-19 Actual	2019-21		2021-23 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$3,639,454	\$3,574,412	\$3,714,292 ^{\1}	\$3,911,292
Revenue:				
Premiums	\$0 ^{\2}	\$0 ^{\2}	\$0 ^{\2}	\$0 ^{\2}
Investment Revenue	242,848	200,000	290,000	300,000
Claims Restitution	20,889	50,000	30,000	50,000
Other Revenue	2,661	7,000	2,000	7,000
Total Revenue	\$266,398	\$257,000	\$322,000	\$357,000
Expenditures:				
Claim Liabilities/Payments/Write-offs	(\$125,121) ^{\3}	(\$150,000)	(\$103,000)	(\$150,000)
Claims Related Expenses	0	(35,000)	0	(35,000)
Investment Expense	(7,140)	(10,000)	(10,000)	(10,000)
Administration	(59,299)	(52,000)	(12,000)	(52,000)
Total Expenditures	(\$191,560)	(\$247,000)	(\$125,000)	(\$247,000)
Ending Balance	\$3,714,292 ^{\1}	\$3,584,412	\$3,911,292	\$4,021,292

^{\1} From June 30, 2019, 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

	2017-19 Actual ^{\1}	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$38,308,669	\$454,449,905	\$666,415,898 ^{\2}	\$726,534,475
Revenue:				
Interest Earnings	\$5,096,375	\$18,000,000	\$11,687,319	\$14,000,000
Oil and Gas Tax Allocations	75,000,000	75,000,000	48,431,258 ^{\3}	0
Transfer from General Fund	548,010,854 ^{\4}	0	0	0
Total Revenue	\$628,107,229	\$93,000,000	\$60,118,577	\$14,000,000
Transfers:				
Transfers to General Fund	\$0	\$0	\$0	(\$258,497,443) ^{\5}
Ending Balance	\$666,415,898	\$547,449,905	\$726,534,475	\$482,037,032

^{\1} Final revenues and expenditures per state accounting system reports dated June 30, 2019.

^{\2} Actual July 1, 2019 balance, after transfer from the General Fund.

^{\3} 2017 HB1152 provides for an allocation of oil and gas tax revenues of up to \$75.0 million, to the Budget Stabilization Fund each biennium, but not in an amount that would bring the balance of the fund above the limit in Section 54-27.2-01. The limit was reached in March, 2020.

^{\4} NDCC Section 54-27.2-01 requires a transfer of the ending General Fund balance in excess of \$65.0 million to the Budget Stabilization Fund, sufficient to bring the balance of the Budget Stabilization Fund to 15.0 percent of appropriations.

^{\5} Propose statutory change so that the fund is to retain 10.0 percent of the General Fund appropriation instead of 15.0 percent, which would result in a transfer of \$258.5 million, of which, \$14.0 million would be from interest earned.

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 15.0 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 once a General Fund allotment of at least 3.0 percent has been order, the Governor may order a transfer of up to 3.0 percent from the Budget Stabilization Fund.

Capital Building Trust Fund Status Statement

	2017-19 Actual ^{\1}	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$5,089,876	\$6,430,536	\$6,548,609 ^{\2}	\$3,008,621
Revenue:				
Rent, Royalties and Bonuses	\$4,031,140	\$1,560,400	\$1,893,224	\$1,230,000
Governor's Residence Fundraising	387,000	0	0	0
Investment Income	294,183	300,000	257,910	116,249
Total Revenue	<u>\$4,712,323</u>	<u>\$1,860,400</u>	<u>\$2,151,134</u> ^{\3}	<u>\$1,346,249</u>
Expenditures/Transfers:				
Capitol Grounds Continuing Approp	(\$175,000) ^{\4}	(\$250,000) ^{\5}	(\$250,000) ^{\5}	(\$250,000) ^{\5}
Capitol Grounds Planning Meetings	(25,000)	(25,000)	(25,000)	(25,000)
Facilities Management Projects	(2,975,000)	0	0	(518,800)
Facilities Management Extraordinary Repairs	0	(1,900,000)	(1,900,000)	(900,000)
Capitol South Entrance Project	0	(2,000,000)	(2,000,000)	0
L.A. Signage and Voting System Upgrade	0	(140,000)	(140,000)	0
Supreme Court Law Library Remodel	0	(970,000)	(970,000)	0
FMD Special Assessments	0	(320,000)	(320,000)	(300,000)
Exterior/Interior Wayfinding Signs	0	0	0	(1,000,000)
Administrative Expenses	(72,009)	(50,000)	(79,224)	0
Income Payments to Counties	(6,581)	(6,800)	(6,898)	0
Total Expenditures	<u>(\$3,253,590)</u>	<u>(\$5,661,800)</u>	<u>(\$5,691,122)</u>	<u>(\$2,993,800)</u>
Ending Balance	\$6,548,609	\$2,629,136	\$3,008,621	\$1,361,070

^{\1} Final revenues and expenditures per state accounting system reports, dated June 30, 2019.

^{\2} Actual July 1, 2019 balance.

^{\3} Based on actual revenues through October 31, 2020.

^{\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

^{\5} Section 20 of 2019 SB2015 amends NDCC 48-10-02 and increases the amount that the Capitol Grounds Planning Commission can spend from \$175,000 to \$250,000 per biennium.

Community Health Trust Fund Status Statement

	2017-19 Actual ^{\1}	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$609,221	\$19,858,323	\$19,858,323 ^{\2}	\$21,069,997
Revenue:				
Transfers from the Tobacco Settlement Trust	\$40,718,102 ^{\5}	\$39,435,674	\$39,435,674	\$36,000,000 ^{\6}
Total Revenue	\$40,718,102	\$39,435,674	\$39,435,674	\$36,000,000
Expenditures:				
Department of Human Services - Medical Services	(\$18,000,000)	(\$32,400,000)	(\$27,400,000) ^{\4}	(\$24,000,000)
Dental Loan Program	0	(324,000)	(324,000) ^{\3}	(360,000)
Behavioral Health Loan Repayment	0	(200,000)	(200,000) ^{\3}	(234,500)
Tobacco Prevention and Control Programs	(2,985,394)	(9,700,000)	(9,700,000) ^{\3}	(10,896,000)
Women's Way Program	(324,519)	(329,500)	(329,500) ^{\3}	(329,500)
Behavioral Risk Factor State Survey (BRFSS)	(159,087)	(270,500)	(270,500) ^{\3}	(200,000)
Cancer Programs	0	0	0	(580,324)
Domestic Violence Prevention	0	0	0	(300,000)
Local Public Health State Aid	0	0	0	(525,000)
Local Public Health Grants (Pandemic Response)	0	0	0	(5,000,000)
Statewide Health Strategies	0	0	0	(3,000,000)
Total Expenditures	(\$21,469,000)	(\$43,224,000)	(\$38,224,000)	(\$45,425,324)
Ending Balance	\$19,858,323	\$16,069,997	\$21,069,997	\$11,644,673

^{\1} Final revenue and expenditures per state accounting system reports dated June 30, 2019.

^{\2} Actual July 1, 2019 balance.

^{\3} Estimated expenditures for the 2019-21 biennium projected by the Health Department.

^{\4} Estimated expenditures for the 2019-21 biennium projected by the Department of Human Services.

^{\5} A settlement by the Attorney General resulted in additional revenue during the 2017-19 biennium.

^{\6} Estimated revenues based on average actual receipts.

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. Prior to the 2019-21 biennium, monies in the fund were allocated 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 2017, HB 1012 suspended transfers from the Tobacco Settlement Trust Fund to the Common Schools Trust Fund during the 2017-19 biennium and increased transfers from the Tobacco Settlement Trust Fund to the Community Health Trust Fund from 10.0 percent to 55.0 percent of the tobacco settlement revenues.

Beginning July 1, 2019, all money from the Tobacco Settlement Trust Fund must be transferred within 30 days of receipt to the Community Health Trust Fund.

The Community Health Trust Fund is administered by the Department of Health and may use monies in the fund subject to legislative appropriation.

Disaster Relief Fund Status Statement

	2017-19 Actual ^{\1}	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$36,687,549	\$30,557,473	\$21,987,295 ^{\2}	\$20,524,382
Revenue:				
Transfers from Oil and Gas Taxes	\$0 ^{\3}	\$0 ^{\3}	\$0 ^{\3}	\$0 ^{\3}
Interest Earnings	73,130	40,000	70,000	40,000
Miscellaneous Reimbursements	698,535	100,000	500,000	100,000
Total Revenue	\$771,665	\$140,000	\$570,000	\$140,000
Expenditures:				
2009 Flood Disaster	(\$57,462)	\$0	\$0	\$0
2010 Flood	(1,199,702)	0	0	0
2011 Flood	(2,923,747)	(3,955,617)	(1,536,836)	(1,152,031)
Road Grade Raising Projects	(18,620)	(81,380)	0	0
Double Ditch Historic Sites	(1,694,478)	(250,072)	0	0
2013 Red River Valley Flood Disaster	(912,451)	(21,988)	0	0
2013 Snow Storm	(628,258)	(286,110)	(113)	0
2014 Summer Flooding	(72,201)	(104,931)	(100,126)	0
2017 Flood	0	(410,823)	(153,382)	(630,267)
2019 Extraordinary Snowfall (2019 SB2016)	(7,965,000)	0	0	0
2019 Flood Mitigation Programs	0	(353,582)	(42,456)	(583,148)
Grant to Reimburse FEMA	0	(200,000)	(200,000)	0
Total Expenditures	(\$15,471,919)	(\$5,664,503)	(\$2,032,913) ^{\4}	(\$2,365,446)
Ending Balance	\$21,987,295	\$25,032,970	\$20,524,382	\$18,298,936

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

^{\2} Actual July 1, 2019 balance.

^{\3} Section 2 of 2017 HB1152 amends NDCC 57-51.1-07.5 and states that \$20.0 million is to be transferred to the Disaster Relief Fund, but not in an amount that would bring the unobligated balance in the fund to more than \$20.0 million dollars.

^{\4} Based on actual expenditures through September 30, 2020.

Notes:

North Dakota Century Code Section 37-17.1-27 establishes the state Disaster Relief Fund. Money is available pursuant to legislative appropriation for providing the required state share of funding for expenses and administration associated with federal emergency management agency disaster response, recovery and mitigation grants. Before any expenditure is made from the fund, the agency authorized to make the expenditure shall provide information on the purpose and payee of the expenditure to the appropriation committees of the house of representatives and senate or to the budget section. Interest and other fund earnings must be deposited in the fund.

Fire and Tornado Fund Status Statement

	2017-19 Actual	2019-21		2021-23 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$20,780,126	\$21,084,390	\$22,007,551 \1	\$21,093,457
Revenue:				
Premium Revenue	\$4,837,160	\$6,000,000	\$11,257,462 \2	\$11,200,000 \2
Investment Revenue (Loss)	2,604,814	5,000,000	2,071,277	5,000,000
Claims Recovery	81,291 \3	400,000 \3	175 \3	1,000,000 \3
Boiler Inspection Fee	688,246	700,000	1,099,332	0
Total Revenues	\$8,211,511	\$12,100,000	\$14,428,246	\$17,200,000
Expenditures:				
Insurance Claims	(\$4,441,907)	(\$5,170,000)	(\$5,306,588)	(\$5,300,000)
Claims Related Payments	(271,561)	(6,830,000)	(8,353,037)	(8,400,000)
Administration/Investment Expenses	(2,168,580)	(1,554,314)	(1,552,715)	(2,213,026)
Fire Marshal Inspection Fees	(102,038)	(130,000)	(130,000)	(130,000)
Total Expenditures	(\$6,984,086)	(\$13,684,314)	(\$15,342,340)	(\$16,043,026)
Ending Balance	\$22,007,551 \1	\$19,500,076	\$21,093,457	\$22,250,431

\1 From June 30, 2019, Comprehensive Annual Financial Report (CAFR).

\2 The department has instructed agencies to budget assuming premiums will increase by 5.0 to 10.0 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

	2017-19 Actual ¹	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$621,854,625	\$420,513,578	\$422,117,621 ¹²	\$374,783,645
Revenue:				
Oil Extraction Tax Allocations	\$178,752,284	\$213,288,197	\$142,666,024 ¹³	\$126,319,787 ¹⁴
Transfers:				
Transfer to State School Aid	(\$295,000,000)	(\$110,000,000)	(\$110,000,000) ¹⁵	(\$110,000,000) ¹⁵
Transfer One-Time to State School Aid	0	0	0	(83,000,000) ¹⁹
Transfer to School Construction Loan Fund	(75,000,000)	(75,000,000) ¹⁶	(75,000,000) ¹⁶	(35,000,000) ¹⁶
Transfer to DPI	(6,520,317)	(5,000,000)	(5,000,000) ¹⁷	(3,000,000) ¹¹⁰
Transfer to CTE-Grants to School Districts	(1,968,971)	0	0	0
Total Transfers	(\$378,489,288)	(\$190,000,000)	(\$190,000,000)	(\$231,000,000)
Ending Balance	\$422,117,621	\$443,801,775	\$374,783,645	\$270,103,432
15% to be Retained in Fund Balance	269,168,800 ¹⁸	214,831,704 ¹⁸	214,831,704 ¹⁸	257,328,933 ¹⁸
Ending Balance Available	\$152,948,821	\$228,970,071	\$159,951,941	\$12,774,499

¹ Final revenues and expenditures per state accounting system reports, dated June 30, 2019.

¹² Actual July 1, 2019 balance.

¹³ Based on actual revenues through October 31, 2020, and estimated revenues for the remainder of the biennium using the November 2020 executive revenue forecast.

¹⁴ Revenue estimates based on the November 2020 executive revenue forecast, which assumes oil prices of \$34.50 per barrel and 1.1 million barrels of oil per day (BOPD) for FY 2022; and average price of \$36.00 per barrel and 1.2 million BOPD for FY 2023.

¹⁵ Section 4 of 2019 SB1013 appropriates \$110.0 million as on-going funding for state school aid.

¹⁶ Section 1 of 2019 SB2214 provides for a transfer to the school construction assistance revolving loan fund. Section 2 provides legislative intent that an additional \$75.0 million will be transferred in the 21-23 biennium. Because this would result in a negative ending balance, a \$35.0 million transfer is recommended.

¹⁷ Section 20 and 21 of 2019 SB2265 appropriates funding to the Department of Public Instruction; \$3.0 million is for rapid enrollment grants and \$800,000 is for music education grants. Section 4 of 2019 SB2013 appropriates \$1.2 million to the Department of Public Instruction to rewrite the state automated reporting system (STARS).

¹⁸ The 15.0 percent to be retained in the fund is calculated off of the General Fund appropriation for student aid for the most recently completed biennium.

¹⁹ A one-time transfer to State School Aid is to be made to keep the per student payment whole.

¹¹⁰ Transfer one-time funding to DPI for a teacher support program.

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:

10.0 percent to the Common Schools Trust Fund

10.0 percent to the Foundation Aid Stabilization Fund

The measure also states that whenever the principal balance of the Foundation Aid Stabilization Fund exceeds 15.0 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

	2017-19 Actual ^{\1}	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$833,144	\$189,101	\$189,101 ^{\2}	\$219,713
Revenue:				
Investment Earnings	\$1,544	\$1,600	\$1,600	\$1,500
Principal and Interest Repayments	1,126,481	1,029,012	1,029,012	950,000
Total Revenue	\$1,128,025	\$1,030,612	\$1,030,612	\$951,500
Expenditures:				
DHS increased payments to Basic Care & LTC	(\$546,786)	\$0	\$0	\$0
DHS increased per-bed property cost	(139,405)	0	0	0
Increase Nursing Home Operating Margin	(1,000,000)	(1,000,000)	(1,000,000)	0
Nurse Aid Registry	(85,877)	0	0	0
Total Expenditures	(\$1,772,068)	(\$1,000,000)	(\$1,000,000)	\$0
Ending Balance	\$189,101	\$219,713	\$219,713	\$1,171,213

\1 Final revenue and expenditures per state accounting system reports dated June 30, 2019.

\2 Actual July 1, 2019 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

	2017-19 Actual ^{\1}	2019-21 Legislative Appropriation	Revised Estimate ^{\2}	2021-23 Executive Budget
Beginning Balance	\$0	\$0	\$0	\$0
Revenue:				
Motor Vehicle Fuel Tax	\$201,041,980	\$200,300,000	\$186,500,000	\$200,429,292
Special Fuel Taxes	189,721,093	186,600,000	173,700,000	186,000,000
Motor Vehicle Registration Fees	185,911,450	181,800,000	176,700,000	186,500,000
Total Revenues	\$576,674,523	\$568,700,000 \3	\$536,900,000 \3	\$572,929,292 \3
Transfers:				
State Highway Fund Allocation	(\$342,323,652)	(\$337,338,154)	(\$317,856,785)	(\$339,500,000)
Counties Allocation	(123,118,911)	(121,067,527)	(114,064,687)	(121,900,000)
Cities Allocation	(69,542,851)	(68,788,367)	(64,809,481)	(69,200,000)
Townships Allocation	(15,077,877)	(14,858,287)	(13,998,848)	(15,000,000)
Transit Allocation	(8,376,598)	(8,254,604)	(7,777,138)	(8,300,000)
Highway Patrol	(6,912,904)	(7,204,043)	(7,204,043)	(8,429,292)
Motorboat Safety Account	(309,528)	(200,000)	(200,000)	(200,000)
State Snowmobile Fund	(165,462)	(200,000)	(200,000)	(200,000)
Hwy-Rail Grade Crossing Safety Projects	(570,000)	(589,018)	(589,018)	0
Administrative Assistance to Transferees	(5,500,000)	(5,500,000)	(5,500,000)	(5,500,000)
Ethanol Production Incentive	(4,776,740)	(4,700,000)	(4,700,000)	(4,700,000)
Total Transfers	(\$576,674,523)	(\$568,700,000)	(\$536,900,000)	(\$572,929,292)
Ending Balance	\$0	\$0	\$0	\$0

\1 Final revenues and expenditures per Department of Transportation.

\2 Revenues and expenditures based on actual collections through September 30, 2020, and estimates for the remaining months of the 2019-21 biennium.

\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 Tax 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 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

	2017-19 Actual	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$4,630,254,963	\$5,605,545,603	\$6,093,018,603	\$6,991,440,537
Revenue:				
Transfers from Oil and Gas Taxes	\$1,248,613,198	\$1,297,823,623	\$898,421,934 ^{\2}	\$768,635,141 ^{\2}
Realized Investment Earnings	502,243,356	300,000,000	500,000,000 ^{\3}	0
Unrealized Investment Earnings	167,170,302	0	0	0
Investment Earnings	0	0	0	989,303,428 ^{\6}
Total Revenues	\$1,918,026,856	\$1,597,823,623	\$1,398,421,934	\$1,757,938,569
Expenditures:				
Legislative Transfer to General Fund	(\$455,263,216) ^{\1}	(\$100,000,000)	(\$100,000,000)	\$0
Transfer to Common School Trust Fund	0	0	(64,370,000) ^{\4}	0
Additional Transfer to General Fund	0	0	(235,630,000)	0
Other Transfers	0	0	(100,000,000) ^{\5}	(559,957,578) ^{\7}
Total Expenditures	(\$455,263,216)	(\$100,000,000)	(\$500,000,000)	(\$559,957,578)
Ending Balance ^{\6}	\$6,093,018,603	\$7,103,369,226	\$6,991,440,537	\$8,189,421,528

- ^{\1} The realized earnings to be transferred to the General Fund are based on earnings realized through 5/31/2019. The earnings realized in June will be transferred as part of the 2019-21 biennium transfer.
- ^{\2} Revenue estimate based on actual collections through October 2020 and the November 2020 executive revenue forecast for oil price and production.
- ^{\3} Estimated realized return on investment earnings.
- ^{\4} Per Section 2 of 2019 SB2362 if the actual Legacy Fund earnings exceed the estimate made by the 66th Legislative Assembly by at least \$64,370,000, the \$64,370,000 is to be transferred to the Common Schools Trust Fund.
- ^{\5} The remaining \$100.0 million in realized investment earnings is to be allocated as follows:
\$25.0 million to NDIT for statewide cyber security.
\$27.0 million to UAS fund (\$20.0 million BVLOS, \$7.0 million Grand Sky).
\$30.0 million to Innovation Loan Fund to Support Technology Advancement (LIFT).
\$8.0 million to Housing Incentive Fund.
\$10.0 million for state park infrastructure upgrades.
- ^{\6} Total earnings the fund is expected to earn based on a 5.8 percent rate of return.
- ^{\7} Using 4.0 percent of market value, \$559.9 million would be available.

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

	2017-19 Actual	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$7,996,518 \1	\$0	\$4,948,114	\$3,466,470
Revenue:				
Oil and Gas Production Tax	\$10,799,177	\$15,000,000	\$15,000,000 \2	\$15,000,000 \2
Interest Income	73,576	45,000	90,000	90,000
Refunds	1,049,705	0	1,315,400	0
Total Revenues	\$11,922,458	\$15,045,000	\$16,405,400	\$15,090,000
Expenditures/Commitments:				
Administrative Expenses	(\$98,808)	(\$150,000)	(\$175,000)	(\$175,000)
Grant awards/available for commitment	(14,872,054)	(14,895,000)	(17,712,044) \3	(16,000,000) \3
Total Expenditures and Commitments	(\$14,970,862)	(\$15,045,000)	(\$17,887,044)	(\$16,175,000)
Ending Balance	\$4,948,114	\$0	\$3,466,470	\$2,381,470

\1 The amount shown is based on grants awarded to date, not amounts spent, as some grant awards are paid out over several years.

\2 NDCC section 57-51-15 established a maximum allocation of \$40.0 million (\$20.0 million per year) for the 2015-17 biennium, \$10.0 million for the 2017-19 biennium and \$15.0 million for the 2019-21 biennium. The current forecast for oil and gas taxes will result in approximately \$15 million being allocated to the fund during the 2021-23 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 HB 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
- 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, scoria and gravel extraction, oil and gas operations, or other energy facility or infrastructure
- The acquisition of land or to encumber any land for a term longer than twenty years; or
- Projects outside North Dakota or projects that are beyond the scope of defined activities that fulfill the proposes of this chapter.

Resources Trust Fund Status Statement

	2017-19 Actual ^{\1}	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$306,411,028	\$334,817,881	\$326,742,619 ^{\2}	\$323,868,773
Revenue:				
Repayments and Reimbursements	\$11,756,066	\$13,568,805	\$13,568,805	\$13,126,800
Oil Extraction Tax Collections	357,504,568	437,240,805	288,265,349	254,755,563 ^{\5}
Transfer from the Infrastructure Revolving Loan Fund	8,440,473	0	2,500,000	1,000,000
Interest	2,283,951	2,500,000	1,992,000	1,500,000
Total Revenues	\$379,985,058	\$453,309,610	\$306,326,154 ^{\3}	\$270,382,363
Expenditures and Transfers:				
Water Commission Expenditures	(\$356,166,811)	(\$778,482,206)	(\$305,000,000) ^{\4}	(\$580,328,898)
Transfer to Renewable Energy Development Fund	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
Transfer to Energy Conservation Grant Fund	(486,656)	(1,200,000)	(1,200,000)	(1,200,000)
Transfer to Infrastructure Loan Fund	0	0	0	0
Total Expenditures and Transfers	(\$359,653,467)	(\$782,682,206)	(\$309,200,000)	(\$584,528,898)
Ending Balance	\$326,742,619	\$5,445,285	\$323,868,773	\$9,722,238

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

^{\2} Actual July 1, 2019 balance.

^{\3} Actual revenues through October 31, 2020 plus estimated receipts for the remainder of the biennium, based on the November 2020 executive revenue forecast.

^{\4} Estimated agency expenditures for the 2019-21 biennium.

^{\5} Executive forecast assumes average price of \$34.50 per barrel and 1.1 million barrels of oil per day (BOPD) for the first year of the 2021-23 biennium and \$36.00 per barrel and 1.2 million BOPD for the second year.

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. The Legislative Assembly, in 2015 House Bill No. 1476, reduced the oil extraction tax rate to 5.0 percent.

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

	2017-19 Actual ^{\1}	2019-21		2021-23 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$0	\$0	\$0	\$0
Revenue:				
Sales Tax Revenue	\$171,135,048	\$178,027,157	\$167,336,025	\$158,168,001
Motor Vehicle Excise Tax Revenue	22,819,305	23,817,970	22,092,837	22,804,577
Total Revenues	\$193,954,353	\$201,845,127	\$189,428,862 ^{\2}	\$180,972,578 ^{\3}
Expenditures:				
Distributions to Cities and Counties	(\$193,954,353)	(\$201,845,127)	(\$189,428,862)	(\$180,972,578)
Ending Balance	\$0	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2019.

\2 Based on actual revenues through October 2020, and estimated receipts for the remainder of the biennium using the November 2020 executive revenue forecast.

\3 Estimated revenues based on the November 2020 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 1.0 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

	2017-19	2019-21		2021-23
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$372,661,563	\$1,079,497,497	\$1,134,326,018	\$744,694,424
Revenue:				
Mineral Royalties	\$231,464,612	\$200,320,800	\$153,536,120	\$118,000,000
Mineral Rents	1,071,945	600,000	1,381,335	1,200,000
Mineral Bonus	3,608,462	4,000,000	2,166,893	0
Transfer from Political Sub Fund	7,660,518	0	0	0
Oil and Gas Taxes	780,137,706	517,470,000	294,234,539 ^{\2}	56,019,500 ^{\2}
Investment Income	25,506,174	36,223,214	28,032,358	28,000,000
Total Revenues	<u>\$1,049,449,417</u>	<u>\$758,614,014</u>	<u>\$479,351,245</u>	<u>\$203,219,500</u>
Expenditures:				
Transfer to General Fund	(\$248,000,000)	(\$764,400,000)	(\$764,400,000)	(\$400,000,000)
Appropriations	(38,086,561)	(85,701,413)	(100,351,308)	0
Administrative Expenses	(1,698,401)	(2,400,000)	(4,231,531)	(4,000,000)
Total Expenditures and Transfers	<u>(\$287,784,962)</u>	<u>(\$852,501,413)</u>	<u>(\$868,982,839)</u>	<u>(\$404,000,000)</u>
Ending Balance	\$1,134,326,018	\$985,610,098	\$744,694,424	\$543,913,924
Less Assigned Fund Balance				
Potential Title Disputes	(\$229,325,049)	(\$229,325,049)	(\$229,325,049)	(\$229,325,049)
Guarantee Reserve Fund Balance	0	(50,000,000)	(50,000,000)	(50,000,000)
Unassigned Fund Balance	<u>\$905,000,969</u>	<u>\$706,285,049</u>	<u>\$465,369,375</u>	<u>\$264,588,875</u>

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

^{\2} Pursuant to HB1451 (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 2020, \$294.2 million is anticipated to be deposited into the Strategic Investment and Improvements Fund during the 2019-21 biennium; \$56.0 million during the 2021-23 biennium. The decrease is primarily due to a decrease in price and production, therefore decreasing the amount allocated to the Strategic Investment and Improvements 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

	2017-19 Actual ^{\1}	2019-21		2021-23 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$300,000,000	\$182,300,000	\$182,300,000 ^{\2}	\$200,199,146
Revenue:				
Refund of Prior Biennium County Expenses	\$0	\$0	\$199,146	\$0
Allocation of Oil Tax Revenue	200,000,000	200,000,000	200,000,000	200,000,000
Total Revenue	\$200,000,000	\$200,000,000	\$200,199,146	\$200,000,000
Expenditures:				
Transfer to the Social Services Fund	(\$134,700,000) ^{\3}	\$0	\$0	\$0
Transfer to Human Services Finance Fund	0	(173,700,000) ^{\4}	(173,700,000)	(174,380,767) ^{\5}
Transfer to the General Fund	(183,000,000)	(8,600,000)	(8,600,000)	(25,818,379)
Total Expenditures	(\$317,700,000)	(\$182,300,000)	(\$182,300,000)	(\$200,199,146)
Ending Balance	\$182,300,000	\$200,000,000	\$200,199,146	\$200,000,000

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 Section 20 of 2017 Senate Bill 2206 provides for a transfer from the Tax Relief Fund to the Social Services Fund for the state-paid economic assistance and social services pilot program for the 2017-19 biennium.

\4 Section 6 of 2019 Senate Bill 2015 provides for a transfer from the Tax Relief Fund to the Human Service Finance Fund for the state-paid economic assistance and social services program for the 2019-21 biennium.

\5 The executive recommendation continues the state-paid economic assistance and social services program .

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. The 2017 Legislative Assembly decreased the amount to \$200.0 million. The 2019 Legislative Assembly continued the amount at \$200.0 million.

Tobacco Prevention and Control Trust Fund Status Statement

	2017-19 Actual ¹	2019-21		2021-23 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$58,216,128	\$9,058,634	\$9,058,624 ¹²	\$1,933,300
Revenue:				
Tobacco Settlement Revenues	\$0	\$0	\$0	\$0
Investment Income	909,442	1,500,000	1,500,000 ¹³	2,100
Total Revenue	\$909,442	\$1,500,000	\$1,500,000	\$2,100
Expenditures:				
Adjustment for TPC Executive Committee	(\$10)	\$0	\$0	\$0
<i>Department of Health:</i>				
Local Public Health Units	(2,000,000)	(525,000)	(525,000)	0
Cancer Programs	(462,865)	(580,324)	(580,324)	0
Stroke and Cardiac Care	(494,234)	0	0	0
Physician Loan Repayment	(400,333)	0	0	0
Behavioral Health Loan Repayment	(214,600)	0	0	0
Tobacco Program Grant	(8,453,525)	0	0	0
Domestic Violence Grant	(262,220)	(300,000)	(300,000)	0
Microbiology lab capital improvements		(1,220,000)	(1,220,000)	0
<i>Department of Human Services:</i>				
Medicaid Expansion	(13,300,000)	0	0	0
Medicaid Cost and Caseload	(22,175,000)	(6,000,000)	(6,000,000)	0
Increased Funding for Basic Care	(450,000)	0	0	0
Tobacco Prevention Related Activities	(75,000)	0	0	0
Behavioral Health	(1,779,159)	0	0	0
Total Expenditures	(\$50,066,946)	(\$8,625,324)	(\$8,625,324)	\$0
Ending Balance	\$9,058,624	\$1,933,310	\$1,933,300	\$1,935,400

¹ Final revenue and expenditures per state accounting system reports dated June 30, 2019.

¹² Actual July 1, 2019 balance.

¹³ Estimated revenues based on actuals through October 31, 2020.

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.

2017 SB2024 repealed NDCC 23-42 eliminating the Tobacco Prevention and Control Program. Section 15 of 2017 HB1015 provides that the Office of Management and Budget will administer this fund.

Tobacco Settlement Trust Fund Status Statement

	2017-19 Actual ^{\1}	2019-21		2021-23 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$0	\$0	\$0 ^{\2}	\$0
Revenue:				
Fiscal Year 1 Payments	\$53,096,556	\$21,280,388	\$21,280,388 ^{\3}	\$18,000,000 ^{\4}
Fiscal Year 2 Payments	20,977,434	18,000,000	18,000,000 ^{\4}	18,000,000 ^{\4}
Unspent Attorney General appropriation	158,922	155,286	155,286 ^{\5}	
Total Revenue	\$74,232,912	\$39,435,674	\$39,435,674	\$36,000,000
Transfers:				
Attorney General	(\$200,000)	\$0	\$0	\$0
Transfer to Community Health Trust Fund	(40,718,102)	(39,435,674)	(39,435,674)	(36,000,000)
Transfer to Water Development Trust Fund	(33,314,810)	0	0	0
Transfer to Common Schools Trust Fund	0	0	0	0
Total Expenditures and Transfers	(\$74,232,912)	(\$39,435,674)	(\$39,435,674)	(\$36,000,000)
Ending Balance	\$0	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2019.

\2 Actual July 1, 2019 balance.

\3 Actual revenues received during fiscal year 2020.

\4 Estimated revenues.

\5 Return of unspent appropriation to the Attorney General's office.

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. Prior to the 2019-21 biennium, the principal of the Tobacco Settlement Trust Fund was allocated 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

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.

The 2015 Legislative Assembly, in Senate Bill 2003, amended NDCC Section 57-27-25 to allow expenses related to the enforcement of the Master Settlement Agreement to be paid from the fund.

The 2017 Legislative Assembly, in House Bill 1012, amended NDCC Section 54-27-25 to increase the distribution to the Community Health Trust Fund to 55.0 percent and to eliminate the distribution to the Common Schools Trust Fund for the 2017-19 biennium only.

The 2019 Legislative Assembly, in Senate Bill No. 2012, amended NDCC 54-27-25 to increase the distribution to the Community Health Trust Fund to 100.0 percent.

Tuition Apportionment Fund Status Statement

	2017-19 Actual ^{\1}	2019-21		2021-23 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$1,745,971	\$1,387,216	\$1,874,599 ^{\3}	\$997,508
Revenue:				
Fines for Violation of State Laws	\$11,941,235	\$11,000,000	\$10,091,117 ^{\4}	\$12,000,000
Transfer from DPI Operating Fund	4,282,905 ^{\2}	0	0	0
Transfer from Voc. Ed Fund	0	0	31,792 ^{\5}	0
Transfers from Common Schools	288,264,000	366,764,000	366,764,000 ^{\6}	421,020,000 ^{\6}
Total Revenue	<u>\$304,488,140</u>	<u>\$377,764,000</u>	<u>\$376,886,909</u>	<u>\$433,020,000</u>
Expenditures:				
Tuition Fund Distributions to Schools	<u>(\$304,359,512)</u>	<u>(\$377,764,000)</u>	<u>(\$377,764,000)</u>	<u>(\$433,020,000)</u>
Ending Balance	\$1,874,599	\$1,387,216	\$997,508	\$997,508

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2019.

\2 During the 2013-15 biennium \$4,282,905 more revenue was transferred to Department of Public Instruction's operating fund and was not expended. This funding was transferred to the Tuition Apportionment Fund and appropriated during the 2017-19 biennium.

\3 Actual July 1, 2019 balance.

\4 Actual revenues through October 31, 2020 and estimated revenues for the remainder of the biennium.

\5 CTE received \$250,000 per Section 61 of 2013 HB1013 for an autism spectrum disorder grant. The remaining funds were carried over, not spent and were returned to the fund.

\6 Common Schools Trust Fund distribution estimates provided by Department of Trust Lands.

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

	2017-19 Actual ^{\1}	2019-21 Legislative Appropriation	Revised Estimate	2021-23 Executive Budget
Beginning Balance	\$29,099,773	\$22,362,453	\$14,219,653 ^{\3}	\$0
Revenue:				
Transfers from the Tobacco Settlement Trust	\$33,314,810	\$0 ^{\2}	\$0 ^{\2}	\$0
Expenditures:				
Bank of North Dakota Loan Repayment	(\$41,461,248)	\$0	\$0	\$0
Water Commission Expenditures	(6,733,682)	(21,022,608)	(14,219,653) ^{\4}	0
Ending Balance	\$14,219,653	\$1,339,845	\$0	\$0

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

\2 2019 Senate Bill 2012 eliminated the appropriation to the Attorney General and the transfers to the Common Schools Trust Fund and the Water Development Trust Fund. Instead, all revenue from the Tobacco Settlement Trust Fund will be deposited into the Community Health Trust Fund and monies in the fund may be appropriated for community-based public health program and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in the state.

\3 Actual July 1, 2019 balance.

\4 Estimated expenditures for the 2019-21 biennium, as projected by the State Water Commission.

Notes:

The Water Development Trust Fund was established by the Legislative Assembly in 1999, upon enactment of North Dakota Century Code Section 54-27-25. North Dakota Century Code Section 54-27-25 established the Tobacco Settlement Trust Fund, in which is deposited state proceeds received pursuant to the tobacco master settlement agreement. Prior to the 2019-21 biennium, monies in the Tobacco Settlement Trust Fund were allocated 45.0 percent to the Water Development Trust Fund, 45.0 percent to the Common Schools Trust Fund, and 10.0 percent to the Community Health Trust Fund. Monies in the Water Development Trust Fund were used for the long-term water development and management needs of the state.

Comparison of 2017-2019 and 2019-2021 Legislatively Authorized FTE and 2021-2023 Executive Recommendation

Biennium: 2021-2023

Department	Notes	2017-2019 Legislatively Authorized FTE	2019-2021 Legislatively Authorized FTE	Increase (Decrease)	2021-2023 Executive Recommendation
Executive Branch					
101 Office of the Governor		18.00	18.00	0.00	18.00
108 Secretary of State		32.00	32.00	0.00	32.00
110 Office of Management and Budget		117.00	112.00	(4.00)	108.00
112 Information Technology		344.30	402.00	95.00	497.00
117 Office of the State Auditor		56.00	58.00	0.00	58.00
120 Office of the State Treasurer		7.00	7.00	0.00	7.00
125 Office of the Attorney General		237.00	245.00	3.00	248.00
127 Office of State Tax Commissioner		133.00	123.00	(5.00)	118.00
140 Office of Administrative Hearings		5.00	5.00	0.00	5.00
188 Commission on Legal Counsel for Indigents		40.00	40.00	0.00	40.00
190 Retirement and Investment Office		19.00	20.00	0.00	20.00
192 Public Employees Retirement System		34.50	34.50	1.00	35.50
195 Ethics Commission		0.00	2.00	0.00	2.00
Legislative and Judicial Branches					
160 Legislative Council		36.00	36.00	8.00	44.00
180 Judicial Branch		355.50	363.00	0.00	363.00
Elementary, Secondary & Other Education					
201 Department of Public Instruction		91.75	89.25	0.00	89.25
226 Department of Trust Lands		31.00	28.00	2.00	30.00
250 State Library		28.75	27.75	(1.00)	26.75
252 School for Deaf/Res Ctr for Deaf and HoH		45.61	44.61	0.00	44.61
253 ND Vision Services/School for the Blind		28.50	27.90	(0.15)	27.75
270 Career and Technical Education		24.50	52.30	(2.00)	50.30
Higher Education					
215 ND University System		148.90	158.83	0.00	158.83
227 Bismarck State College		358.35	332.90	0.00	332.90
228 Lake Region State College		118.10	115.76	0.00	115.76
229 Williston State College		100.75	101.29	0.00	101.29
230 University of North Dakota		2,218.07	2,132.17	(72.19)	2,059.98
232 UND Medical Center		435.75	492.67	0.00	492.67
235 North Dakota State University		1,895.66	1,870.16	(40.73)	1,829.43
238 ND State College of Science		345.04	311.61	0.00	311.61
239 Dickinson State University		168.00	213.26	(37.76)	175.50
240 Mayville State University		210.53	230.35	0.00	230.35
241 Minot State University		441.65	403.04	0.00	403.04
242 Valley City State University		202.75	202.77	0.00	202.77
243 Dakota College at Bottineau		82.29	82.29	9.57	91.86

Comparison of 2017-2019 and 2019-2021 Legislatively Authorized FTE and 2021-2023 Executive Recommendation

Biennium: 2021-2023

Department	Notes	2017-2019 Legislatively Authorized FTE	2019-2021 Legislatively Authorized FTE	Increase (Decrease)	2021-2023 Executive Recommendation
244 ND Forest Service		27.00	28.00	0.00	28.00
Health and Human Services					
301 ND Department of Health		211.75	204.00	17.50	221.50
303 Department of Environmental Quality		152.25	165.50	0.50	166.00
313 Veterans Home		120.72	120.72	(5.93)	114.79
316 Indian Affairs Commission		4.00	4.00	0.00	4.00
321 Department of Veterans Affairs		7.00	7.00	0.00	7.00
325 Department of Human Services		2,162.23	2,230.23	(8.60)	2,221.63
360 Protection and Advocacy		27.50	28.50	0.00	28.50
380 Job Service North Dakota		181.61	172.61	(16.00)	156.61
Regulatory					
401 Office of the Insurance Commissioner		46.00	41.00	(2.00)	39.00
405 Industrial Commission		110.25	112.25	(4.00)	108.25
406 Department of Labor and Human Rights		14.00	14.00	0.00	14.00
408 Public Service Commission		45.00	43.00	0.00	43.00
412 Aeronautics Commission		7.00	7.00	0.00	7.00
413 Department of Financial Institutions		30.00	31.00	0.00	31.00
414 Securities Department		9.00	10.00	0.00	10.00
471 Bank of North Dakota		181.50	181.50	(16.00)	165.50
473 ND Housing Finance Agency		44.00	44.00	4.00	48.00
475 ND Mill and Elevator Association		153.00	156.00	0.00	156.00
485 Workforce Safety and Insurance		260.14	260.14	(12.00)	248.14
Public Safety					
504 Highway Patrol		204.00	197.00	(4.00)	193.00
530 Department of Corrections and Rehabilitation		845.29	899.79	8.00	907.79
540 Office of the Adjutant General		234.00	222.00	0.00	222.00
Agriculture and Economic Development					
601 Department of Commerce		66.40	61.80	(3.00)	58.80
602 Department of Agriculture		73.00	78.00	0.00	78.00
627 Upper Great Plains Transportation Institute		43.88	43.88	0.00	43.88
628 Branch Research Centers		110.29	109.81	(1.60)	108.21
630 NDSU Extension Service		252.98	242.51	0.26	242.77
638 Northern Crops Institute		11.80	12.80	0.75	13.55
640 NDSU Main Research Center		336.12	344.05	(6.49)	337.56
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 2017-2019 and 2019-2021 Legislatively Authorized FTE and 2021-2023 Executive Recommendation**Biennium: 2021-2023**

Department	Notes	2017-2019 Legislatively Authorized FTE	2019-2021 Legislatively Authorized FTE	Increase (Decrease)	2021-2023 Executive Recommendation
Natural Resources					
701 Historical Society		75.00	75.00	3.75	78.75
709 Council on the Arts		5.00	5.00	0.00	5.00
720 Game and Fish Department		163.00	165.00	(3.00)	162.00
750 Parks and Recreation Department		62.50	61.50	(3.75)	57.75
770 Water Commission		93.00	90.00	0.00	90.00
Transportation					
801 Department of Transportation		1,047.00	982.00	5.00	987.00
Total FTE		15,832.46	15,870.00	(90.87)	15,779.13

Notes:

Compensation Package

The total compensation package provides an additional \$81.9 million for state team member compensation.

Salaries

The recommended increase in compensation provides authority for performance-based increases for high-performing state team members. Agency and institution salary budgets are increased by 2.0 percent for the first year of the biennium and an additional 2.0 percent for the second year of the biennium. However, if agencies can identify long-term salary savings, additional salary increases may be provided. Salary increases are expected to be based on performance and not distributed uniformly across-the-board.

Health Insurance

The recommendation for health insurance continues the state's outstanding health insurance benefits package with no changes to deductibles or coinsurance. The premium for this plan will be \$1,428.77 per month, an increase of only \$2.03 per month, or .1 percent.

Retirement Plan

Ensuring the continued financial viability of the state's defined benefit retirement plan is a state commitment to retirees and current active members, but that commitment is currently underfunded by over \$1.00 billion. The state must take steps to make good on this commitment. The governor supports a bill draft recommended by the interim Employee Benefits Programs Committee to reduce the unfunded liability through increasing the state and the employee retirement contributions by 1.0 percent each, beginning January 1, 2022.

COMPENSATION PACKAGE ADJUSTMENTS

Biennium: 2021-2023

	Department	Salary Package	Health Incr	Ret Incr	Total	Funding Sources		
						General	Federal	Special
101	Office of the Governor	\$90,014	\$729	\$18,647	\$109,390	\$109,390	\$0	\$0
108	Secretary of State	123,547	1,558	25,415	150,520	137,604	6,028	6,888
110	Office of Management and Budget	506,220	5,150	97,051	608,421	521,684	0	86,737
112	Information Technology	3,001,037	21,923	550,301	3,573,261	267,819	0	3,305,442
117	Office of the State Auditor	312,642	2,822	64,355	379,819	254,437	37,646	87,736
120	Office of the State Treasurer	35,066	342	7,217	42,625	42,625	0	0
125	Office of the Attorney General	1,292,649	11,368	194,355	1,498,372	1,012,593	63,509	422,270
127	Office of State Tax Commissioner	555,975	5,988	114,645	676,608	676,608	0	0
140	Office of Administrative Hearings	33,137	245	6,819	40,201	0	0	40,201
160	Legislative Council	230,417	2,095	59,303	291,815	291,815	0	0
180	Judicial Branch	1,565,650	17,930	322,502	1,906,082	1,906,033	49	0
188	Commission on Legal Counsel for Indigents	204,468	1,997	42,090	248,555	241,692	0	6,863
190	Retirement and Investment Office	131,891	981	27,454	160,326	0	0	160,326
192	Public Employees Retirement System	169,434	1,850	33,330	204,614	0	0	204,614
195	Ethics Commission	9,670	22	2,024	11,716	11,716	0	0
201	Dept of Public Instruction	451,769	4,329	89,638	545,736	174,879	369,819	1,038
215	ND University System	920,294	7,412	52,802	980,508	690,193	0	290,315
226	Department of Trust Lands	156,670	1,458	32,302	190,430	0	0	190,430
227	Bismarck State College	1,243,797	15,395	80,650	1,339,842	540,765	0	799,077
228	Lake Region State College	521,474	5,871	33,897	561,242	260,441	0	300,801
229	Williston State College	409,689	4,494	17,318	431,501	189,534	0	241,967
230	University of North Dakota	9,868,065	99,584	553,516	10,521,165	2,224,729	0	8,296,436
232	UND Medical Center	3,010,469	22,314	100,459	3,133,242	1,265,563	0	1,867,679
235	North Dakota State University	8,178,908	93,932	411,187	8,684,027	2,281,888	0	6,402,139
238	ND State College of Science	1,196,016	15,103	85,609	1,296,728	671,894	0	624,834
239	Dickinson State University	703,108	8,088	36,694	747,890	342,146	0	405,744
240	Mayville State University	749,961	11,108	51,978	813,047	324,638	0	488,409
241	Minot State University	1,609,730	18,855	70,279	1,698,864	711,216	0	987,648
242	Valley City State University	721,390	9,695	33,194	764,279	387,915	0	376,364
243	Dakota College at Bottineau	301,595	4,044	15,802	321,441	176,977	0	144,464
244	ND Forest Service	107,572	1,366	8,292	117,230	113,640	0	3,590
250	State Library	95,529	1,361	19,648	116,538	99,082	17,456	0
252	School for the Deaf	183,411	2,485	21,310	207,206	197,628	1,317	8,261
253	ND Vision Services/School for the Blind	59,969	1,413	12,254	73,636	66,660	0	6,976
270	Career and Technical Education	256,821	2,442	32,132	291,395	291,395	0	0
301	ND Department of Health	1,020,416	12,038	207,048	1,239,502	622,262	554,223	63,017
303	Department of Environmental Quality	784,398	8,086	159,299	951,783	287,805	368,851	295,127
313	Veterans Home	397,640	6,365	73,269	477,274	109,698	0	367,576
316	Indian Affairs Commission	21,687	195	4,464	26,346	26,346	0	0
321	Department of Veterans Affairs	31,281	341	6,437	38,059	31,946	6,113	0
325	Department of Human Services	9,368,646	108,150	1,908,797	11,385,593	8,737,712	2,291,627	356,254

COMPENSATION PACKAGE ADJUSTMENTS

Biennium: 2021-2023

	Department	Salary Package	Health Incr	Ret Incr	Total	Funding Sources		
						General	Federal	Special
360	Protection and Advocacy	140,519	1,414	28,918	170,851	75,986	94,865	0
380	Job Service North Dakota	758,705	7,396	124,919	891,020	1,468	887,939	1,613
401	Office of the Insurance Commissioner	219,233	2,005	45,118	266,356	0	12,774	253,582
405	Industrial Commission	650,331	5,162	122,092	777,585	729,987	0	47,598
406	Department of Labor and Human Rights	62,262	609	12,435	75,306	75,306	0	0
408	Public Service Commission	255,417	2,143	52,564	310,124	182,003	112,164	15,957
412	Aeronautics Commission	38,751	341	7,972	47,064	0	0	47,064
413	Department of Financial Institutions	189,706	1,416	38,289	229,411	0	0	229,411
414	Securities Department	55,213	487	11,364	67,064	0	0	67,064
471	Bank of North Dakota	913,768	7,751	172,602	1,094,121	0	0	1,094,121
473	ND Housing Finance Agency	226,466	2,337	46,838	275,641	0	49,803	225,838
475	ND Mill and Elevator Association	0	7,457	222,185	229,642	0	0	229,642
485	Workforce Safety and Insurance	1,225,941	11,699	239,313	1,476,953	0	0	1,476,953
504	Highway Patrol	1,054,967	9,108	26,785	1,090,860	826,280	96,538	168,042
530	Department of Corrections and	3,514,958	42,596	729,733	4,287,287	4,084,576	41,194	161,517
540	Office of the Adjutant General	924,302	10,536	174,605	1,109,443	447,691	600,385	61,367
601	Department of Commerce	333,787	2,872	66,559	403,218	328,634	44,225	30,359
602	Department of Agriculture	335,622	3,749	68,599	407,970	233,502	86,103	88,365
627	Upper Great Plains Transportation Institute	256,734	2,196	15,897	274,827	106,537	147,223	21,067
628	Branch Research Centers	475,457	5,352	36,649	517,458	401,368	0	116,090
630	NDSU Extension Service	1,103,126	11,912	38,998	1,154,036	633,051	163,009	357,976
638	Northern Crops Institute	74,354	682	1,404	76,440	48,433	0	28,007
640	NDSU Main Research Center	1,712,202	16,093	42,836	1,771,131	1,206,782	154,948	409,401
649	Agronomy Seed Farm	13,564	148	2,791	16,503	0	0	16,503
670	ND Horse Racing Commission	9,793	99	2,017	11,909	11,311	0	598
701	Historical Society	323,596	3,747	66,559	393,902	364,409	29,421	72
709	Council on the Arts	23,751	245	4,887	28,883	28,882	1	0
720	Game and Fish Department	855,115	7,810	173,089	1,036,014	0	374,997	661,017
750	Parks and Recreation Department	291,271	3,467	57,102	351,840	338,139	3,562	10,139
770	Water Commission	488,936	4,415	99,685	593,036	0	17,326	575,710
801	Department of Transportation	4,586,189	48,150	944,866	5,579,205	0	694,720	4,884,485
		\$71,746,158	\$764,318	\$9,361,453	\$81,871,929	\$36,425,313	\$7,327,835	\$38,118,781

**One-Time General Fund Appropriation
2021-2023 Executive Recommendation**

Agency		Description	Recommended General Fund Appropriation	
110	Office of Management and Budget	Budget system	1,230,100	
		Facility Consolidation Study	350,000	
		eProcurement Software	2,021,204	
		Student Internship	200,000	
	Total Office of Management and Budget			3,801,304
125	Office of the Attorney General	Litigation Pool Funding	3,000,000	
	Total Office of the Attorney General			3,000,000
150	Legislative Assembly	Redistricting	83,114	
		IT Expansion	1,450,000	
	Total Legislative Assembly			1,533,114
160	Legislative Council	IT Expansion	48,000	
		Public Webpage Design	150,000	
	Total Legislative Council			198,000
180	Judicial Branch	Zoom Remote Video Equipment	360,000	
		Wi-Fi Access Points	157,600	
		Juvenile Case Management System Replacement	2,000,000	
		Supreme Court Docket Management System	2,000,000	
	Total Judicial Branch			4,517,600
215	ND University System	Challenge Grant	10,000,000	
	Total University System			10,000,000
235	North Dakota State University	Construction Litigation Settlement Agreement	125,000	
	Total North Dakota State University			125,000
301	ND Department of Health	COVID-19	45,441,323	
		Forensic Examiner IT Upgrades	910,000	
	Total ND Department of Health			46,351,323
325	Department of Human Services	Nursing Facility Payment Reform	3,348,000	
		Bed Buy Back Program	3,300,000	
		FRAME/CCWIPS System Replacement	15,000,000	
	Total Department of Human Services			21,648,000
406	Department of Labor & Human Rights	Phase 2 Software Upgrade	147,717	
	Total Department of Labor & Human Rights			147,717

**One-Time General Fund Appropriation
2021-2023 Executive Recommendation**

Agency		Description	Recommended General Fund Appropriation	
408	Public Service Commission	Equipment	5,400	
	Total Public Service Commission			5,400
504	Highway Patrol	Hard Body Armor	228,000	
		Body and In-Car Cameras	1,158,000	
	Total Highway Patrol			1,386,000
530	Department of Corrections and Rehabilitation	Equipment less than \$5,000	191,000	
		Commercial Kitchen Equipment	115,000	
		COVID Deferred Admissions	1,000,000	
	Total Dept of Corrections and Rehabilitation			1,306,000
540	Office of the Adjutant General	Camp Grafton Land Purchase	2,600,000	
		NG Operations, Maintenance and Repairs	1,000,000	
		DES Purchase of Consumables	100,000	
		NDND Andove Upgrade	80,000	
		Fargo Readiness Center Equipment	50,000	
	Total Office of the Adjutant General			3,830,000
601	Department of Commerce	Tourism Campaign	2,000,000	
		Tourism Branding	200,000	
		Technical Skills Training Grant	1,000,000	
	Total Department of Commerce			3,200,000
602	Department of Agriculture	IT Projects	180,000	
	Total Department of Agriculture			180,000
640	NDSU Main Research Center	SBARE Deferred Maintenance	500,000	
	Total NDSU Main Research Center			500,000
701	Historical Society	State Archive Digital Repository	25,000	
	Total Historical Society			25,000
Grand Total			\$	101,754,458

Lease Purchase Agreements

Biennium: 2021-2023

Agency		Lease Description	Original Value	Monthly Payment Amount	Months Remaining
180	Judicial Branch	Blades and disk drives	2,931,682	50,079	
230	University of North Dakota	Dell Financial	65,942	1,831	
		West Campus Steamline	115,260	881	
		West Campus Steamline	3,670,011	28,243	
		Wells Fargo 504	303,565	4,275	
		Wells Fargo 503	277,401	3,044	
		Wells Fargo 502	277,401	3,044	
		Wells Fargo 501	277,401	3,044	
		Wells Fargo 500	277,401	3,044	
		Wells Fargo 499	277,401	3,044	
		Wells Fargo 498	277,401	3,044	
		Wells Fargo 497	277,401	3,044	
		Wells Fargo 496	277,401	3,044	
		Wells Fargo 495	277,401	3,044	
		Wells Fargo 494	277,401	3,044	
		Wells Fargo 493	277,401	3,044	
		Wells Fargo 492	277,401	3,044	
		Wells Fargo 491	277,401	3,044	
		Wells Fargo 490	277,401	3,047	
		Wells Fargo 489	277,401	3,047	
		Wells Fargo 488	277,401	3,047	
		Wells Fargo 487	373,706	4,105	
		Wells Fargo 486	376,081	4,131	
		Wells Fargo 485	377,411	4,283	
		Wells Fargo 484	570,602	6,452	
		Wells Fargo 483	570,602	6,452	
		Wells Fargo 482	271,972	3,075	
		Wells Fargo 481	271,972	3,075	
		Wells Fargo 480	271,973	3,059	
		Wells Fargo 479	271,973	3,059	
		Wells Fargo 478	271,973	3,059	
		Wells Fargo 477	271,973	3,059	
		Wells Fargo 476	271,973	3,059	
		Wells Fargo 475	271,973	3,059	
		Wells Fargo 474	271,973	3,046	
		Wells Fargo 473	271,973	3,046	
		Wells Fargo 472	271,973	3,046	
		Wells Fargo 471	271,973	3,046	
		Wells Fargo 470	271,973	3,046	
		Wells Fargo 469	303,565	4,449	
		Wells Fargo 468	303,565	4,449	

Lease Purchase Agreements

Biennium: 2021-2023

	Agency	Lease Description	Original Value	Monthly Payment Amount	Months Remaining
		Wells Fargo 467	303,565	4,363	
		Wells Fargo 466	303,565	4,363	
		Wells Fargo 452	338,565	4,866	
		Wells Fargo 451	359,655	3,944	
		Wells Fargo 442	135,148	1,436	
		Wells Fargo 429	36,600	4,503	
		Schedule of Property No 7	597,311	5,255	
		Schedule of Property No 6	597,311	5,255	
		Schedule of Property No 5	597,311	5,240	
		Schedule of Property No 4	597,311	5,240	
		Schedule of Property No 3	284,393	2,498	
		Schedule of Property No 2	284,393	2,498	
		Schedule of Property No 1	284,393	2,498	
235	North Dakota State University	Fargodome Event Center	495,000	13,750	
		West Building	970,620	12,133	
		Stop-n-Go Center	4,190,207	74,680	
		Sanford Health Athletics Complex Scoreboard	1,150,444	15,641	
		NDSU Research & Tech Park Building II	1,802,000	17,000	
		NDSU Research & Tech Park Building I	522,000	9,000	
		NDSU Development Foundation-Renaissance Hall	5,600,000	24,375	
		NDSU Development Foundation Barry & Klai Hall	11,910,000	58,158	
		Fargodome Locker Room	570,375	5,281	
		Energy Savings Performance Contract	7,266,959	55,268	
		3DOMFUEL Inc Building	66,000	1,200	
240	Mayville State University	Cisco Equipment and Licenses	217,525	4,016	
241	Minot State University	Energy Efficiency Lease	5,713,128	41,903	
		Washers and Dryers	71,357	1,344	
		V80 Performance Printer	100,759	2,213	
242	Valley City State University	Apple Computer lease	595,816	16,550	
		Wellness Center Lease	4,071,622	13,672	
		Marco Printer Lease	42,472	899	
		Lease of Washers and Dryers in Residence Hall	101,640	1,210	
		HP Computer Lease	352,488	14,687	
243	Dakota College at Bottineau	Energy Efficiency Lease	1,282,400	8,856	
380	Job Service North Dakota	Unisys Mainframe lease	1,613,469	25,000	

Lease Purchase Agreements**Biennium: 2021-2023**

Agency		Lease Description	Original Value	Monthly Payment Amount	Months Remaining
628	Branch Research Centers	Air Drill	40,673	1,695	
		Tractor	83,000	2,000	
		Puma Tractor	149,779	2,000	
		Master Lease Agreement	0	0	
630	NDSU Extension Service	Master Lease Agreement	0	0	
640	NDSU Main Research Center	Combine	222,999	4,700	
		Spectrometer	133,510	3,750	
		Master Lease	0	0	
720	Game and Fish Department	Xerox Printer/Copier-Licensing	76,010	1,866	

Capital Assets

The capital budget summarizes the 2021-23 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 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 allocating financial resources.

The capital budget is a financial management tool used to:

- Assist in determining infrastructure and repair priorities.
- 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.

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

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

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

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

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

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

Capital Assets Appropriations by Category – 2021-2023

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
108 Secretary of State	\$0	\$0	\$0	\$0	\$450,600	\$450,600
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	450,600	450,600
Special Funds	0	0	0	0	0	0
110 Office of Management and Budget	\$0	\$139,518,800	\$564,515	\$200,000	\$3,251,304	\$143,534,619
General Fund	0	0	564,515	0	3,251,304	3,815,819
Federal Funds	0	0	0	0	0	0
Special Funds	0	139,518,800	0	200,000	0	139,718,800
112 Information Technology	\$0	\$0	\$0	\$250,000	\$10,470,175	\$10,720,175
General Fund	0	0	0	0	400,000	400,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	250,000	10,070,175	10,320,175
125 Office of the Attorney General	\$0	\$0	\$648,055	\$1,091,166	\$0	\$1,739,221
General Fund	0	0	648,055	0	0	648,055
Federal Funds	0	0	0	1,091,166	0	1,091,166
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	\$6,000	\$0	\$6,000
General Fund	0	0	0	6,000	0	6,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
180 Judicial Branch	\$0	\$0	\$0	\$0	\$4,360,000	\$4,360,000
General Fund	0	0	0	0	4,360,000	4,360,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
192 Public Employees Retirement System	\$0	\$0	\$0	\$0	\$257,600	\$257,600
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	257,600	257,600

Capital Assets Appropriations by Category – 2021-2023

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
215 ND University System	\$0	\$0	\$32,385,264	\$0	\$2,172,612	\$34,557,876
General Fund	0	0	13,385,264	0	2,172,612	15,557,876
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	19,000,000	0	0	19,000,000
227 Bismarck State College	\$0	\$417,673	\$141,479	\$1,363,409	\$0	\$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	141,479	1,363,409	0	1,504,888
228 Lake Region State College	\$0	\$155,367	\$0	\$207,300	\$0	\$362,667
General Fund	0	155,367	0	207,300	0	362,667
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	1,064,167	0	0	1,261,968
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
230 University of North Dakota	\$0	\$4,411,566	\$3,819,375	\$4,123,469	\$0	\$12,354,410
General Fund	0	4,411,566	0	0	0	4,411,566
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	3,819,375	4,123,469	0	7,942,844
235 North Dakota State University	\$14,000,000	\$8,196,732	\$0	\$0	\$0	\$22,196,732
General Fund	0	2,732,244	0	0	0	2,732,244
Federal Funds	0	0	0	0	0	0
Special Funds	14,000,000	5,464,488	0	0	0	19,464,488
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	\$50,129	\$0	\$0	\$409,121
General Fund	0	358,992	0	0	0	358,992
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	50,129	0	0	50,129

Capital Assets Appropriations by Category – 2021-2023

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	\$0	\$408,319	\$54,622	\$47,504	\$0	\$510,445
General Fund	0	408,319	0	47,504	0	455,823
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	54,622	0	0	54,622
243 Dakota College at Bottineau	\$4,000,000	\$114,007	\$0	\$0	\$0	\$4,114,007
General Fund	0	114,007	0	0	0	114,007
Federal Funds	0	0	0	0	0	0
Special Funds	4,000,000	0	0	0	0	4,000,000
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	\$808,678	\$0	\$40,000	\$7,500	\$856,178
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	808,678	0	40,000	7,500	856,178
253 ND Vision Services	\$0	\$409,192	\$0	\$0	\$0	\$409,192
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	409,192	0	0	0	409,192
301 ND Department of Health	\$0	\$136,500	\$221,393	\$1,938,500	\$350,000	\$2,646,393
General Fund	0	30,650	183,882	540,000	350,000	1,104,532
Federal Funds	0	0	37,511	1,053,500	0	1,091,011
Special Funds	0	105,850	0	345,000	0	450,850
303 Department of Environmental Quality	\$0	\$24,000	\$119,972	\$1,093,200	\$10,000	\$1,247,172
General Fund	0	4,800	59,581	0	0	64,381
Federal Funds	0	19,200	60,391	421,700	0	501,291
Special Funds	0	0	0	671,500	10,000	681,500
313 Veterans' Home	\$0	\$331,500	\$407,271	\$16,700	\$0	\$755,471
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	331,500	407,271	16,700	0	755,471

Capital Assets Appropriations by Category – 2021-2023

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
321 Department of Veterans' Affairs	\$0	\$0	\$0	\$18,800	\$0	\$18,800
General Fund	0	0	0	18,800	0	18,800
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
325 Department of Human Services	\$0	\$2,009,605	\$0	\$278,855	\$75,000	\$2,363,460
General Fund	0	2,009,605	0	269,834	74,193	2,353,632
Federal Funds	0	0	0	9,021	807	9,828
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
401 Insurance Department	\$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
408 Public Service Commission	\$0	\$0	\$0	\$120,000	\$25,000	\$145,000
General Fund	0	0	0	5,400	25,000	30,400
Federal Funds	0	0	0	114,600	0	114,600
Special Funds	0	0	0	0	0	0
471 Bank of North Dakota	\$0	\$0	\$0	\$250,000	\$1,260,000	\$1,510,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	250,000	1,260,000	1,510,000
473 ND Housing Finance	\$0	\$0	\$0	\$0	\$150,000	\$150,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	100,000	100,000
Special Funds	0	0	0	0	50,000	50,000
485 WSI	\$0	\$514,000	\$0	\$0	\$0	\$514,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	514,000	0	0	0	514,000
530 Dept of Corrections and Rehabilitation	\$500,000	\$0	\$572,535	\$1,396,988	\$0	\$2,469,523
General Fund	0	0	564,354	115,000	0	679,354
Federal Funds	0	0	0	0	0	0
Special Funds	500,000	0	8,181	1,281,988	0	1,790,169

Capital Assets Appropriations by Category – 2021-2023

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
540 Adjutant General	\$29,800,000	\$0	\$224,046	\$900,000	\$230,000	\$31,154,046
General Fund	2,600,000	0	224,046	130,000	0	2,954,046
Federal Funds	27,200,000	0	0	770,000	230,000	28,200,000
Special Funds	0	0	0	0	0	0
602 Department of Agriculture	\$0	\$0	\$0	\$15,000	\$0	\$15,000
General Fund	0	0	0	10,000	0	10,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	5,000	0	5,000
628 Branch Research Centers	\$0	\$0	\$126,901	\$4,345,000	\$0	\$4,471,901
General Fund	0	0	126,901	4,345,000	0	4,471,901
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
630 NDSU Extension Service	\$0	\$0	\$0	\$460,000	\$0	\$460,000
General Fund	0	0	0	460,000	0	460,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
638 Northern Crops Institute	\$0	\$0	\$0	\$100,000	\$0	\$100,000
General Fund	0	0	0	100,000	0	100,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
640 NDSU Main Research Center	\$0	\$1,840,465	\$356,547	\$4,893,000	\$0	\$7,090,012
General Fund	0	1,840,465	356,547	893,000	0	3,090,012
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	4,000,000	0	4,000,000
649 Agronomy Seed Farm	\$0	\$0	\$0	\$300,000	\$0	\$300,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	300,000	0	300,000
701 Historical Society	\$0	\$500,000	\$1,179,015	\$72,000	\$0	\$1,751,015
General Fund	0	500,000	1,179,015	72,000	0	1,751,015
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
720 Game and Fish Department	\$800,000	\$3,586,170	\$2,014,292	\$1,314,500	\$0	\$7,714,962
General Fund	0	0	0	0	0	0
Federal Funds	0	1,560,377	1,174,200	729,000	0	3,463,577
Special Funds	800,000	2,025,793	840,092	585,500	0	4,251,385

Capital Assets Appropriations by Category – 2021-2023

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
750 Parks and Recreation Department	\$6,460,000	\$14,566,920	\$66,165	\$303,200	\$0	\$21,396,285
General Fund	0	0	66,165	0	0	66,165
Federal Funds	0	0	0	0	0	0
Special Funds	6,460,000	14,566,920	0	303,200	0	21,330,120
770 State Water Commission	\$0	\$0	\$165,050,827	\$184,450	\$49,500	\$165,284,777
General Fund	0	0	0	0	0	0
Federal Funds	0	0	26,533,487	0	0	26,533,487
Special Funds	0	0	138,517,340	184,450	49,500	138,751,290
801 Department of Transportation	\$5,600,000	\$0	\$1,184,591,709	\$36,580,661	\$2,000,050	\$1,228,772,420
General Fund	0	0	0	0	0	0
Federal Funds	0	0	688,411,887	151,664	2,000,050	690,563,601
Special Funds	5,600,000		496,179,822	36,428,997	0	538,208,819
Total All Agencies	\$ 61,260,000	\$ 180,889,844	\$ 1,393,678,279	\$ 62,165,950	\$ 25,131,341	\$ 1,723,125,414
General Fund	2,600,000	15,565,046	18,422,492	7,276,086	10,645,109	54,508,733
Federal Funds	27,200,000	1,579,577	716,237,476	4,340,651	2,781,457	752,139,161
Special Funds	31,460,000	163,745,221	659,018,311	50,549,213	11,704,775	916,477,520

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 for capital projects include: a justification of the project, project description and specifications, funding sources, and operating and staffing costs for the upcoming and two subsequent biennia.

Justification

During preparation of the capital project requests, agencies are 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 were 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 unit of service? If a bigger facility is built, can part of the space be rented?

Evaluation

The Office of the Governor and the Office of Management and Budget consider 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 - 2021-2023

Biennium: 2021-2023

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds	Bonding
235 North Dakota State University	Ag Product Development Center	14,000,000	0	0	0	14,000,000
	Total	14,000,000	0	0	0	14,000,000
243 Dakota College at Bottineau	Old Main Renovation	4,000,000	0	0	2,000,000	2,000,000
	Total	4,000,000	0	0	2,000,000	2,000,000
401 Office of the Insurance Commissioner	Office Remodel	100,000	0	0	100,000	0
	Total	100,000	0	0	100,000	0
530 Department of Corrections and Rehabilitation	RRI Storage Warehouse	500,000	0	0	500,000	0
	Total	500,000	0	0	500,000	0
540 Office of the Adjutant General	Camp Grafton South Expansion Project	2,600,000	2,600,000	0	0	0
	Estimated New Federal Construction	5,700,000	0	5,700,000	0	0
	Line of Communication Bridge (LOC-B)	6,000,000	0	6,000,000	0	0
	Training Site					
	ND National Guard Readiness Center - Dickinson	15,500,000	0	15,500,000	0	0
	Total	29,800,000	2,600,000	27,200,000	0	0
720 Game and Fish Department	Land Acquisitions	800,000	0	0	800,000	0
	Total	800,000	0	0	800,000	0
750 Parks and Recreation Department	Electric Services Upgrade	1,660,000	0	0	0	1,660,000
	Fiber Upgrade at State Parks	1,500,000	0	0	0	1,500,000
	Seasonal and Park Ranger Housing	2,200,000	0	0	0	2,200,000
	Water Service Upgrade	1,100,000	0	0	0	1,100,000
	Total	6,460,000	0	0	0	6,460,000
801 Department of Transportation	Land and Buildings	5,600,000	0	0	5,600,000	0
	Total	5,600,000	0	0	5,600,000	0
	Total All Agencies	61,260,000	2,600,000	27,200,000	9,000,000	22,460,000

Extraordinary Repairs

Extraordinary repairs include expenditures for substantial repairs and improvements to buildings and infrastructure. Extraordinary repairs are defined as 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.

For large agencies with numerous facilities the extraordinary repair funding is typically used as a pool of funding to address extraordinary repair needs.

Other Capital Payments

Biennium: 2021-2023

Agency	Project Description	Recommendation	General Fund	Federal Funds	Special Funds	Bond Proceeds
110 Office of Management and Budget	Bond Payments for 2021-23 Biennium	564,515	564,515	0	0	0
125 Office of the Attorney General	2021-23 Crime Lab Bond Payments	648,055	648,055	0	0	0
215 ND University System	Bond Payments	13,385,264	13,385,264	0	0	0
	Tier Funding	19,000,000	0	0	0	19,000,000
	Total	32,385,264	13,385,264	0	0	19,000,000
227 Bismarck State College	2021-23 Add Base Special Assessments	141,479	0	0	141,479	0
229 Williston State College	Capital Bond Payments	1,064,167	1,064,167	0	0	0
230 University of North Dakota	Capital Bond Payments	3,819,375	0	0	3,819,375	0
240 Mayville State University	Special Assessments	50,129	0	0	50,129	0
242 Valley City State University	Special Assessments	54,622	0	0	54,622	0
301 ND Department of Health	2021-23 Bond Payments	221,393	183,882	37,511	0	0
303 Department of Environmental Quality	Bond Payments	119,972	59,581	60,391	0	0
313 Veterans Home	Bond & Interest for 2021-23 Biennium	407,271	0	0	407,271	0
380 Job Service North Dakota	Other Capital Payments	20,000	0	20,000	0	0
530 Department of Corrections and Rehabilitation	Bond Payments	500,535	492,354	0	8,181	0
	City of Bismarck Special Assessment	72,000	72,000	0	0	0
	Total	572,535	564,354	0	8,181	0
540 Office of the Adjutant General	Special Assessments & Payments In Lieu of Taxes	224,046	224,046	0	0	0
628 Branch Research Centers	2021-23 Bond Payments CGREC	48,322	48,322	0	0	0
	2021-23 Bond Payments NCREC	78,579	78,579	0	0	0
	Total	126,901	126,901	0	0	0
640 NDSU Main Research Center	Capital Bond Payments 2021-23	356,547	356,547	0	0	0

Other Capital Payments

Biennium: 2021-2023

Agency	Project Description	Recommendation	General Fund	Federal Funds	Special Funds	Bond Proceeds
701 Historical Society	2021-23 Bonds	1,179,015	1,179,015	0	0	0
720 Game and Fish Department	Fisheries	548,692	0	75,000	473,692	0
	In Lieu of Taxes	1,465,600	0	1,099,200	366,400	0
	Total	2,014,292	0	1,174,200	840,092	0
750 Parks and Recreation Department	2021-23 Bond Payment	66,165	66,165	0	0	0
770 Water Commission	NAWS & SWPP	165,050,827	0	26,533,487	138,517,340	0
801 Department of Transportation	Other Capital Payments	1,184,591,709	0	688,411,887	193,779,822	302,400,000
Total All Agencies		1,393,678,279	18,422,492	716,237,476	337,618,311	321,400,000

Financing

The executive recommendation for capital assets expenditures during the 2019-21 biennium is \$1.72 billion. The majority of expenditures relate to highway projects (\$1.19 billion) and water projects (\$165.0 million), funded from federal and special funds.

The executive recommendation for capital projects is \$61.3 million. Capital projects are funded with \$2.6 million from the General Fund, \$27.2 million from federal funds, and \$31.4 million from special funds.

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>
2019 per capita debt	\$1,506	\$64
2019 debt to personal income	2.6%	0.1%

Debt Obligations and Limits - General Fund Building Authority Bonds

NDCC 54-17.2-23 limits the amount of bond payments to be paid from the state's General Fund for North Dakota Building Authority debt. 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
2019-21	9,005,839	43,500,000	34,494,161
2021-23	17,028,945	41,600,000	24,571,055
2023-25	12,734,390	41,600,000	28,865,610
2025-27	10,179,875	41,600,000	31,420,125
2027-29	10,193,376	41,600,000	31,406,624

* Based on the November 2020 forecast for the 2019-21 and 2021-23 bienniums with 0.0 percent growth each subsequent biennium.

Bonds are typically repaid over a 20-year period. Based on estimated funds available in future bienniums for additional General Fund bond payments, bonds in the amount of \$206.7 million be issued during the 2021-23 biennium (based on estimates prepared by financial advisors to the State of North Dakota).

New Bond Issuance - Legacy Fund Bonds

The executive budget recommendation provides for a \$1.25 billion bond issuance to include capitalized interest and staggered debt issuance to occur as needed during the 2021-23 and 2023-25 bienniums. The debt would be serviced with a dedicated stream of 40.0 percent of future earnings from the Legacy Fund. Recommended uses of bonding proceeds are as follows:

- Capitalization of low interest revolving loan funds to provide a perpetual funding source for infrastructure projects - \$700.0 million
 - Water project revolving loan fund - \$450.0 million
 - County bridge revolving loan fund - \$50.0 million
 - Political subdivision infrastructure revolving loan fund - \$200.0 million
- State and local transportation and infrastructure projects - \$323.0 million
 - Bridge improvements - \$15.0 million
 - NDDOT infrastructure improvement plan - \$237.4 million
 - DOT Highway 85 improvements - \$50.0 million
 - Parks - \$20.6 million
- Workforce development - \$45.0 million
 - Career and technical education center cost share projects - \$45.0 million
- State facilities construction and improvement - \$182.0 million
 - Higher education Tier II and Tier III infrastructure - \$19.0 million
 - Critical state building maintenance and repair projects - \$130.5 million
 - NDSU Agriculture Development Center - \$14.0 million
 - Dakota College Old Main Renovation - \$2.0 million
 - State parks infrastructure – \$9.9 million
 - Capitol building space utilization, ADA compliance, and Brynild Haugland Room improvements – \$6.6 million

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, 2021	Debt Service General Fund Payment 2021-23	Debt Service Special Fund Payment 2021-23	Debt Service Energy Savings Payment 2021-23
Authorized in 1999	2006B/2017 Series A	12/1/2021	\$615,000	\$630,375	\$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	\$885,000	\$166,698	\$328,502	\$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	\$900,000	\$905,819	\$0	\$8,181
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)						
Authorized in 2005	2005 Series A/2017 Series A	12/1/2024	\$7,750,000	\$5,137,928	\$33,333	\$415,114
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	\$1,685,000	\$0	\$407,271	\$0
Veterans Home (\$2,575,152)						
Authorized in 2019	2020 Series A	12/1/2040	\$88,585,000	\$10,188,125	\$3,819,375	\$0
Dickinson State University - Pulver Hall (\$4,000,000)						
North Dakota State University - Dunbar Hall (\$40,000,000)						
University of North Dakota - Gamble Hall (\$6,000,000)						
University of North Dakota - Deferred Maintenance (\$30,000,000)						
Valley City State University - Communication & Fine Arts Building (\$30,000,000)						
Total			\$100,420,000	\$17,028,945	\$4,588,481	\$423,295

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 2021-23 biennium executive recommendation includes \$62.2 million for the purchase of equipment items costing \$5,000 or more. Recommended funding sources are \$7.3 million from the General Fund, \$4.3 million from federal funds, and \$50.5 million from special funds. The executive recommendation includes \$25.1 million for the purchase of IT equipment and software items costing \$5,000 or more. Recommended funding sources for IT equipment purchases are \$10.6 million from the General Fund, \$2.8 million from federal funds, and \$11.7 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 2021-23 biennium.

Equipment Over \$5,000 - 2021-2023

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
110 Office of Management and Budget	Printing Equipment	\$125,000	\$125,000	\$0	\$0	\$125,000
	Production Equipment	75,000	75,000	0	0	75,000
	Total	200,000	200,000	0	0	200,000
112 Information Technology Department	IT Operations Equipment	250,000	250,000	0	0	250,000
125 Office of the Attorney General	Avoximeter	9,750	9,750	0	9,750	0
	CoBrA v5 update for I-9000 development	9,500	9,500	0	9,500	0
	Gas Chromatographer/Mass Spectrometer	154,000	154,000	0	154,000	0
	HPLC Cannabis Analyzer	50,000	50,000	0	50,000	0
	Intoxilyzer 9000	570,106	570,106	0	570,106	0
	ProFiles PCR System	27,810	27,810	0	27,810	0
	Rapid DNA Instrument	250,000	250,000	0	250,000	0
	UV Detector	20,000	20,000	0	20,000	0
	Total	1,091,166	1,091,166	0	1,091,166	0
160 Legislative Council	Equipment over \$5,000	6,000	6,000	6,000	0	0
227 Bismarck State College	Equipment over \$5,000	1,363,409	1,363,409	0	0	1,363,409
228 Lake Region State College	Equipment over \$5,000	207,300	207,300	207,300	0	0
230 University of North Dakota	Equipment over \$5,000	4,123,469	4,123,469	0	0	4,123,469
241 Minot State University	Equipment over \$5,000	200,000	200,000	0	0	200,000
242 Valley City State University	Equipment over \$5,000	47,504	47,504	47,504	0	0
244 North Dakota Forest Service	Automated Greenhouse Seeder	30,000	30,000	30,000	0	0
	Irrigation Equipment	10,248	10,248	10,248	0	0
	Side by Side Utility Vehicle	16,000	16,000	16,000	0	0
	Total	56,248	56,248	56,248	0	0
252 School for the Deaf	Grounds Support Services Audiology	40,000	40,000	0	0	40,000
301 ND Department of Health	Disaster Relief Rapid Response Mobile Kitchen	330,000	330,000	0	330,000	0
	Emergency Response Health & Medical Trailers	141,000	141,000	0	141,000	0
	Emergency Response Mobile Sleeping Quarters	270,000	270,000	0	270,000	0
	Pallet Racking System	344,000	0	0	0	0
	RFID System for State Medical Cache	80,000	80,000	0	80,000	0
	Fridge/Heater Emergency Trailers with Liftgates	157,500	157,500	0	157,500	0
	TRF Analyzer	50,000	50,000	0	0	50,000
	Tractor for Snow Removal	40,000	40,000	40,000	0	0
	Utility Transport for Trailer Movement	30,000	30,000	0	30,000	0
	BD Bactec Midget	95,000	95,000	0	0	95,000
	Forklift for Warehouse	45,000	45,000	0	45,000	0

Equipment Over \$5,000 - 2021-2023

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	Forensic LODOX Scanner	500,000	500,000	500,000	0	0
	Robotics System	200,000	200,000	0	0	200,000
	Total	2,282,500	1,938,500	540,000	1,053,500	345,000
303 Department of Environmental Quality	Electrofishing boat/equipment	40,000	40,000	0	40,000	0
	NOX Analyzers Teledyne	68,800	68,800	0	51,600	17,200
	SO2 Analyzers Teledyne	59,200	59,200	0	44,400	14,800
	YSI Multiparameter meter	8,000	8,000	0	8,000	0
	Ozone Analyzers	75,000	75,000	0	60,000	15,000
	Post Column Reaction System/Glyphosate	15,000	15,000	0	0	15,000
	PM2.5/PM 10 Particulate Monitors	52,000	52,000	0	52,000	0
	Replacement Pump for RO System	10,000	10,000	0	0	10,000
	Yokogawa Chart Recorder	19,000	19,000	0	9,500	9,500
	Zeltec Octane Analyzer	20,000	20,000	0	0	20,000
	Monitoring Shelter	150,000	150,000	0	150,000	0
	Water Purification System for Mineral Lab	10,000	10,000	0	0	10,000
	Delta Cal Flow Sensor/Calibrator	6,200	6,200	0	6,200	0
	Self Contained Hood-Cyanotoxin prep	25,000	25,000	0	0	25,000
	Automated Extraction System	50,000	50,000	0	0	50,000
	Flow Injection Analyzer	60,000	60,000	0	0	60,000
	Purge and Trap system for volatiles	50,000	50,000	0	0	50,000
	Gas Chromatograph Mass Spectrometer	100,000	100,000	0	0	100,000
	LC/MS/MS	275,000	275,000	0	0	275,000
	Total	1,093,200	1,093,200	0	421,700	671,500
313 Veterans' Home	Shampooer	19,200	10,700	0	0	10,700
	Bladder Scanner	9,800	0	0	0	0
	Humidifier	12,000	6,000	0	0	6,000
	Total	41,000	16,700	0	0	16,700
321 Department of Veterans' Affairs	Transportation Van - DAV Program	56,400	18,800	18,800	0	0
325 Department of Human Services	Commercial Grade Dishwasher	90,000	90,000	90,000	0	0
	OAE Tymph Machines	10,000	10,000	979	9,021	0
	Utility Vehicle	50,135	50,135	50,135	0	0
	Pressure Washer/Extractor	6,800	6,800	6,800	0	0
	Security Cameras	38,727	38,727	38,727	0	0
	Mower	31,765	31,765	31,765	0	0
	Camera Replacement Equipment	18,500	18,500	18,500	0	0
	Floor Scrubber	12,700	12,700	12,700	0	0
	Commercial Grade Washing Machine	14,228	14,228	14,228	0	0
	Gym Divider	6,000	6,000	6,000	0	0
	Total	278,855	278,855	269,834	9,021	0

Equipment Over \$5,000 - 2021-2023

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
405 Industrial Commission	Drone and Mobile Station	9,990	0	0	0	0
	Trimble Mobile Receiver	8,000	0	0	0	0
	Microscope, Scope and Camera	27,965	0	0	0	0
	Dust Collector	10,650	0	0	0	0
	Pallet Rack Shelving	5,125	0	0	0	0
	Total	61,730	0	0	0	0
408 Public Service Commission	Borehole Camera	45,000	45,000	0	45,000	0
	RTK Survey Equipment	75,000	75,000	5,400	69,600	0
	Total	120,000	120,000	5,400	114,600	0
471 Bank of North Dakota	Office Furniture	50,000	50,000	0	0	50,000
	Color Laser Jet Printers	36,000	36,000	0	0	36,000
	Copiers and Scanners	100,000	100,000	0	0	100,000
	Unanticipated Equipment Capital Expenditures	64,000	64,000	0	0	64,000
	Total	250,000	250,000	0	0	250,000
530 Dept of Corrections and Rehabilitation	Commercial Oven	50,000	50,000	50,000	0	0
	Commercial Food Steamer	35,000	35,000	35,000	0	0
	Kitchen Equipment	30,000	30,000	30,000	0	0
	Welding Units	61,428	61,428	0	0	61,428
	Forklift	37,720	37,720	0	0	37,720
	Square Tubing Bender	21,544	21,544	0	0	21,544
	CNC Lathe	32,332	32,332	0	0	32,332
	Break Press Die	22,632	22,632	0	0	22,632
	Air Compressor	32,332	32,332	0	0	32,332
	Saw Dust Collector	103,509	103,509	0	0	103,509
	Edge Bander	191,491	191,491	0	0	191,491
	Telehandler	130,000	130,000	0	0	130,000
	Skid Steer Loader	70,000	70,000	0	0	70,000
	Tube and Pipe Notcher	12,000	12,000	0	0	12,000
	Latex Printer	20,000	20,000	0	0	20,000
	Laminator	15,000	15,000	0	0	15,000
	Retooling License Plate Blanking Die	90,000	90,000	0	0	90,000
	Heavy Duty Sewing Machines	7,500	7,500	0	0	7,500
	Standard Sewing Machines	13,500	13,500	0	0	13,500
	Standard Serger Sewing Machines	6,000	6,000	0	0	6,000
	Heavy Duty Serger Sewing Machines	5,000	5,000	0	0	5,000
	Embroidery Machine	20,000	20,000	0	0	20,000
	Automated Machine Data Tracker	15,000	15,000	0	0	15,000
	Automated Fabric Cutting Table	300,000	300,000	0	0	300,000
	53' Trailer	40,000	40,000	0	0	40,000
	58' Flatbed Trailer	35,000	35,000	0	0	35,000
	Total	1,396,988	1,396,988	115,000	0	1,281,988

Equipment Over \$5,000 - 2021-2023

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
540 Adjutant General	Federal Grounds Equipment	50,000	50,000	0	50,000	0
	Diesel Trash Pump	100,000	100,000	0	100,000	0
	Generators	330,000	330,000	0	330,000	0
	Grounds/Janitorial Equipment Fargo RC	100,000	100,000	50,000	50,000	0
	NDND Andover Upgrade	320,000	320,000	80,000	240,000	0
	Total	900,000	900,000	130,000	770,000	0
602 Department of Agriculture	Utility Terrain Vehicle	15,000	15,000	10,000	0	5,000
628 Branch Research Centers	2021-23 Equipment over \$5,000	4,345,000	4,345,000	4,345,000	0	0
630 NDSU Extension Service	2021-23 Equipment over \$5,000	460,000	460,000	460,000	0	0
638 Northern Crops Institute	Base Funding for Equipment > \$5,000	100,000	100,000	100,000	0	0
640 NDSU Main Research Center	Equipment Enhancement - SBARE Big Data	200,000	200,000	200,000	0	0
	Equipment over \$5,000	4,693,000	4,693,000	693,000	0	4,000,000
	Total	4,893,000	4,893,000	893,000	0	4,000,000
649 Agronomy Seed Farm	Base Funding for Equipment > \$5,000	300,000	300,000	0	0	300,000
701 Historical Society	Riding Lawn Mowers	72,000	72,000	72,000	0	0
720 Game and Fish Department	Admin Services Equipment	20,000	20,000	0	0	20,000
	Enforcement Equipment	386,000	386,000	0	139,500	246,500
	Fisheries Equipment	1,261,500	460,000	0	224,000	236,000
	Lonetree Equipment	116,500	116,500	0	116,500	0
	Wildlife Division Equipment	332,000	332,000	0	249,000	83,000
	Total	2,116,000	1,314,500	0	729,000	585,500
750 Parks and Recreation Department	Law Enforcement Vehicle Equipment	90,000	90,000	0	0	90,000
	UTV Replacement	81,000	81,000	0	0	81,000
	Mower Replacement	13,700	13,700	0	0	13,700
	Snowblower Replacement	7,000	7,000	0	0	7,000
	Equipment Mobilization	15,500	15,500	0	0	15,500
	Wildland Fire Equipment	16,000	16,000	0	0	16,000
	Tucker Snow Cat	28,000	28,000	0	0	28,000
	Snow Trail Dog	25,000	25,000	0	0	25,000
	Snowmobile and OHV UTV Replacement	17,000	17,000	0	0	17,000
	Snowmobile Trailer Replacement	10,000	10,000	0	0	10,000
	Total	303,200	303,200	0	0	303,200

Equipment Over \$5,000 - 2021-2023

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
770 State Water Commission	Geophysical Logging System	29,450	29,450	0	0	29,450
	Magnetron for Radars	25,000	25,000	0	0	25,000
	New Excavator Bucket	10,000	10,000	0	0	10,000
	TR Tube for Radars	20,000	20,000	0	0	20,000
	Trailer Mounted Backup Generator	100,000	100,000	0	0	100,000
	Total	184,450	184,450	0	0	184,450
801 Department of Transportation	Burnoff Ovens	37,359	37,359	0	0	37,359
	Four Replacement Copiers	35,840	35,840	0	0	35,840
	GPS Receiver	18,561	18,561	0	0	18,561
	Major Maintenance/Minor Highway & Shop Equip	5,598,600	5,598,600	0	0	5,598,600
	Motor Vehicles	30,658,637	30,658,637	0	0	30,658,637
	R10 GPS System	100,000	100,000	0	100,000	0
	R8000B Communications Analyzer	80,000	80,000	0	0	80,000
	S6 Robotic Total Station	51,664	51,664	0	51,664	0
	Total	36,580,661	36,580,661	0	151,664	36,428,997
Total All Agencies		\$ 63,435,080	\$ 62,165,950	\$ 7,276,086	\$ 4,340,651	\$ 50,549,213

IT Equipment Over \$5,000 2021-2023

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
108 Secretary of State	Desktop Computers and Support	\$450,600	\$450,600	\$0	\$450,600	\$0
110 Office of Management and Budget	eProcurement Software	2,021,204	2,021,204	2,021,204	0	0
	Budget System	1,230,100	1,230,100	1,230,100	0	0
	Virtual Tour Program	100,000	0	0	0	0
	Total	3,351,304	3,251,304	3,251,304	0	0
112 Information Technology	IT Operations Equipment	2,582,875	2,582,875	0	0	2,582,875
	IT Equipment for K-12	400,000	400,000	400,000	0	0
	SIRN Equipment	7,252,300	7,252,300	0	0	7,252,300
	EduTech Equipment	35,000	35,000	0	0	35,000
	BPI/OCM/Automation IT Software	40,000,000	0	0	0	0
	Ancient Technology	60,000,000	0	0	0	0
	DOT RIMS Project	5,860,000	0	0	0	0
	Cybersecurity IT Equipment/Software	200,000	200,000	0	0	200,000
	Total	116,330,175	10,470,175	400,000	0	10,070,175
127 Office of State Tax Commissioner	High Volume Scanner	6,000	6,000	6,000	0	0
150 Legislative Assembly	IT Equipment Over \$5,000	6,000	6,000	6,000	0	0
180 Judicial Branch	Juvenile Case Management System	2,000,000	2,000,000	2,000,000	0	0
	Supreme Court Docket System	2,000,000	2,000,000	2,000,000	0	0
	Zoom Remote Video Equipment	360,000	360,000	360,000	0	0
	Total	4,360,000	4,360,000	4,360,000	0	0
192 Public Employees Retirement System	Upgrade PERSLink to BPM	257,600	257,600	0	0	257,600
215 ND University System	21-23 IT Equip/Software Over \$5,000	2,172,612	2,172,612	2,172,612	0	0
252 School for the Deaf	Campus Server Upgrade or Replacement	7,500	7,500	0	0	7,500
301 ND Department of Health	Contingency LIMS Replacement	2,000,000	0	0	0	0
	Warehouse Inventory System	60,000	0	0	0	0
	Forensic Electronic Records System	350,000	350,000	350,000	0	0
	Total	2,410,000	350,000	350,000	0	0
303 Department of Environmental Quality	Server	10,000	10,000	0	0	10,000
325 Department of Human Services	Polycoms	75,000	75,000	74,193	807	0
405 Industrial Commission	Scanner/Printer	20,000	0	0	0	0
	Wide Bed Plotters	13,500	0	0	0	0
	Total	33,500	0	0	0	0
408 Public Service Commission	IT Equipment	25,000	25,000	25,000	0	0

IT Equipment Over \$5,000 2021-2023

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
471 Bank of North Dakota	Data Warehouse - HUB/UDA	500,000	500,000	0	0	500,000
	FIS Application - ASP	500,000	500,000	0	0	500,000
	GRC/ERM Implementation	260,000	260,000	0	0	260,000
	Total	1,260,000	1,260,000	0	0	1,260,000
473 ND Housing Finance Agency	Housing Development and Compliance Software	150,000	150,000	0	100,000	50,000
530 Dept of Corrections and Rehabilitation	DOCSTARS Enhancement	214,246	0	0	0	0
	FileNet Enhancements	45,000	0	0	0	0
	Policy Management Application	75,000	0	0	0	0
	MS Dynamics	75,000	0	0	0	0
	Total	409,246	0	0	0	0
540 Adjutant General	Damage Assessment & Documentation Software	230,000	230,000	0	230,000	0
701 Historical Society	Security System Upgrade	450,000	0	0	0	0
770 State Water Commission	Large Format (E-Size Printer)	10,000	10,000	0	0	10,000
	Mac Pro Server	9,500	9,500	0	0	9,500
	Storage Tiers (112 TB)	30,000	30,000	0	0	30,000
	Total	49,500	49,500	0	0	49,500
801 Department of Transportation	IT Equipment to Install in Trucks for AVL	2,500,050	2,000,050	0	2,000,050	0
Total All Agencies		\$134,544,087	\$25,131,341	\$10,645,109	\$2,781,457	\$11,704,775

Large IT Project Recommendations - 2021-2023

Agency/Project	Total Request	Recommendation Funding Source				
		Project Cost	General Fund	Federal Funds	Special Funds	Related FTE
110 Office of Management and Budget						
Budget System	1,230,100	1,230,100	1,230,100	0	0	0.00
eProcurement Software	2,021,204	2,021,204	2,021,204	0	0	1.00
Total Office of Management and Budget	3,251,304	3,251,304	3,251,304	0	0	1.00
180 Judicial Branch						
Juvenile Case Management System Replacement	2,000,000	2,000,000	2,000,000	0	0	0.00
Supreme Court Docket System Replacement	2,000,000	2,000,000	2,000,000	0	0	0.00
Total Judicial Branch	4,000,000	4,000,000	4,000,000	0	0	0.00
226 Department of Trust Lands						
Land Management System - additional funding	1,600,000	1,600,000	0	0	1,600,000	0.00
Total Department of Trust Lands	1,600,000	1,600,000	0	0	1,600,000	0.00
325 Department of Human Services						
FRAME/CCWIPS System Replacement	36,000,000	30,000,000	15,000,000	15,000,000	0	0.00
MMIS Modernization	35,000,000	35,000,000	4,326,686	30,673,314	0	0.00
Total Department of Human Services	71,000,000	65,000,000	19,326,686	45,673,314	0	0.00
380 Job Service North Dakota						
UI System Modernization	3,000,000	3,000,000	0	3,000,000	0	0.00
Total Job Service North Dakota	3,000,000	3,000,000	0	3,000,000	0	0.00
485 Workforce Safety and Insurance						
CAPS - Claims & Policy Replacement System	7,500,000	7,500,000	0	0	7,500,000	0.00
myWSI Extranet Enhancement Project	3,050,000	3,050,000	0	0	3,050,000	0.00
Total Workforce Safety and Insurance	10,550,000	10,550,000	0	0	10,550,000	0.00
801 Department of Transportation						
Construction & Materials Management System	3,800,000	9,660,000	0	0	9,660,000	0.00
Automate Vehicle Location Hardware and Software Exp.	3,771,000	3,771,000	0	2,500,050	1,270,950	0.00
Traffic Counting Program Modernization	3,000,000	3,000,000	0	0	3,000,000	0.00
Traffic Data Estimating and Analysis Replacement	500,000	500,000	0	0	500,000	0.00
NDDOT Website Drupal Uplift and Enhancements	500,000	500,000	0	0	500,000	0.00
Total Department of Transportation	11,571,000	17,431,000	0	2,500,050	14,930,950	0.00
Total All Agencies	104,972,304	104,832,304	26,577,990	51,173,364	27,080,950	0.00

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 if the Governor is unable to serve. The Lt. Governor also serves as President of the North Dakota State Senate as well as other boards outlined in Century Code.

Major Accomplishments

1. Continued building on the previous two years, advancing the five strategic initiatives: Main Street Initiative, Behavioral Health and Addiction, Transforming Education, Tribal Engagement and Reinventing Government – driving toward a more efficient, responsive and transparent state government.
2. Supported the success of North Dakota's all-of-the-above energy approach through support of the oil and gas industry, including major pipeline projects; the long-term viability of our coal industry with the support of EERC's innovative research; and ensuring wind energy production continued to growth.
3. Supported the economic diversification of the agriculture industry and new technologies through the coordination of Plug and Play creating a location in Fargo. Also, sought support for our agriculture industry through the request of Presidential disaster declarations due to flooding in spring 2020 and fall 2019, as well as a Secretarial disaster designation in fall 2019.
4. Responded to the COVID-19 global pandemic with a whole-of-government approach, which included creating and participating in working groups for vulnerable populations, economic relief, Red River Valley COVID response, Burleigh-Morton County COVID Task Force, K-12 education, higher education and ND health strategy.
5. Collaborated with legislative leaders and the legislative branch to allocate federal funds of \$1.25 billion for COVID-19 response.
6. Upgraded software for improved citizen experience and internal efficiencies for our hundreds of annual appointments to boards and commission with members serving across all ranges of topics.
7. Inducted three individuals into the Rough Rider Hall of Fame.

8. Continued efforts to transform the culture of state government with the launch of Leadership Everywhere as well as adapt to a new working model due to the pandemic.
9. Hosted the 4th annual Summit on Innovative Education, held the 4th annual Recovery Reinvented, and the 3rd annual Main Street Summit.
10. Created budget guidelines, asking for 85 percent to 95 percent of the current adjusted base, to address the challenges presented by the COVID-19 pandemic and the historic collapse in oil prices and tax revenues.
11. Reduced traffic fatalities through Vision Zero to 100 in 2019, the lowest annual total in 15 years.
12. Completed the Reimagining the Rural West Initiative as chairman for the Western Governors' Association (June 2019-June 2020).
13. Collaborated with the Superintendent of DPI to bring together the newly established K-12 Education Coordinating Council, which promotes collaboration across all K-12 education entities in North Dakota as recommended by the Governor's Innovative Education Task Force.
14. Formed the Veterans Task Force to assess the current system and examine how the state's current resources can be organized to serve veterans most effectively.
15. Signed the historic compact between ND and MHA changing how the state and tribes share tax revenue from the new oil and gas activity on trust and fee lands.
16. Worked with the Legislature to approve a \$50.0 million state endowment contingent on \$100.0 million in private investment for a Theodore Roosevelt Presidential Library and Museum in Medora.
17. Collaborated with legislators to ensure continuity of state support for the Fargo-Moorhead Area Diversion project to protect North Dakota's largest metro area from catastrophic flooding.
18. Continued to forge relationships with White House Cabinet officials to influence policy and emphasize the importance of states' rights and the harm that federal overreach can inflict on North Dakota residents, farmers/ranchers and businesses.
19. Worked with the Legislature to secure \$33.0 million for unmanned aircraft systems (UAS), including securing \$28.0 million for a statewide UAS network, continued leading efforts to enhance North Dakota's status as a national hub for UAS manufacturing, research and Northern Plains UAS Test Site in Grand Forks to fly large UAS beyond visual line of sight.

Executive Budget Recommendation

- Recommends budget as requested.
- Includes \$148,438 from the General Fund for rent model changes.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

101 Office of the Governor

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Governor's Programs and Admin	18,822,036	4,287,298	(214,365)	(5.0%)	4,072,933	46,658	1.1%	4,333,956
Total Major Programs	18,822,036	4,287,298	(214,365)	(5.0%)	4,072,933	46,658	1.1%	4,333,956
By Line Item								
Salaries and Wages	3,476,011	3,623,946	59,747	1.6%	3,683,693	169,137	4.7%	3,793,083
Governor's Salary	0	274,112	(274,112)	(100.0%)	0	(274,112)	(100.0%)	0
Operating Expenses	337,287	368,440	0	0.0%	368,440	151,633	41.2%	520,073
Contingency	0	10,000	0	0.0%	10,000	0	0.0%	10,000
Roughrider Awards	8,738	10,800	0	0.0%	10,800	0	0.0%	10,800
TRPL	15,000,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	18,822,036	4,287,298	(214,365)	(5.0%)	4,072,933	46,658	1.1%	4,333,956
By Funding Source								
General Fund	18,618,908	4,287,298	(214,365)	(5.0%)	4,072,933	46,658	1.1%	4,333,956
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	203,128	0	0	0.0%	0	0	0.0%	0
Total Funding Source	18,822,036	4,287,298	(214,365)	(5.0%)	4,072,933	46,658	1.1%	4,333,956
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.I; 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 Secretary of State's office is the office of record for certain legal documents generated by the executive and legislative branches of state government; public records and notices including various business entities; and 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 more than 1.5 million page views over the 12-month period ending June 30, 2020, the same number of views from the same 12-month period two years prior.
2. Continued use of the North Dakota Central Indexing System (NDCIS), which was launched on March 1, 2016. All central indexing filings and searches are completed online and all reports from the lending community of the state indicate the system is greatly appreciated.
3. Received 873,942 page views over the 12-month period ending June 30, 2020 on NDCIS.
4. Continued to enhance the agency's Election Management System (EMS), which provides 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.
5. Continued to enhance a module of the state's EMS that guides a candidate through the process of completing and filing the necessary paperwork to run for public office.
6. Continued to enhance the Central Voter File used by the SOS office and the counties to update voter records for address and name changes upon receipt of notices from the DOT and the courts, and death notices from vital statistics, issue and track absentee ballots, allow for the efficient management of early voting precincts, and to expedite the voting process on election day.

7. Continued to be ranked as one of the top states for election administration by The PEW Charitable Trusts and the Massachusetts Institute of Technology in the Election Performance Index that has been conducted since it was launched in 2008.
8. Continued to enhance election applications accessible from Vote.ND.Gov to make them web responsive so they format appropriately.
9. Vote.ND.Gov continues to be a popular website for voters, candidates, political parties, and political organizations. The site received 328,919 page views over the 12-month period ending June 30, 2020.
10. Purchased and implemented a new statewide voting system from Election Systems and Software (ES&S) and an electronic pollbook system from KNOWiNK.
11. Maintained the necessary security clearances for Secretary, Deputy Secretary and State Elections Director to receive cybersecurity updates and notices from the Department of Homeland Security (DHS), FBI, and other agencies responsible for cybersecurity to protect our elections infrastructure, now classified by DHS as critical infrastructure.
12. Reached a settlement for the two voter ID lawsuits in which the state has been engaged since January of 2016.
13. Promulgated administrative rules for Tribal IDs for voting making it clear what constitutes a valid tribal ID as well as several other features making it easier for Native Americans to vote.
14. Neared completion of the FirstStop software system through which most of the office functions are handled and available to the customers of our office in an online environment.
15. Promulgated administrative rules to enable the business entity known as Series Limited Liability Company that allows an LLC to further limit the exposure of liability of assets by forming "child" entities that are separate from the "parent" Series LLC and other "children" of the same.
16. Amended Administrative Rules for combative sports will be effective October 1, 2020.

Executive Budget Recommendation

- Provides \$150,000 from other funds for temporary staff.
- Provides \$281,153 from the General Fund for operating expenses.
- Provides \$26,381 to increase the public printing line from the General Fund.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

108 Secretary of State

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Secretary of State Operations	7,370,634	7,995,679	(432,068)	(5.4%)	7,563,611	340,732	4.3%	8,336,411
Public Printing Leg Law Books	258,941	257,278	(25,728)	(10.0%)	231,550	653	0.3%	257,931
Federal Election Reform	1,295,624	1,601,747	3,093,342	193.1%	4,695,089	3,099,372	193.5%	4,701,119
Total Major Programs	8,925,199	9,854,704	2,635,546	26.7%	12,490,250	3,440,757	34.9%	13,295,461
By Line Item								
Salaries and Wages	4,657,866	4,978,126	145,186	2.9%	5,123,312	439,676	8.8%	5,417,802
Operating Expenses	1,762,361	3,009,553	(577,254)	(19.2%)	2,432,299	(98,944)	(3.3%)	2,910,609
Construction Carryover	939,133	0	0	0.0%	0	0	0.0%	0
Petition Review	11,274	8,000	0	0.0%	8,000	0	0.0%	8,000
Election Reform	1,295,624	1,601,747	3,093,342	193.1%	4,695,089	3,099,372	193.5%	4,701,119
Public Printing	258,941	257,278	(25,728)	(10.0%)	231,550	653	0.3%	257,931
Total Line Items	8,925,199	9,854,704	2,635,546	26.7%	12,490,250	3,440,757	34.9%	13,295,461
By Funding Source								
General Fund	6,719,835	5,623,063	(562,306)	(10.0%)	5,060,757	79,284	1.4%	5,702,347
Federal Funds	455,344	0	3,197,852	0.0%	3,197,852	3,204,330	0.0%	3,204,330
Special Funds	1,750,020	4,231,641	0	0.0%	4,231,641	157,143	3.7%	4,388,784
Total Funding Source	8,925,199	9,854,704	2,635,546	26.7%	12,490,250	3,440,757	34.9%	13,295,461
Total FTE	32.00	32.00	0.00	0.0%	32.00	0.00	0.0%	32.00

Statutory Authority

North Dakota Century Code Chapter 54-44.

Agency Description

- Fiscal Management oversees the budgeting, accounting, payroll, purchasing card program and financial reporting functions for North Dakota state government entities.
- Human Resource Management Services (HRMS) provides human resource guidance and assistance, promotes consistent HR practices, maintains the state classification and compensation plan, and provides training and mediation services to state agencies.
- Central Services provides procurement services, printing services, a central mail room service, 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 requirements and provides tours.
- 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 include the south entrance remodel and redesign and replacement of the adjacent visitor's parking lot. During FY2020, tour guides provided tours to 5,238 visitors.
2. Fiscal Management: Updated and enhanced the state's transparency website. Converted North Dakota Housing & Finance employees to the state's payroll system. Completed Fluid upgrade of PeopleSoft Finance HR/Payroll system. Implemented the JPMorgan Single Use Virtual Card Program (SUA). Implemented new Employment Verification process with uConfirm. Upgraded the Cognos Business Intelligence software for PeopleSoft reporting.
3. Central Services: Provided procurement support to major information technology projects and established many new state contracts, including COVID-19 related PPE contracts. Central Duplicating and the Bank of North Dakota collaborated to transition BND printing equipment and printing/mail operations to Central Duplicating, resulting in cost savings for both agencies. Conducted a study of eProcurement to prepare for system replacement of an aging procurement notice system. Added PPE to inventory at Central Supply in response to the pandemic.
4. Risk Management: Maintained the state's actuarially projected funding needs for the 2021-23 biennium at \$3.2 million. Third party claims remained consistent with an average of 129 claims, down from a high of 351 claims in FY2001. State

entities have overall reduced their required contributions to the fund by \$1.9 million by participating in the discount program. Provided resources and training to assist approximately 85 percent of state entities to develop Continuity of Operations Plans and implement procedures for emergency notification.

5. Assumed responsibility for state entity cyber liability exposures (except BND).
5. Human Resource Management Services (HRMS): Provided state employees with PeopleSoft Total Rewards statements, showing the value of state compensation and benefits package. Developed and implemented an automated onboarding process for hires/rehires/transfers that allows delivery of a uniform hire process. Led the effort in the development of 23 universal employment policies that were enacted in cabinet agencies and made available for non-cabinet agency use. Updated the OMB Human Resource manual used by many agencies as a template. Updated ELM learning library to include courses from other agencies for cross-agency use. Developed Rising Leaders program for state interns. Developed and hosted a series of six 1-hour learning sessions with plans to extend the series year-round to feature all agencies and a variety of career fields. The series was created to help build a pipeline of talented candidates for future roles in Team ND. HRMS assumed full HR service responsibility for the Department of Environmental Quality. Coordinated with several other agencies to renew involvement in campus recruiting and job fair efforts and participated in seventeen events. Also, due to COVID-19 pandemic, transitioning to virtual events.

Executive Budget Recommendation

- Adds \$724,282 in General Fund authority and repurposes four vacant FTE for an HR officer and three procurement officers.
- Converts the Facility Management staff payroll from General Fund to special funds as part of the proposed new rent model change.
- Continues guardianship grants at the current level.
- Provides over \$3.0 million in special fund authority for projects on the capitol complex: ADA improvements, building automation upgrade, exterior and interior wayfinding signs, parking and road repairs and mechanical improvements.
- Provides General Fund authority of \$1.4 million dollars, of which \$1.2 is one-time for the replacement of the budget system.
- Provides \$2.0 million from the General Fund for a new eProcurement system.
- Provides \$137.1 million in bonding authority for projects in the Capitol and state owned buildings. These projects include: \$130.5 million for maintenance and repair projects identified from the Sitelogiq study at state buildings, \$5.5 million for reconfiguring of space in the Capitol and Judicial wing, \$600,000 for ADA improvements throughout the Capitol, and \$500,000 for improvements to the Brynhild Haugland room.
- Transfers 4.0 FTE to NDIT for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

110 Office of Management and Budget

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	8,214,086	9,164,824	(1,420,882)	(15.5%)	7,743,942	(482,723)	(5.3%)	8,682,101
Facility Management	14,579,274	11,776,571	(4,887,406)	(41.5%)	6,889,165	140,813,648	1,195.7%	152,590,219
Fiscal Management	7,841,304	8,126,186	(1,073,169)	(13.2%)	7,053,017	752,069	9.3%	8,878,255
Human Resource Mgmt Service	2,541,022	3,436,080	(420,547)	(12.2%)	3,015,533	(134,022)	(3.9%)	3,302,058
Risk Management	1,320,648	1,668,235	(9,999)	(0.6%)	1,658,236	20,978	1.3%	1,689,213
Central Services	6,434,532	7,490,471	34,647	0.5%	7,525,118	3,161,875	42.2%	10,652,346
Total Major Programs	40,930,866	41,662,367	(7,777,356)	(18.7%)	33,885,011	144,131,825	346.0%	185,794,192
By Line Item								
Salaries and Wages	19,783,545	21,903,816	(5,880,986)	(26.8%)	16,022,830	123,527	0.6%	22,027,343
Operating Expenses	11,370,520	14,937,426	(814,760)	(5.5%)	14,122,666	1,827,304	12.2%	16,764,730
Fiscal Management Carryover	2,078,398	0	0	0.0%	0	0	0.0%	0
State Contingency Fund	0	500,000	(500,000)	(100.0%)	0	(500,000)	(100.0%)	0
Capital Assets	1,884,942	767,125	(2,610)	(0.3%)	764,515	142,767,494	18,610.7%	143,534,619
Capital Construction Carryover	1,943,158	0	0	0.0%	0	0	0.0%	0
Grants	902,000	54,000	(54,000)	(100.0%)	0	(54,000)	(100.0%)	0
Grants - Guardianships	1,328,600	1,950,000	(292,500)	(15.0%)	1,657,500	0	0.0%	1,950,000
Community Service Grants	0	350,000	(52,500)	(15.0%)	297,500	(52,500)	(15.0%)	297,500
Prairie Public Broadcasting	1,200,000	1,200,000	(180,000)	(15.0%)	1,020,000	(180,000)	(15.0%)	1,020,000
Student Internship Program	0	0	0	0.0%	0	200,000	100.0%	200,000
Health Insurance Pool - Temp Employees	439,703	0	0	0.0%	0	0	0.0%	0
Total Line Items	40,930,866	41,662,367	(7,777,356)	(18.7%)	33,885,011	144,131,825	346.0%	185,794,192
By Funding Source								
General Fund	30,900,781	32,915,852	(7,777,356)	(23.6%)	25,138,496	(1,019,072)	(3.1%)	31,896,780
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	10,030,085	8,746,515	0	0.0%	8,746,515	145,150,897	1,659.5%	153,897,412
Total Funding Source	40,930,866	41,662,367	(7,777,356)	(18.7%)	33,885,011	144,131,825	346.0%	185,794,192
Total FTE	117.00	112.00	0.00	0.0%	112.00	(4.00)	(3.6%)	108.00

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: EduTech, the Longitudinal Data System initiative, K-12 Network Connectivity, the Geographic Information System program, the Health Information Exchange, and the State Interoperability Radio Network (SIRN).

Major Accomplishments

1. Transferred 96 IT professionals to the shared services team. Provided desktop support and incident management/help desk services to the unified agencies.
2. Advised, oversaw, and regulated cybersecurity strategy for all state executive branch agencies, including institutions under the control of the State Board of

Higher Education, counties, cities, and school districts. The department consulted with the Attorney General and the legislative and judicial branches regarding cybersecurity strategy.

3. Entered execution Summer 2019 with the build out of the SIRN Core in Bismarck and Fargo. Followed by the first and second rounds of PSAP console replacements bringing 50 percent of the PSAPs on the new consoles.
4. Upgraded the IT Service Management tool.
5. Provided response to COVID-19 that enabled telework for more than 7,000 state team members within 48 hours, Virtual Private Network expanded for additional 10,000 remote workers to enable secure connection to the state network and mandated multi-factor authentication to ensure secure remote connectivity.

Executive Budget Recommendation

- Transfers in 66.00 FTE as part of the IT unification initiative.
- Provides \$20.2 million in special funds from June 30, 2021 Legacy Fund earnings to expand cybersecurity tool sets and adds 29.00 new FTE to increase threat detection and remediation for all levels of government including K-12, higher education and political subdivisions with no additional costs to the end users.
- Transfers maintenance of the State Radio towers to NDIT from the Office of Adjutant General budget, which will have no effect on the General Fund.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

112 Information Technology

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ITD General Fund Expenditures	6,359,222	8,775,722	(651,518)	(7.4%)	8,124,204	(349,468)	(4.0%)	8,426,254
ITD Federal Fund Expenditures	270,728	2,078,179	0	0.0%	2,078,179	0	0.0%	2,078,179
ITD K-12 Support	13,595,634	14,723,743	(1,097,373)	(7.5%)	13,626,370	(894,486)	(6.1%)	13,829,257
Center for Distance Education	7,406,135	0	0	0.0%	0	0	0.0%	0
Health Information Exchange	7,940,768	4,379,146	(2,675,000)	(61.1%)	1,704,146	3,774,720	86.2%	8,153,866
ITD Special Revenue Fund Expenditures	825,688	12,885,979	0	0.0%	12,885,979	1,866,314	14.5%	14,752,293
ITD Special Fund Expenditures	121,372,128	170,204,876	2,707,360	1.6%	172,912,236	57,789,050	34.0%	227,993,926
Total Major Programs	157,770,303	213,047,645	(1,716,531)	(0.8%)	211,331,114	62,186,130	29.2%	275,233,775
By Line Item								
Salaries and Wages	56,872,814	81,374,501	917,911	1.1%	82,292,412	25,191,358	31.0%	106,565,859
Operating Expenses	64,515,175	89,957,364	2,614,650	2.9%	92,572,014	31,808,134	35.4%	121,765,498
Capital Assets	2,056,501	4,253,117	(940,242)	(22.1%)	3,312,875	(740,242)	(17.4%)	3,512,875
Center for Distance Education	7,406,135	0	0	0.0%	0	0	0.0%	0
Statewide Data System	4,310,560	4,387,145	(438,714)	(10.0%)	3,948,431	115,815	2.6%	4,502,960
Educational Technology Council	506,984	0	0	0.0%	0	0	0.0%	0
Edutech	8,654,372	9,645,773	(589,575)	(6.1%)	9,056,198	86,275	0.9%	9,732,048
Wide Area Network	4,434,278	5,167,970	(507,798)	(9.8%)	4,660,172	(480,761)	(9.3%)	4,687,209
Geographic Information System	1,072,716	1,052,629	(97,763)	(9.3%)	954,866	52,017	4.9%	1,104,646
Health Info Technology Office	7,940,768	4,879,146	(2,675,000)	(54.8%)	2,204,146	4,287,220	87.9%	9,166,366
SIRN	0	12,330,000	0	0.0%	12,330,000	1,866,314	15.1%	14,196,314
Total Line Items	157,770,303	213,047,645	(1,716,531)	(0.8%)	211,331,114	62,186,130	29.2%	275,233,775
By Funding Source								
General Fund	20,518,412	17,165,311	(1,716,531)	(10.0%)	15,448,780	659,528	3.8%	17,824,839
Federal Funds	270,728	2,078,179	0	0.0%	2,078,179	5,318,972	255.9%	7,397,151
Special Funds	136,981,163	193,804,155	0	0.0%	193,804,155	56,207,630	29.0%	250,011,785
Total Funding Source	157,770,303	213,047,645	(1,716,531)	(0.8%)	211,331,114	62,186,130	29.2%	275,233,775
Total FTE	344.30	402.00	0.00	0.0%	402.00	95.00	23.6%	497.00

Statutory Authority

North Dakota Century Code Chapter 54-10.

Agency Description

The State Auditor is a constitutional state official who is elected by the citizens of North Dakota. The Office of the State Auditor is divided into five divisions. The division of State Audits, the largest division, is responsible for auditing state government, including higher education, and conducts financial, compliance, performance, and information system audits. The division of Local Government Audits performs audits of counties, cities, school districts, and numerous 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 division of North Dakota University Systems Performance Audits reviews the adequacy of selected activities of the ND Board of Higher Education. The administration team provides essential support for all our divisions.

Major Accomplishments

1. Received the highest possible rating from the National State Auditors Association in the peer-review process.
2. Audited over \$12.70 billion in 2019.
3. Awarded second place for Most Improved Publication from the National Association of Government Communicators.
4. Awarded Top 10 Workplace for Young Professionals by the Bismarck-Mandan Young Professionals Network.

Executive Budget Recommendation

- Reduces the 2019-21 legislative General Fund on-going appropriation by \$839,473.
- Provides \$744,458 from special funds to transition 4.0 FTE from the NDUS Performance Audit Division to the Division of Local Government Audits.
- Includes \$165,456 from the General Fund for proposed rent model change.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

117 Office of the State Auditor

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	1,666,116	1,870,982	567,455	30.3%	2,438,437	810,703	43.3%	2,681,685
Division of Local Government Audits	1,615,274	2,535,564	0	0.0%	2,535,564	832,194	32.8%	3,367,758
Division of State Audits	6,717,515	7,602,279	(644,542)	(8.5%)	6,957,737	(460,737)	(6.1%)	7,141,542
Mineral Royalty Auditing	1,148,047	1,337,614	31,874	2.4%	1,369,488	69,520	5.2%	1,407,134
NDUS Performance Audit	875,978	933,599	(933,599)	(100.0%)	0	(933,599)	(100.0%)	0
Total Major Programs	12,022,930	14,280,038	(978,812)	(6.9%)	13,301,226	318,081	2.2%	14,598,119
By Line Item								
Salaries and Wages	10,883,408	12,668,218	(1,071,535)	(8.5%)	11,596,683	11,054	0.1%	12,679,272
Operating Expenses	1,123,523	1,161,820	92,723	8.0%	1,254,543	307,027	26.4%	1,468,847
Capital Assets	15,999	0	0	0.0%	0	0	0.0%	0
Information Tech Consultants	0	450,000	0	0.0%	450,000	0	0.0%	450,000
Total Line Items	12,022,930	14,280,038	(978,812)	(6.9%)	13,301,226	318,081	2.2%	14,598,119
By Funding Source								
General Fund	9,258,650	10,106,860	(1,010,686)	(10.0%)	9,096,174	(585,036)	(5.8%)	9,521,824
Federal Funds	1,148,934	1,337,614	31,874	2.4%	1,369,488	70,116	5.2%	1,407,730
Special Funds	1,615,346	2,835,564	0	0.0%	2,835,564	833,001	29.4%	3,668,565
Total Funding Source	12,022,930	14,280,038	(978,812)	(6.9%)	13,301,226	318,081	2.2%	14,598,119
Total FTE	56.00	58.00	0.00	0.0%	58.00	0.00	0.0%	58.00

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 the Tax Distribution Outstanding Check (TDOC) system to accommodate the legislative changes made to the Oil and Gas Gross Production Tax distribution.
2. Completed the conversion of the agency website to the state's website platform to give added flexibility in maintaining the website as well as allow further enhancements to be implemented more cost-efficiently and timely.

3. Updated all processes to allow for efficient and effective remote work which will give added flexibility to staff and increase efficiency and effectiveness of the office.
4. Created and tested the required processes and systems to distribute the newly created "Prairie Dog" funds. Also created the system to accept, compile, and report the required informational filings of each recipient political subdivision.
5. Provided analysis, data, and explanations of various tax distributions and state laws to legislators, employees of other state agencies, officials and employees of local political subdivisions and the public.
6. Maintained and strengthened the line of communication with financial officers throughout state government to address the daily cash needs and expenditures of each agency.
7. Increased cross-training for all staff and updated and tested procedure manuals for each position, essential to the success of a small-staffed agency.
8. Expanded the communication and outreach of financial topics throughout the state by submitting monthly articles to the North Dakota Newspaper Association and averaging 14 weekly publications per month through the year.

Executive Budget Recommendation

- Recommends budget as requested.
- Includes \$77,019 from the General Fund for proposed rent model change.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

120 Office of the State Treasurer

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	9,622,327	1,746,370	(87,318)	(5.0%)	1,659,052	33,097	1.9%	1,779,467
Total Major Programs	9,622,327	1,746,370	(87,318)	(5.0%)	1,659,052	33,097	1.9%	1,779,467
By Line Item								
Salaries and Wages	1,270,077	1,383,141	13,259	1.0%	1,396,400	55,884	4.0%	1,439,025
Operating Expenses	195,893	192,229	(47,577)	(24.8%)	144,652	30,213	15.7%	222,442
Technology Project Carryover	20,000	0	0	0.0%	0	0	0.0%	0
Coal Severence Payments	171,357	171,000	(53,000)	(31.0%)	118,000	(53,000)	(31.0%)	118,000
Township Allocation	7,965,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	9,622,327	1,746,370	(87,318)	(5.0%)	1,659,052	33,097	1.9%	1,779,467
By Funding Source								
General Fund	1,657,327	1,746,370	(87,318)	(5.0%)	1,659,052	33,097	1.9%	1,779,467
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	7,965,000	0	0	0.0%	0	0	0.0%	0
Total Funding Source	9,622,327	1,746,370	(87,318)	(5.0%)	1,659,052	33,097	1.9%	1,779,467
Total FTE	7.00	7.00	0.00	0.0%	7.00	0.00	0.0%	7.00

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, 50-24.8, 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, Medicaid Fraud Control, and State and Local Government.

Major Accomplishments

1. Established the Medicaid Fraud Control Unit to investigate alleged Medicaid fraud.
2. Established the Social Security Cooperative Disability Investigation Unit to assist with the investigations of alleged federal fraud in the Social Security Administration's disability programs and related federal and state programs such as housing benefits, food stamps, etc.
3. Teamed with the North Dakota Human Trafficking Task Force in collecting and evaluating data on human trafficking activities in the state and promoting public awareness and training efforts.
4. Established a reporting mechanism on the Attorney General's website allowing law enforcement agencies to report on civil asset forfeiture proceedings across the state.
5. Conducted 249 fire origin and cause investigations during the 2017-19 biennium, a 12 percent increase over the prior biennium.
6. Assisted the Department of Environmental Quality with its regulatory work involving air pollution control, asbestos removal, water pollution control, and solid waste and hazardous waste management. During the 2017-19 biennium,

60 enforcement actions were initiated, collecting more nearly \$6.7 million in penalties for violations.

7. Assisted the Industrial Commission with over 2,200 oil and gas administrative hearings and assisted the Commission's Department of Mineral Resources in pursuing 16 civil administrative cases for violations of the Commission's rules, orders, and regulations. Through those actions nearly \$2.6 million has been collected in penalties.
8. Sued the U.S. Army Corps of Engineers for its negligent actions and inaction during the DAPL protest which resulted in over \$38.0 million in damages to the state.
9. Implemented the regulatory structure for the new electronic pull tab devices and regulated a new gaming system that has resulted in more than \$1.26 billion in gaming wagers to date.
10. Issued 26 legal opinions, 19 of which were open meeting/open records opinions, and provided high level legal services to various state agencies contending with numerous COVID-19 related issues.
11. Filed 187 civil actions against individuals and businesses for violating consumer fraud laws, resulting in over \$5.2 million refunded to consumers and \$6.9 million in costs and penalties awarded to the state.
12. Processed 15,629 criminal cases at the Crime Laboratory during the 2017-19 biennium.
13. Generated net Lottery proceeds of \$15.9 million for deposit in the general fund.

Executive Budget Recommendation

- Restores \$3.5 million in General Funds to the salaries line reduced in the agency's base budget.
- Adds 4.00 FTE to the Gaming division along with operating costs to help regulate the increased use of electronic pull tabs.
- Provides \$382,662 from the General Fund for IT projects in the CJIS division.
- Adds \$1.1 million in one-time federal fund authority for the purchase of crime lab equipment.
- Provides \$300,000 in federal fund authority to continue the upgrade of the Automated Fingerprint Identification System (AFIS) to the Automated Biometric Information System (ABIS).
- Provides \$475,000 in special funds for phase 3 and 4 of the Gaming System. These last two phases will complete the project.
- Adds \$3.0 million from the General Fund for a statewide litigation pool.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

125 Office of the Attorney General

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Finance and Administration	4,181,284	8,803,816	(1,658,476)	(18.8%)	7,145,340	(1,053,373)	(12.0%)	7,750,443
Information Technology	10,107,147	11,794,704	(1,130,539)	(9.6%)	10,664,165	482,135	4.1%	12,276,839
Attorney General Administration	1,257,431	1,388,551	(1)	0.0%	1,388,550	52,515	3.8%	1,441,066
Medicaid Fraud Control Unit	0	1,495,550	61,162	4.1%	1,556,712	106,029	7.1%	1,601,579
Legal Services	27,888,938	12,649,631	(592,425)	(4.7%)	12,057,206	2,989,481	23.6%	15,639,112
Bureau of Criminal Investigation	20,779,925	23,810,383	(2,716,778)	(11.4%)	21,093,605	136,614	0.6%	23,946,997
Crime Lab	8,617,952	8,327,559	(916,370)	(11.0%)	7,411,189	1,016,494	12.2%	9,344,053
Consumer Protection	1,899,430	2,291,651	(15,453)	(0.7%)	2,276,198	41,536	1.8%	2,333,187
Gaming	2,939,858	3,419,075	(246,971)	(7.2%)	3,172,104	1,073,652	31.4%	4,492,727
Fire Marshal	1,415,555	2,318,506	(142,124)	(6.1%)	2,176,382	(86,892)	(3.7%)	2,231,614
Lottery	3,673,499	5,191,454	16,135	0.3%	5,207,589	76,036	1.5%	5,267,490
Total Major Programs	82,761,019	81,490,880	(7,341,840)	(9.0%)	74,149,040	4,834,227	5.9%	86,325,107

By Line Item								
Salaries and Wages	39,052,224	45,954,981	(3,474,588)	(7.6%)	42,480,393	1,967,547	4.3%	47,922,528
Operating Expenses	11,758,433	15,588,646	(1,308,550)	(8.4%)	14,280,096	586,627	3.8%	16,175,273
Capital Assets	2,330,092	804,380	(156,325)	(19.4%)	648,055	934,841	116.2%	1,739,221
Technology Project Carryover	1,136,096	0	0	0.0%	0	0	0.0%	0
Grants	1,717,801	4,418,440	(755,000)	(17.1%)	3,663,440	(755,000)	(17.1%)	3,663,440
Law Enforcement Grants	226,820	0	0	0.0%	0	0	0.0%	0
Human Traffic Victims Grants	255,065	1,400,000	(400,000)	(28.6%)	1,000,000	(397,644)	(28.4%)	1,002,356
Forensic Nurse Examiner Grants	0	250,000	(37,501)	(15.0%)	212,499	(36,635)	(14.7%)	213,365
Litigation Fees	16,030,340	150,000	(22,500)	(15.0%)	127,500	(22,500)	(15.0%)	127,500
IP Attorney	422,814	442,085	(442,085)	(100.0%)	0	(430,703)	(97.4%)	11,382
Statewide Litigation Pool	0	0	0	0.0%	0	3,000,000	100.0%	3,000,000
Medical Examinations	659,121	660,000	0	0.0%	660,000	0	0.0%	660,000
North Dakota Lottery	3,673,499	5,191,454	16,135	0.3%	5,207,589	76,036	1.5%	5,267,490
Arrest and Return of Fugitives	16,386	10,000	(1,500)	(15.0%)	8,500	(1,500)	(15.0%)	8,500
Gaming Commission	3,509	7,489	0	0.0%	7,489	0	0.0%	7,489
SAVIN Cost-Share Program	16,494	0	0	0.0%	0	0	0.0%	0
Criminal Justice Information Sharing	2,561,008	3,631,121	(416,188)	(11.5%)	3,214,933	179,381	4.9%	3,810,502
Law Enforcement	2,901,317	2,982,284	(343,738)	(11.5%)	2,638,546	(266,223)	(8.9%)	2,716,061
Total Line Items	82,761,019	81,490,880	(7,341,840)	(9.0%)	74,149,040	4,834,227	5.9%	86,325,107

By Funding Source								
General Fund	45,633,407	45,604,596	(6,707,778)	(14.7%)	38,896,818	1,656,105	3.6%	47,260,701
Federal Funds	6,886,409	12,796,916	(70,381)	(0.5%)	12,726,535	1,404,833	11.0%	14,201,749
Special Funds	30,241,203	23,089,368	(563,681)	(2.4%)	22,525,687	1,773,289	7.7%	24,862,657
Total Funding Source	82,761,019	81,490,880	(7,341,840)	(9.0%)	74,149,040	4,834,227	5.9%	86,325,107

REQUEST/RECOMMENDATION COMPARISON SUMMARY

125 Office of the Attorney General

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
Total FTE	237.00	245.00	(1.00)	(0.4%)	244.00	3.00	1.2%	248.00

Statutory Authority

North Dakota Century Code Chapters 5-02, 5-03, 57-01 and 57-02.

Agency Description

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

- Commissioner's Division – administrative center of the department.
- Legal Division – provides litigation services and legal advice and counsel to the department and State Board of Equalization.
- Fiscal Management Division – financial center covering revenue accounting, accounts payable, payroll, asset management, purchasing and budgeting.
- Tax Administration Division – administers individual income, corporate 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.
- Property Tax Division – administers property and utility taxes, coal taxes, Homestead Tax Credit and Renter Refund Program, Disabled Veterans Property Tax Credit Program, and provides administrative and technical support to the State Board of Equalization.
- Information Management and Technology Division - leads department technology efforts and safeguarding taxpayer data.

Major Accomplishments

1. Continued to streamline or enhance functions of Gentax & Taxpayer Access Point (TAP). It upgraded Gentax to incorporate new technology and processes; Redesigned TAP to improve customer/user experience with an action center for users and a TAP Assistant function to guide the user making it an easy transition to use TAP from desktop, to tablet, to cell phone.
2. Worked to ensure taxpayers were in compliance with tax laws by performing audits and compliance reviews. During the 2017-19 biennium, over 1,000 sales and corporate audits were conducted with assessments of over \$90.0 million.

3. Partnered with the IRS, tax industry, and other stakeholders to ensure that all confidential information were kept secure. During the last 3-year IRS audit, the Department had no critical findings.
4. Continued to actively participate with committees to improve tribal relations with the state to create consistency within tribal tax agreements.
5. Invested time and technology changes to identify and register companies doing business in North Dakota that were impacted by the Supreme Court decision that overturned the physical presence requirements for sales tax collection and remittance. This has resulted in an additional \$71.0 million in total collections as of August 2020.
6. Developed a web service that allows taxpayers to securely transmit data from their approved tax software with the click of a button. This created a seamless process for the taxpayer and eliminated the need to manage multiple accounts and manually upload files. In 2020, this service provided for electronic filing of W-2s and 1099s which reduced the number of errors, increased efficiency by saving approximately 350 hours of staff time and enhanced our fraud detection capabilities.
7. Moved deadline for income tax returns to July 15, which impacted processes and programs were thoroughly reviewed and changes implemented to ensure that the system was appropriately using the correct due date, tax returns would continue to be processed timely, and that taxpayers were provided with the information and resources they needed to work with the new deadline.

Executive Budget Recommendation

- Provides \$7.8 million to increase funds available for the Homestead and Disabled Veterans' tax credit programs.
- Adds \$1.4 million to agency base request to continue maintenance and support of GenTax, the integrated tax processing software.
- Removes 5.0 FTE positions.
- Includes the Tax Department in a funding pool included in Attorney General's budget for potential litigation.
- Includes \$638,554 from the General Fund for proposed rent model change.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

127 Office of State Tax Commissioner

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Tax Department	26,767,439	29,986,416	(4,479,213)	(14.9%)	25,507,203	587,841	2.0%	30,574,257
Homestead Tax Credit	16,218,623	15,800,000	2,200,000	13.9%	18,000,000	2,200,000	13.9%	18,000,000
Disabled Veteran Credit	8,806,231	8,410,200	5,589,800	66.5%	14,000,000	5,589,800	66.5%	14,000,000
Total Major Programs	51,792,293	54,196,616	3,310,587	6.1%	57,507,203	8,377,641	15.5%	62,574,257
By Line Item								
Salaries and Wages	20,271,647	22,867,956	(3,423,552)	(15.0%)	19,444,404	(404,373)	(1.8%)	22,463,583
Operating Expenses	6,495,792	7,112,460	(1,055,661)	(14.8%)	6,056,799	992,214	14.0%	8,104,674
Capital Assets	0	6,000	0	0.0%	6,000	0	0.0%	6,000
Homestead Tax Credit	16,218,623	15,800,000	2,200,000	13.9%	18,000,000	2,200,000	13.9%	18,000,000
Disabled Veteran Credit	8,806,231	8,410,200	5,589,800	66.5%	14,000,000	5,589,800	66.5%	14,000,000
Total Line Items	51,792,293	54,196,616	3,310,587	6.1%	57,507,203	8,377,641	15.5%	62,574,257
By Funding Source								
General Fund	51,769,952	54,071,616	3,310,587	6.1%	57,382,203	8,377,641	15.5%	62,449,257
Federal Funds	22,341	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	51,792,293	54,196,616	3,310,587	6.1%	57,507,203	8,377,641	15.5%	62,574,257
Total FTE	133.00	123.00	0.00	0.0%	123.00	(5.00)	(4.1%)	118.00

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 (North Dakota Administrative 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 ProLaw case management and billing software to version 2019.1 SP1 in Spring 2020.
3. Collaborated with Workforce Safety and Insurance in submitting statistical information regarding results under the case processing standards and policies to the legislative management and the state advisory council each quarter.

Executive Budget Recommendation

- Recommends the budget as requested.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

140 Office of Administrative Hearings

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Office of Administrative Hearings Services	2,566,700	2,830,664	(88,999)	(3.1%)	2,741,665	(48,247)	(1.7%)	2,782,417
Total Major Programs	2,566,700	2,830,664	(88,999)	(3.1%)	2,741,665	(48,247)	(1.7%)	2,782,417
By Line Item								
Salaries and Wages	1,165,695	1,248,330	20,811	1.7%	1,269,141	61,012	4.9%	1,309,342
Operating Expenses	1,401,005	1,582,334	(109,810)	(6.9%)	1,472,524	(109,259)	(6.9%)	1,473,075
Total Line Items	2,566,700	2,830,664	(88,999)	(3.1%)	2,741,665	(48,247)	(1.7%)	2,782,417
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	2,566,700	2,830,664	(88,999)	(3.1%)	2,741,665	(48,247)	(1.7%)	2,782,417
Total Funding Source	2,566,700	2,830,664	(88,999)	(3.1%)	2,741,665	(48,247)	(1.7%)	2,782,417
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, and 54-03.2.

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 constitutional responsibilities within 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 by agency.
- Adds \$15,533 in General Fund authority for Office 365 upgrade.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

150 Legislative Assembly

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND Legislative Assembly	14,048,929	15,307,755	5,006,906	32.7%	20,314,661	5,022,439	32.8%	20,330,194
Total Major Programs	14,048,929	15,307,755	5,006,906	32.7%	20,314,661	5,022,439	32.8%	20,330,194
By Line Item								
Salaries and Wages	10,380,578	11,190,844	1,110,150	9.9%	12,300,994	1,110,150	9.9%	12,300,994
Operating Expenses	3,332,576	3,847,478	3,888,856	101.1%	7,736,334	3,904,389	101.5%	7,751,867
Capital Assets	110,620	6,000	0	0.0%	6,000	0	0.0%	6,000
Ntl Conference of State Legislature	225,155	263,433	7,900	3.0%	271,333	7,900	3.0%	271,333
Total Line Items	14,048,929	15,307,755	5,006,906	32.7%	20,314,661	5,022,439	32.8%	20,330,194
By Funding Source								
General Fund	14,048,929	15,307,755	5,006,906	32.7%	20,314,661	5,022,439	32.8%	20,330,194
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	14,048,929	15,307,755	5,006,906	32.7%	20,314,661	5,022,439	32.8%	20,330,194
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 staff, provides administrative, research, analysis, drafting, and technical support services for the legislative branch.

Major Accomplishments

The Legislative Management and its interim committees:

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

The Legislative Council staff performed 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 by agency.
- Adds \$3,745 in General Fund authority for Office 365 upgrade.
- Adds \$331,229 in General Fund authority for proposed rent model for the capital complex.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

160 Legislative Council

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Fiscal Services	2,526,120	3,124,551	17,977	0.6%	3,142,528	95,249	3.0%	3,219,800
Legal Services	2,441,005	3,045,860	25,373	0.8%	3,071,233	98,306	3.2%	3,144,166
General and Administrative Services	5,192,209	6,789,907	2,384,921	35.1%	9,174,828	2,861,505	42.1%	9,651,412
Total Major Programs	10,159,334	12,960,318	2,428,271	18.7%	15,388,589	3,055,060	23.6%	16,015,378
By Line Item								
Salaries and Wages	8,509,080	9,965,717	2,177,187	21.8%	12,142,904	2,469,002	24.8%	12,434,719
Operating Expenses	1,650,254	2,988,601	251,084	8.4%	3,239,685	586,058	19.6%	3,574,659
Capital Assets	0	6,000	0	0.0%	6,000	0	0.0%	6,000
Total Line Items	10,159,334	12,960,318	2,428,271	18.7%	15,388,589	3,055,060	23.6%	16,015,378
By Funding Source								
General Fund	10,110,101	12,890,318	2,428,271	18.8%	15,318,589	3,055,061	23.7%	15,945,379
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	49,233	70,000	0	0.0%	70,000	(1)	0.0%	69,999
Total Funding Source	10,159,334	12,960,318	2,428,271	18.7%	15,388,589	3,055,060	23.6%	16,015,378
Total FTE	36.00	36.00	8.00	22.2%	44.00	8.00	22.2%	44.00

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 and for criminal convictions in Municipal Courts. There are 52 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.
15. Implemented expedited pre-filing mediation for custody and visitation issues.
16. Implemented streamlined Supreme Court procedures.

Executive Budget Recommendation

- Includes the budget as submitted.
- Adds \$755,930 in General Fund authority for the proposed rent model change.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

180 Judicial Branch

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Supreme Court	12,801,802	14,327,524	1,349,514	9.4%	15,677,038	2,382,063	16.6%	16,709,587
District Court	87,106,876	93,919,502	4,609,658	4.9%	98,529,160	6,206,737	6.6%	100,126,239
Judicial Cond Comm and Disc. Board	1,086,192	1,250,962	42,497	3.4%	1,293,459	74,881	6.0%	1,325,843
Total Major Programs	100,994,870	109,497,988	6,001,669	5.5%	115,499,657	8,663,681	7.9%	118,161,669
By Line Item								
Salaries and Wages	76,469,781	84,580,988	2,488,931	2.9%	87,069,919	4,354,908	5.1%	88,935,896
Operating Expenses	21,469,366	23,102,664	(821,414)	(3.6%)	22,281,250	(65,484)	(0.3%)	23,037,180
Capital Assets	1,391,111	0	4,360,000	100.0%	4,360,000	4,360,000	100.0%	4,360,000
Supreme Court- Judges Retirement	17,693	0	0	0.0%	0	0	0.0%	0
Judicial Conduct Comm & Disciplinary Brd	1,086,192	1,250,962	42,497	3.4%	1,293,459	74,881	6.0%	1,325,843
District Court- Judges Retirement	271,329	280,332	(66,086)	(23.6%)	214,246	(66,086)	(23.6%)	214,246
Guardianship Program	249,398	283,042	(2,259)	(0.8%)	280,783	5,462	1.9%	288,504
Und-Grant	40,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	100,994,870	109,497,988	6,001,669	5.5%	115,499,657	8,663,681	7.9%	118,161,669
By Funding Source								
General Fund	99,325,971	107,355,691	5,949,557	5.5%	113,305,248	8,611,520	8.0%	115,967,211
Federal Funds	1,082,272	1,659,596	32,313	1.9%	1,691,909	32,362	1.9%	1,691,958
Special Funds	586,627	482,701	19,799	4.1%	502,500	19,799	4.1%	502,500
Total Funding Source	100,994,870	109,497,988	6,001,669	5.5%	115,499,657	8,663,681	7.9%	118,161,669
Total FTE	355.50	363.00	0.00	0.0%	363.00	0.00	0.0%	363.00

Statutory Authority

North Dakota Century Code Chapter 54-61.

Agency Description

The North Dakota Commission on Legal Counsel for Indigents is an executive branch agency that consist of a statutorily created board of seven persons appointed from various entities serving staggered terms. The agency is responsible for constitutionally and statutorily mandated services to individuals in the state who financially qualify for indigent defense services in accordance with eligibility requirements. The Commission utilizes eight regional public defender offices and private attorneys with contracts to provide services.

Major Accomplishments

1. Opened the administrative office and eight public defender offices in Grand Forks, Fargo, Bismarck, Minot (2), Williston, Devils Lake and Dickinson. Hired full time employees, 21 which are full time public defenders. The 21 attorneys, plus approximately 70 contracts with private attorneys and additional conflict

(hourly) contractors, provide legal services to indigent clients in criminal and juvenile court in more than 15,000 case assignments annually.

2. Established and adopted minimum performance standards for the attorneys that must be adhered to along with rules of professional responsibility.
3. Provided training at no cost to the attorneys and state. Encouraged training through various mediums throughout the year.
4. Kept abreast of technology to meet the demands of the agency. Developed and implemented a case reporting system to gather necessary data and a case management system to assist the agency in the day to day operations.
5. Monitored case load and addressed fluctuation in need by adjusting contracts accordingly.

Executive Budget Recommendation

- Restores \$919,000 of the agency's base budget reduction from the General Fund to allow them to serve individuals who qualify for indigent defense services.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

188 Commission on Legal Counsel for Indigents

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Counsel for Indigents Operations	18,700,426	20,374,662	(1,838,463)	(9.0%)	18,536,199	(664,959)	(3.3%)	19,709,703
Total Major Programs	18,700,426	20,374,662	(1,838,463)	(9.0%)	18,536,199	(664,959)	(3.3%)	19,709,703
By Line Item								
Legal Counsel for Indigents	18,700,426	20,374,662	(1,838,463)	(9.0%)	18,536,199	(664,959)	(3.3%)	19,709,703
Total Line Items	18,700,426	20,374,662	(1,838,463)	(9.0%)	18,536,199	(664,959)	(3.3%)	19,709,703
By Funding Source								
General Fund	16,711,006	18,384,627	(1,838,463)	(10.0%)	16,546,164	(671,822)	(3.7%)	17,712,805
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,989,420	1,990,035	0	0.0%	1,990,035	6,863	0.3%	1,996,898
Total Funding Source	18,700,426	20,374,662	(1,838,463)	(9.0%)	18,536,199	(664,959)	(3.3%)	19,709,703
Total FTE	40.00	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) 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). Both the TFFR and SIB governing boards are fiduciary boards; board members and agency staff have fiduciary obligations related to the programs. 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 and meet fiduciary obligations. The SIB is responsible for setting policies and procedures guiding the investment of over \$16.00 billion in assets for seven pension funds and 20 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, 2019. This was the 22nd consecutive time RIO received this award.
2. Received the 2019 Public Pension Standards Award for Administration from the Public Pension Coordinating Council (PPCC). TFFR has received a PPCC Award since 1992.
3. Received the 2019 Certificate of Transparency from the National Council on Public Employees Retirement Systems (NCPERS) for participation in the 2019 NCPERS Public Retirement Systems Study.
4. Received unqualified/unmodified audit opinions on its annual financial statements since inception in FY 1990.
5. Rated a 3.6 to 3.8 on a 4.0 scale on SIB and TFFR client satisfaction surveys during the past two fiscal years.
6. Reduced investment management fees during the past six fiscal years from 0.66 percent in FY 2013 to 0.46 percent in FY 2019 (approximately \$30.0 million annual cost reduction based on an average asset base of \$15.00 billion).
7. Generated over \$100.0 million of incremental income for SIB clients in the last five years, by successfully employing active investment management.

Executive Budget Recommendation

- Provides funding for NDIT desktop support services.
- Restores salary funding that was removed in the base budget.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

190 Retirement and Investment Office

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Teachers Fund for Retirement	2,765,796	3,164,277	(172,300)	(5.4%)	2,991,977	(2,761)	(0.1%)	3,161,516
Investment Program	2,328,817	2,704,887	172,300	6.4%	2,877,187	313,915	11.6%	3,018,802
Total Major Programs	5,094,613	5,869,164	0	0.0%	5,869,164	311,154	5.3%	6,180,318
By Line Item								
Salaries and Wages	4,391,690	4,928,230	159,934	3.2%	5,088,164	345,965	7.0%	5,274,195
Operating Expenses	702,923	888,934	(107,934)	(12.1%)	781,000	(34,811)	(3.9%)	854,123
Contingency	0	52,000	(52,000)	(100.0%)	0	0	0.0%	52,000
Total Line Items	5,094,613	5,869,164	0	0.0%	5,869,164	311,154	5.3%	6,180,318
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	5,094,613	5,869,164	0	0.0%	5,869,164	311,154	5.3%	6,180,318
Total Funding Source	5,094,613	5,869,164	0	0.0%	5,869,164	311,154	5.3%	6,180,318
Total FTE	19.00	20.00	0.00	0.0%	20.00	0.00	0.0%	20.00

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 and vision plans)
- Employee Assistance Program
- Pretax Benefits Program (FlexComp)

Major Accomplishments

1. Refined service purchase cost calculation methodologies for members with multiple service purchases.
2. Reduced the actuarial assumed term rate of return on PERS and Highway Patrol funds effective July 1, 2020.
3. Submitted several options for consideration to the Legislative Employee Benefits Program Committee to address the funded status of the retirement plan.
4. Continued to de-risk the Job Service Plan's investment portfolio by adopting a more conservative asset allocation.
5. Implemented new benefit tiers to the Main and Defined Contribution plans effective January 1, 2020.
6. Implemented a new final average salary computation effective January 1, 2020.
7. Transitioned FlexComp third party administrator effective January 1, 2019.
8. Completed the renewal of the retiree prescription drug plan effective January 1, 2020.

9. Implemented pre-tax HSA employee deductions for members of the HDHP.
10. Partnered and launched Governor's Wellness Initiative Campaign.
11. Terminated the Heart of America HMO Contract.
12. Discontinued the Long Term Care plan effective January 1, 2019.
13. Explored a Supplement Plan G option for retirees.
14. Implemented a value-based care option in the health plan.
15. Offering a high deductible health plan to eligible political subdivisions.
16. Submitted administrative rule changes in relation to exit liabilities for Defined Benefit plans.
17. Adopted quarterly emergency notification processes on staff and biannual processes for the board.
18. Adopted an annual Code of Ethical Responsibility acknowledgement for the board.
19. Began programming for comprehensive retirement application wizards.
20. Partnered with Higher Education on programming a demographic inbound file.
21. Completed an office remodel of reception area to increase the security.
22. Partnered with NDIT and OMB on programming a benefit enrollment outbound file.
23. Enhanced security for the Member Self-Service portal by requiring multi-factor authentication.
24. Developed a scalable portal for members and employers to access benefit information.
25. Completed an office risk assessment with the Department of Homeland Security.
26. Completed an independent IT risk assessment.
27. Completed individual division risk assessments.
28. Partnered with HRMS to implement a statewide onboarding process for new hires.

Executive Budget Recommendation

- Restores the public information specialist position removed in the base budget.
- Adds .20 FTE to make the receptionist position a full FTE.
- Provides funding to upgrade PERSLink to Business Process Management.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

192 Public Employees Retirement System

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
PERS	8,594,284	9,346,193	0	0.0%	9,346,193	761,919	8.2%	10,108,112
Total Major Programs	8,594,284	9,346,193	0	0.0%	9,346,193	761,919	8.2%	10,108,112
By Line Item								
Salaries and Wages	6,089,902	6,652,604	68,781	1.0%	6,721,385	450,159	6.8%	7,102,763
Operating Expenses	2,504,382	2,443,589	(68,781)	(2.8%)	2,374,808	54,160	2.2%	2,497,749
Capital Assets	0	0	0	0.0%	0	257,600	100.0%	257,600
Contingency	0	250,000	0	0.0%	250,000	0	0.0%	250,000
Total Line Items	8,594,284	9,346,193	0	0.0%	9,346,193	761,919	8.2%	10,108,112
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	8,594,284	9,346,193	0	0.0%	9,346,193	761,919	8.2%	10,108,112
Total Funding Source	8,594,284	9,346,193	0	0.0%	9,346,193	761,919	8.2%	10,108,112
Total FTE	34.50	34.50	0.00	0.0%	34.50	1.00	2.9%	35.50

Statutory Authority

North Dakota Century Code Chapter 54-66

Agency Description

North Dakota voters approved a constitutional amendment in November 2018 to establish an ethics commission to strengthen the confidence of the people in their government. On January 5, 2019 Article XIV of the North Dakota Constitution became effective establishing the North Dakota Ethics Commission.

The Commission consists of five members appointed by consensus agreement of the governor and the Senate majority and minority leaders. As a state agency, the Commission also includes an Executive Director and an Office Manager.

The Commission is tasked with developing rules and ensuring an open, ethical and accountable government through a prompt and fair complaint process.

Major Accomplishments

1. Completed staffing.
2. Completed and filed complaint rules.
3. Drafted gift rules.

Executive Budget Recommendation

- Provides \$100,000 from the General Fund for agency operations in addition to the base budget request.
- Provides \$50,000 from the General Fund for agency contingencies.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

195 Ethics Commission

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Ethics Commission	0	517,155	(25,858)	(5.0%)	491,297	136,519	26.4%	653,674
Total Major Programs	0	517,155	(25,858)	(5.0%)	491,297	136,519	26.4%	653,674
By Line Item								
Ethics Commission	0	517,155	(25,858)	(5.0%)	491,297	136,519	26.4%	653,674
Total Line Items	0	517,155	(25,858)	(5.0%)	491,297	136,519	26.4%	653,674
By Funding Source								
General Fund	0	517,155	(25,858)	(5.0%)	491,297	136,519	26.4%	653,674
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	0	517,155	(25,858)	(5.0%)	491,297	136,519	26.4%	653,674
Total FTE	0.00	2.00	0.00	0.0%	2.00	0.00	0.0%	2.00

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 Cognia, 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 the Departments of Commerce and Human Services to deliver prekindergarten community grants.
- Administer state and federal programs identified in state law.
- Chair the board of the nominating committee for the state Board of Higher Education.
- 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 the implementation of high school graduation requirements.
- Support Local Education Agencies with technical and professional support.

Major Accomplishments

1. Created the public education dashboard, Insights, with NDUS and ITD.
2. Implemented a statewide student eligibility system that allows families to apply for free or reduced-price school meals online.
3. Implemented a system for school districts to track expenditures to the building level to comply with Every Student Succeeds Act (ESSA).
4. Updated the state academic content standards for health education, early childhood education, and science.
5. Developed and implemented the Trauma Sensitive School Initiative, which has over 400 trainers that trained over 9,000 educators.

6. Achieved 1,350 GED graduates with a 91 percent pass rate compared to the national pass rate of 83 percent.
7. Partnered with the Regional Education Laboratory Central and the Rural Education Research Alliance to develop a plan to recruit and retain teachers in rural areas, close achievement gaps, and increase the use of distance technologies.
8. Created innovative education administrative rules, provided technical assistance to schools, and processed eight applications.
9. Moved the Head Start/Early Head Start program from OHS to DPI.
10. Completed Phase II and III of the North Dakota Native American Essential Understandings.
11. Worked with the WIDA states to conduct a standard-setting process to ensure the annual English language proficiency assessment accurately and reliably measures the academic language needed to meet 21st century learning standards.
12. Partnered with NCCC to conduct a needs assessment of professional development regarding English learners and offered training sessions for educators.
13. Leveraged partnerships with comprehensive centers and external partners to provide a menu of interventions to support evidence-based research under ESSA.
14. Achieved a 9.79 percent increase in the six-year extended graduation rate for students with emotional disabilities, through the State Systemic Improvement Plan.
15. Delivered a unique state assessment.
16. Incorporated Lexile and Quantile scores on student reports.
17. Led the nation in allowing local districts to chose ACT as their state assessment.
18. Deployed the first-ever blended college readiness model of the National Math + Science Initiative to rural school districts.
19. Coordinated facilitation of the first-ever ND state K-12 education vision involving multiple state entities.

Executive Budget Recommendation

- Restores partial reduction to PowerSchool.
- Provides federal fund authority to expend remaining Elementary and Secondary School Emergency Relief (ESSER) funds.
- Adds \$3.0 million from the General Fund for increased costs in special education contracts.
- Provides a one-time transfer of \$83.0 million from the Foundation Aid Stabilization Fund to offset General Fund costs in the integrated formula line.
- Provides a one-time transfer of \$3.0 million from the Foundation Aid Stabilization Fund for a teacher support program.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

201 Department of Public Instruction

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
General Management	4,430,082	4,721,953	79,807	1.7%	4,801,760	133,507	2.8%	4,855,460
Educational Success and Community Support	297,732,712	335,802,735	(3,413,466)	(1.0%)	332,389,269	28,225,387	8.4%	364,028,122
Information and Administrative Support	7,917,679	8,773,525	275,663	3.1%	9,049,188	831,499	9.5%	9,605,024
School Finance	2,007,731,502	2,184,416,667	(771,862)	0.0%	2,183,644,805	16,833,612	0.8%	2,201,250,279
Total Major Programs	2,317,811,975	2,533,714,880	(3,829,858)	(0.2%)	2,529,885,022	46,024,005	1.8%	2,579,738,885
By Line Item								
Salaries and Wages	15,715,001	18,027,035	0	0.0%	18,027,035	548,614	3.0%	18,575,649
Operating Expenses	21,685,785	33,770,947	(1,975,293)	(5.8%)	31,795,654	1,732,652	5.1%	35,503,599
Integrated Formula Payments	1,918,414,040	2,098,202,429	0	0.0%	2,098,202,429	14,022,304	0.7%	2,112,224,733
Grants-Special Education	23,300,000	24,000,000	0	0.0%	24,000,000	3,000,000	12.5%	27,000,000
Grants-Transportation	54,302,673	56,500,000	0	0.0%	56,500,000	0	0.0%	56,500,000
Grants-Program Grants	6,761,772	7,680,000	(600,000)	(7.8%)	7,080,000	2,400,000	31.3%	10,080,000
Grants-Passthrough Grants	2,898,000	2,863,764	(429,565)	(15.0%)	2,434,199	(429,565)	(15.0%)	2,434,199
Grants-Other Grants	263,433,694	287,062,705	0	0.0%	287,062,705	25,000,000	8.7%	312,062,705
Rapid Enrollment Grants	6,000,000	0	0	0.0%	0	0	0.0%	0
Power School	5,177,275	5,500,000	(825,000)	(15.0%)	4,675,000	(250,000)	(4.5%)	5,250,000
Transportation Efficiency	3,735	0	0	0.0%	0	0	0.0%	0
National Board Certification	120,000	108,000	0	0.0%	108,000	0	0.0%	108,000
Total Line Items	2,317,811,975	2,533,714,880	(3,829,858)	(0.2%)	2,529,885,022	46,024,005	1.8%	2,579,738,885
By Funding Source								
General Fund	1,423,099,588	1,721,161,137	(3,829,856)	(0.2%)	1,717,331,281	(123,105,730)	(7.2%)	1,598,055,407
Federal Funds	287,194,492	322,916,553	(1)	0.0%	322,916,552	27,872,696	8.6%	350,789,249
Special Funds	607,517,895	489,637,190	(1)	0.0%	489,637,189	141,257,039	28.8%	630,894,229
Total Funding Source	2,317,811,975	2,533,714,880	(3,829,858)	(0.2%)	2,529,885,022	46,024,005	1.8%	2,579,738,885
Total FTE	91.75	89.25	0.00	0.0%	89.25	0.00	0.0%	89.25

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 NDUS' 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. Implemented a detection and response platform to prevent, detect, investigate, and respond to security alerts and incidents across the NDUS.
2. Developed the ND Career Builders scholarship and loan forgiveness program, in conjunction with multiple state agencies and private-sector partners, to address the state's workforce needs.
3. Created a Digital Ethics and Privacy Advisory Group to monitor national issues impacting higher education and develop SBHE policies.
4. Instituted SBHE policies regarding student free speech and student political rights.
5. Implemented Blackboard Ally to accommodate different student learning styles and make content available in accessible formats.
6. Collaborated with the Governor's Office, Department of Emergency Services (DES), Department of Health (DOH), Commerce Department and others to assist in the state's overall COVID-19 pandemic response.

7. Transitioned more than 11,000 face-to-face classes to online/alternate delivery format in a two-week period in response to COVID-19 pandemic.
8. Expanded tele-mental health services.
9. Expanded the General Education Requirement Transfer Agreement (GERTA) to involve military education courses.
10. Selected through a competitive process by the Community College of the US Navy to supply select courses and programs.

Executive Budget Recommendation

- Reduces the 2019-21 legislative General Fund ongoing appropriation by \$3.6 million.
- Removes the agency's base budget adjustment for 3.0 percent and 3.0 percent salary increase and provides funding for the recommended executive compensation plan.
- Provides \$4.2 million from the General Fund for an increase in the academic CTE scholarship program.
- Provides \$2.4 million from the General Fund for North Dakota state grant scholarship funding.
- Provides \$13.4 million from General Fund for capital bond payments.
- Provides one-time funding of \$10.0 million from the General Fund for the challenge grant program.
- Provides \$19.0 million one-time bonding authority for Tier II and Tier III Capital Building fund.
- Provides up to \$10.0 million for the higher education challenge grant program if June 30, 2021 Legacy Fund earnings exceed \$515.0 million.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

215 ND University System

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
System Office and Board Operations	7,917,230	8,737,867	1,681,524	19.2%	10,419,391	(276,427)	(3.2%)	8,461,440
Student Grant Programs	42,919,869	43,533,710	6,600,000	15.2%	50,133,710	6,600,000	15.2%	50,133,710
System Grant Programs	8,754,804	6,312,150	1,356,000	21.5%	7,668,150	28,978,670	459.1%	35,290,820
System Projects	63,142,913	67,745,576	(922,830)	(1.4%)	66,822,746	6,251,977	9.2%	73,997,553
Total Major Programs	122,734,816	126,329,303	8,714,694	6.9%	135,043,997	41,554,220	32.9%	167,883,523

By Line Item

Capital Assets	6,518,100	4,959,448	(1,762,309)	(35.5%)	3,197,139	8,425,816	169.9%	13,385,264
Tier III Capital Building Fund	0	0	0	0.0%	0	9,000,000	100.0%	9,000,000
Tier II Capital Building Fund	0	0	0	0.0%	0	10,000,000	100.0%	10,000,000
Student Financial Assistance Grants	19,720,372	23,917,306	2,400,000	10.0%	26,317,306	2,400,000	10.0%	26,317,306
Veterans Assistance Programs	277,875	277,875	0	0.0%	277,875	0	0.0%	277,875
ND Scholars Program	1,694,731	1,807,115	0	0.0%	1,807,115	0	0.0%	1,807,115
Title II Grants	231,128	0	0	0.0%	0	0	0.0%	0
Native American Scholarship	550,006	555,323	0	0.0%	555,323	0	0.0%	555,323
Core Technology Services	56,126,560	62,286,128	839,479	1.3%	63,125,607	(2,136,339)	(3.4%)	60,149,789
Education Challenge Fund	2,000,000	0	0	0.0%	0	10,000,000	100.0%	10,000,000
Education Incentive Programs	2,024,702	260,000	0	0.0%	260,000	0	0.0%	260,000
Tribal Community College Grants	600,000	1,000,000	0	0.0%	1,000,000	0	0.0%	1,000,000
Academic and Tech Ed. Scholarship	14,705,750	12,016,749	4,200,000	35.0%	16,216,749	4,200,000	35.0%	16,216,749
Student Exchange Program	3,346,433	3,699,342	0	0.0%	3,699,342	0	0.0%	3,699,342
NASA EPSCOR	0	342,000	0	0.0%	342,000	0	0.0%	342,000
Student Mental Health	298,582	284,400	0	0.0%	284,400	(21,330)	(7.5%)	263,070
Competitive Research Program	6,027,750	5,685,750	0	0.0%	5,685,750	0	0.0%	5,685,750
Biennium Carryover	514,727	0	0	0.0%	0	0	0.0%	0
Dual Credit Pilot Program	197,344	0	0	0.0%	0	0	0.0%	0
System Governance	7,402,503	8,737,867	1,531,524	17.5%	10,269,391	(276,427)	(3.2%)	8,461,440
Two Year Campus Study	33,753	0	0	0.0%	0	0	0.0%	0
Shared Campus Services	464,500	500,000	0	0.0%	500,000	(37,500)	(7.5%)	462,500
Dakota Nursing Consortium	0	0	1,356,000	100.0%	1,356,000	0	0.0%	0
Math Pathways	0	0	150,000	100.0%	150,000	0	0.0%	0
Total Line Items	122,734,816	126,329,303	8,714,694	6.9%	135,043,997	41,554,220	32.9%	167,883,523

By Funding Source

General Fund	103,271,930	102,327,097	8,374,871	8.2%	110,701,968	22,263,905	21.8%	124,591,002
Federal Funds	231,128	0	0	0.0%	0	0	0.0%	0
Special Funds	19,231,758	24,002,206	339,823	1.4%	24,342,029	19,290,315	80.4%	43,292,521
Total Funding Source	122,734,816	126,329,303	8,714,694	6.9%	135,043,997	41,554,220	32.9%	167,883,523

REQUEST/RECOMMENDATION COMPARISON SUMMARY

215 ND University System

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
Total FTE	148.90	158.83	0.00	0.0%	158.83	0.00	0.0%	158.83

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 Sections 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 its control, to preserve the purchasing power of the trusts and to maintain stable distributions to trust beneficiaries. Those beneficiaries include local school districts, various colleges and universities, and other institutions in North Dakota. Revenues are generated through the prudent management of trust assets, consisting of approximately 706,600 surface acres, 2.6 million mineral acres, and \$4.57 billion of assets (loans, marketable securities, and cash equivalents) at the end of fiscal year 2019. The surface acres major source of income comes from grazing and agricultural leases, with significant revenue generated from rights-of-way, surface damage agreements and construction aggregate mining. The mineral acres are offered for oil, gas, coal, gravel, scoria leasing with significant revenue generated from bonus and royalty payments.

The department also manages four additional trusts/funds: Strategic Investment and Improvements Fund (SIIF), Coal Development Trust Fund, Capitol Building Fund, Theodore Roosevelt Presidential Library Fund and Indian cultural education trust. These trusts/funds had total fund balance of \$1.20 billion at the end of fiscal year 2019. The Department is also administering the oil and gas impact grant fund.

The department administers the Uniform Unclaimed Property Act. In this roll the Department collects “unclaimed property” (uncashed checks, unused bank accounts, etc.), and processes owners’ claims. This property is held in permanent trust for the 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 in the state. 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 \$2.0 million for the biennium, as of June 30, 2020, there was \$6.0 million remaining to be distributed.

Major Accomplishments

1. Managed permanent trust fund financial assets, which have grown from \$4.57 billion in 2018 to \$4.92 billion in 2019.
2. Managed Strategic Investment and Improvements Fund (SIIF) with legislative disbursements of \$287.0 million during the 2017-19 biennium and \$923.0 million during the 2019-21 biennium.
3. Implemented administrative rules.
4. Assisted in management of over 44.0 percent of the oil and gas wells operating in North Dakota containing a mineral asset.
5. Returned \$7.3 million to owners during the 2017-19 biennium and processed 8,807 claims by the Unclaimed Property Division. They returned also processed 5,365 holder reports totaling over \$27.2 million.
6. Implemented new Unclaimed Property system in April 2019, which resulted in an efficiency 55.0 percent increase in claims issued.
7. Implemented new financial management and accounting system in July 2020.
8. Upgraded revenue compliance software fall of 2020.
9. Implemented new investments management system fall/winter 2020.
10. Completed the acreage adjustment survey and began implementing acreage adjustments.

Executive Budget Recommendation

- Adds \$442,051 from special funds for 2.0 FTE: one mineral title specialist and one administrative services position.
- Adds \$1.6 million from special funds for the land management system.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

226 Department of Trust Lands

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Trust Lands	70,385,776	8,108,401	0	0.0%	8,108,401	2,236,667	27.6%	10,345,068
Total Major Programs	70,385,776	8,108,401	0	0.0%	8,108,401	2,236,667	27.6%	10,345,068
By Line Item								
Salaries and Wages	5,307,484	5,725,379	128,236	2.2%	5,853,615	689,817	12.0%	6,415,196
Operating Expenses	1,189,844	2,283,022	(128,236)	(5.6%)	2,154,786	(53,150)	(2.3%)	2,229,872
Capital Assets	210,472	0	0	0.0%	0	1,600,000	100.0%	1,600,000
Other Grants	62,111,391	0	0	0.0%	0	0	0.0%	0
Flood Infrastructure Develop. Grants	1,325,425	0	0	0.0%	0	0	0.0%	0
Contingencies	0	100,000	0	0.0%	100,000	0	0.0%	100,000
Energy Infrastructure & Impact	241,160	0	0	0.0%	0	0	0.0%	0
Total Line Items	70,385,776	8,108,401	0	0.0%	8,108,401	2,236,667	27.6%	10,345,068
By Funding Source								
General Fund	1,325,425	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	69,060,351	8,108,401	0	0.0%	8,108,401	2,236,667	27.6%	10,345,068
Total Funding Source	70,385,776	8,108,401	0	0.0%	8,108,401	2,236,667	27.6%	10,345,068
Total FTE	31.00	28.00	0.00	0.0%	28.00	2.00	7.1%	30.00

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. Received more than \$430,000 in scholarships for students from the BSC Foundation for the 2019-20 academic year, including three full-ride scholarships.
2. Awarded from the BSC Foundation more than \$1.5 million in grants for equipment, partner funds and professional development was awarded to BSC faculty, staff and programs.
3. Awarded and processed \$14.0 million in financial aid for students.
4. Approved by the State Board of Higher Ed, BSC's request to offer a degree in Sonography and Automation Management. The sonography degree is offered in the Fall of 2020 and Automation Management for the Fall of 2021 upon approval.
5. Received over \$.21 million in contributions for endowed scholarships, direct gifts to programs and donations for the BSC's Health Science Programs In the 2019-20 academic year.

6. Received by 5,133 participants, non-credit training at BSC, through BSC's Continuing Education division.
7. Implemented a \$830,000 US Department of Commerce's Economic Development Administration grant and \$247,366 USDA grant for equipment and improvements to the Health Science Building. BSC also received a \$362,418 USDA grant and \$50,000 from Career and Technology Education for sonography equipment.
8. Increased enrollments in Paramedic, Cybersecurity, Medical Lab Technician and Instrument and Controls programs in 2019-20 academic year.
9. Received honors and awards by faculty such as publication in scholarly journals, peer honors and national appointments that included the first National Geographic Geography Steward for state of North Dakota.
10. Achieved a 100 percent pass rate on the National Board of Surgical Technology and Surgical Assisting's (NBSTSA) Certification Exam by 2019 Surgical Tech program graduates. This is the eleventh straight year the program has obtained a 100 percent pass rate.
11. Achieved a 95 percent pass rate for students in BSC's Cybersecurity program compared to a national average of 65 percent. Two students scored 100 percent on the exam.
12. Named as top 150 Community College for Community College excellence.

Executive Budget Recommendation

- Reduces \$3.2 million from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$2.1 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$540,765 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$26.4 million from the General Fund for the state share of campus operations at \$91.66 per adjusted student credit hour

REQUEST/RECOMMENDATION COMPARISON SUMMARY

227 Bismarck State College

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Bismarck State College	98,167,072	100,666,243	(583,196)	(0.6%)	100,083,047	(3,910,521)	(3.9%)	96,755,722
Total Major Programs	98,167,072	100,666,243	(583,196)	(0.6%)	100,083,047	(3,910,521)	(3.9%)	96,755,722
By Line Item								
Campus Operations	88,805,679	98,743,682	(583,196)	(0.6%)	98,160,486	(3,910,521)	(4.0%)	94,833,161
Capital Assets	9,361,364	1,922,561	0	0.0%	1,922,561	0	0.0%	1,922,561
Plant Improvement - Carryover	29	0	0	0.0%	0	0	0.0%	0
Total Line Items	98,167,072	100,666,243	(583,196)	(0.6%)	100,083,047	(3,910,521)	(3.9%)	96,755,722
By Funding Source								
General Fund	38,719,918	31,068,227	(987,033)	(3.2%)	30,081,194	(4,709,598)	(15.2%)	26,358,629
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	59,447,154	69,598,016	403,837	0.6%	70,001,853	799,077	1.1%	70,397,093
Total Funding Source	98,167,072	100,666,243	(583,196)	(0.6%)	100,083,047	(3,910,521)	(3.9%)	96,755,722
Total FTE	358.35	332.90	0.00	0.0%	332.90	0.00	0.0%	332.90

Statutory Authority

North Dakota Century Code Chapter 15-10-01.1.

Agency Description

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

LRSC serves approximately 3,000 students each year through on-campus and distance delivery. LRSC is proud to collaborate with other NDUS campuses to offer an Associate of Arts Degree online, a Baccalaureate Degree in Business in cooperation with Mayville State University in Devils Lake, Associate Degree Nursing through a consortium with Dakota College - Bottineau, Bismarck State College 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 and Grand Forks. LRSC also offers its Nursing program in Grand Forks and Mayville.

Major Accomplishments

1. Continued to expanded nursing programs in Grand Forks and Mayville to address the nurse shortage.
2. Launched internship programs in IT and Simulator Technician programs.

3. Launched the LRSC Apprenticeship Program.
4. Raised more than half the funds needed for match on the Hofstad Ag Center and fundraising continues.
5. Maintained enrollment capacity at the LRSC Dakota Precision Ag Center.
6. Continued to expand course offerings in the Grand Forks Public School System.
7. Began construction on the new precision agriculture building on campus, the Hofstad Ag Center.
8. Completed a major painting project of the main campus building envelope in Summer 2019.
9. Remodeled the Business Wing.
10. Met the challenges of creating a COVID-19 safe environment per current guidelines.

Executive Budget Recommendation

- Increases \$497,336 from the General Fund higher education formula due to an increase in adjusted student credits.
- Reduces \$1.0 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$260,441 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$12.7 million from the General Fund for the state share of campus operations at \$91.66 per adjusted student credit hour

REQUEST/RECOMMENDATION COMPARISON SUMMARY

228 Lake Region State College

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Lake Region State College	35,554,020	37,921,794	1,573,633	4.1%	39,495,427	50,382	0.1%	37,972,176
Total Major Programs	35,554,020	37,921,794	1,573,633	4.1%	39,495,427	50,382	0.1%	37,972,176
By Line Item								
Campus Operations	33,390,900	37,559,127	1,573,633	4.2%	39,132,760	50,382	0.1%	37,609,509
Capital Assets	1,295,163	362,667	0	0.0%	362,667	0	0.0%	362,667
Capital Assets-Carryover	867,957	0	0	0.0%	0	0	0.0%	0
Total Line Items	35,554,020	37,921,794	1,573,633	4.1%	39,495,427	50,382	0.1%	37,972,176
By Funding Source								
General Fund	13,600,722	12,945,280	1,414,955	10.9%	14,360,235	(250,419)	(1.9%)	12,694,861
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	21,953,298	24,976,514	158,678	0.6%	25,135,192	300,801	1.2%	25,277,315
Total Funding Source	35,554,020	37,921,794	1,573,633	4.1%	39,495,427	50,382	0.1%	37,972,176
Total FTE	118.10	115.76	0.00	0.0%	115.76	0.00	0.0%	115.76

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. Received Bernice Joseph Award, sponsored by the Western Alliance of Community College Leaders "WICHE". The Bernice Joseph award was presented to Williston State College for innovation and student support in developing the "first term advising" model for college Freshman.
2. Accredited through the International Economic Development Council "IEDC". The IEDC is the gold standard for economic development partnerships and agencies, in this case part of the collaboration with the Small Business Development Center "SBDC" at Williston State College. The Williston Economic Development Center is the only group with IEDC accreditation in the entire Upper Midwest.

3. Acknowledged as Bellweather Award Finalist, sponsored by the Bellwether College Consortium and the Community College Futures Assembly, the award recognizes innovative programs and partnerships in community college across the United States. Williston State College's training arm TrainND Northwest, was recognized for its new safety training program "One Basin, One Way".
4. Completed a Construction Maintenance project that addressed 10 years of extraordinary repairs, digital controls upgrade, lighting upgrade, building weatherization, and Stevens Hall renovations for music and nursing expansion.
5. Assisted with the development of the One Basin One Way Safety training program and trained 19,000 workers with over 1,800 companies.

Executive Budget Recommendation

- Reduces \$284,969 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$733,708 from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$189,534 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$9.2 million from the General Fund for the state share of campus operations at \$91.66 per adjusted student credit hour

REQUEST/RECOMMENDATION COMPARISON SUMMARY

229 Williston State College

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Williston State College	32,203,591	33,858,028	581,305	1.7%	34,439,333	(587,176)	(1.7%)	33,270,852
Total Major Programs	32,203,591	33,858,028	581,305	1.7%	34,439,333	(587,176)	(1.7%)	33,270,852
By Line Item								
Campus Operations	31,058,395	32,596,060	581,305	1.8%	33,177,365	(587,176)	(1.8%)	32,008,884
Capital Assets	820,016	1,261,968	0	0.0%	1,261,968	0	0.0%	1,261,968
Plant Improvements - Carryover	325,180	0	0	0.0%	0	0	0.0%	0
Total Line Items	32,203,591	33,858,028	581,305	1.7%	34,439,333	(587,176)	(1.7%)	33,270,852
By Funding Source								
General Fund	8,695,218	10,067,743	402,039	4.0%	10,469,782	(829,143)	(8.2%)	9,238,600
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	23,508,373	23,790,285	179,266	0.8%	23,969,551	241,967	1.0%	24,032,252
Total Funding Source	32,203,591	33,858,028	581,305	1.7%	34,439,333	(587,176)	(1.7%)	33,270,852
Total FTE	100.75	101.29	0.00	0.0%	101.29	0.00	0.0%	101.29

Statutory Authority

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

Agency Description

The University of North Dakota is the chief opportunity engine for North Dakota and UND students. 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 135-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. Long a provider of distance education, UND continues to expand their robust online presence.

Major Accomplishments

1. Recruited new president to lead UND and deans deans for the College of Art & Sciences and the College of Engineering and Mines.
2. Secured a private of \$20.0 million to the UNDAAF and a \$20.0 million match from the state. In addition UNDAAF raised another \$30.0 million to realize the state match. The project has begun.
3. Enhanced the Chester Fritz Library facilities with safety features (sprinkler system), revised north entrance, new logging and data access upgrades as well as study spaces for students.
4. Made significant progress addressing over \$500.0 million in deferred maintenance, took down more than 50 outdated buildings, and

devoted one percent of tuition to the work connected to deferred maintenance and renovation. This includes developing a plan for more attractive student housing and higher utilization rates while identifying buildings to be taken off-line.

5. Saved students almost \$11.0 million through the implementation of open educational resources: open source textbooks, learning materials and various teaching aids that can be accessed and distributed.
6. Continued to enhance and invest in R - Research Institute for Automated Systems and its research portfolio on autonomous systems.
7. Determined that non-HEREOF funding from the Coronavirus Relief Fund (CRF) could be used to defray the cost of capital and operating expenses that were previously unbudgeted and explicitly used for creating a more resistant and resilient campus as well assisting with synchronous and asynchronous curriculum development and remote learning including laptop distribution on a verifiable needs basis. This yielded over \$18.0 million to UND and tens of millions of dollars to the NDUS.
8. Provided leadership in the development of the new Memorial Union that will offer offer upgraded student services and provide updated technology and facilities to better serve the changing needs of the student body.

Executive Budget Recommendation

- Reduces \$1.7 million from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$11.0 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$2.2 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$137.8 million from the General Fund for the state share of campus operations at \$57.35 per adjusted student credit hour
- Provides \$3.8 million from special funds for capital bond payments.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

230 University of North Dakota

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
University of North Dakota	922,145,345	892,517,832	17,684,174	2.0%	910,202,006	1,614,831	0.2%	894,132,663
Total Major Programs	922,145,345	892,517,832	17,684,174	2.0%	910,202,006	1,614,831	0.2%	894,132,663
By Line Item								
Campus Operations	842,508,357	888,106,266	13,560,705	1.5%	901,666,971	(6,328,013)	(0.7%)	881,778,253
Capital Assets	13,411,566	4,411,566	4,123,469	93.5%	8,535,035	7,942,844	180.0%	12,354,410
Capital Assets-Carryover	5,108,909	0	0	0.0%	0	0	0.0%	0
Capital Projects - Off System	52,875,454	0	0	0.0%	0	0	0.0%	0
Capital Projects Carryover - Non-State	8,241,059	0	0	0.0%	0	0	0.0%	0
Total Line Items	922,145,345	892,517,832	17,684,174	2.0%	910,202,006	1,614,831	0.2%	894,132,663
By Funding Source								
General Fund	145,160,871	148,332,155	11,699,910	7.9%	160,032,065	(10,500,980)	(7.1%)	137,831,175
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	776,984,474	744,185,677	5,984,264	0.8%	750,169,941	12,115,811	1.6%	756,301,488
Total Funding Source	922,145,345	892,517,832	17,684,174	2.0%	910,202,006	1,614,831	0.2%	894,132,663
Total FTE	2,218.07	2,132.17	(72.19)	(3.4%)	2,059.98	(72.19)	(3.4%)	2,059.98

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 Health-care Workforce Initiative- increasing class sizes and growing residencies based on funding legislature has provided.
2. Established a process of constant and recurring attention to and assessment of our compliance with accreditation standards.
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 the RuralMed program to mitigate medical student debt and encourage the choice of a rural family medicine practice location for

graduating medical students. Reviewing expansion of the program to further incent rural area practice. Expanded opportunities in interdisciplinary experience in a rural settings with the Rural Opportunities in Medical Education [ROME] program.

6. Collaborated on Project Echo to address the opioid epidemic.
7. Increased grant proposals. Progressed in building research infrastructure with INBRE and COBRE grants, reached \$30.0 million in grant awards.
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. Recognizing the role of telehealth the Remotely Operated Biomedical Telepresence Systems project revolutionizes telemedicine and team-based healthcare education.

Executive Budget Recommendation

- Provides \$2.1 million from the General Fund higher education formula due to an increase in adjusted student credits.
- Reduces \$4.2 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$1.3 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$64.1 million from the General Fund for the state share of campus operations at \$57.35 per adjusted student credit hour and funding for the Healthcare Workforce Initiative.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

232 UND Medical Center

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
UND-Medical Center	181,494,665	223,920,514	7,646,189	3.4%	231,566,703	1,049,505	0.5%	224,970,019
Total Major Programs	181,494,665	223,920,514	7,646,189	3.4%	231,566,703	1,049,505	0.5%	224,970,019
By Line Item								
Campus Operations	181,494,665	213,244,364	7,646,189	3.6%	220,890,553	1,049,505	0.5%	214,293,869
Healthcare Workforce Initiative	0	10,676,150	0	0.0%	10,676,150	0	0.0%	10,676,150
Total Line Items	181,494,665	223,920,514	7,646,189	3.4%	231,566,703	1,049,505	0.5%	224,970,019
By Funding Source								
General Fund	51,848,093	64,883,503	4,459,564	6.9%	69,343,067	(818,174)	(1.3%)	64,065,329
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	129,646,572	159,037,011	3,186,625	2.0%	162,223,636	1,867,679	1.2%	160,904,690
Total Funding Source	181,494,665	223,920,514	7,646,189	3.4%	231,566,703	1,049,505	0.5%	224,970,019
Total FTE	435.75	492.67	0.00	0.0%	492.67	0.00	0.0%	492.67

Statutory Authority

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

Agency Description

As the state's land-grant institution, NDSU has a longstanding commitment to bringing educational opportunities and research solutions to the people of North Dakota. Our commitment remains focused on affordable access to a high quality education for our students and serving state interests in a manner demonstrating sound stewardship and accountability. We are truly a student focused, land-grant, research university. NDSU's continued success has led to higher national and international visibility, not just for itself but the entire state, and most importantly, more substantial contributions to the success of North Dakota and the nation.

Our signature programs include Engineering (largest discipline enrollment), Agriculture (largest NDSU research productivity), and Health Professions (2nd largest discipline enrollment with nationally ranked programs for Pharmacy and Nursing). Collaborative programs include a wide variety of research collaborations with other leading research universities around the country. Reverse transfer agreement "Pathways" program and other shared services with NDSCS and collaborative courses and programs with other ND University System institutions, DSU, VCSU, MiSU. Graduate programs in public health and biomedical engineering offered jointly between NDSU and UND. We also provide administrative payroll services for NDSCS, VCSU, DSU and WSC.

Major Accomplishments

1. Ranked by the National Science Foundation (NSF) as ND's only top-100 public research university. In that category, NDSU is 94th in nation in total R&D expenditures. Research productivity leads the state and climbed as high as \$156.0 million.
2. Led the state in license and patent revenues and climbed to \$2.0 million.
3. Continued its competitive advantage to: enroll largest number of fulltime students; enroll largest number of fulltime undergraduates from; enroll largest number of fulltime undergraduates from out-of-state; enroll largest number of engineering students; enroll largest number of nursing students; elevated entering class average high school GPA to 3.50 and average ACT score to 23.7; elevated retention to state leading 78.9 percent; elevated graduation rate to state leading 41.2 percent; and nationally ranked and state leading affordability and subsequent return on investment (ROI).

4. Achieved post- graduation success rates (employment/graduate study) are 93 percent for undergraduate students and 94 percent for graduate students.
5. Achieved the state's highest pass rate on professional licensures and certifications by graduates.
6. Ranked among the best overall NCAA Division-I programs in the nation.
7. Operated at full capacity the award-winning 55-acre Research & Technology Park is home to John Deere Electronic Solutions and Appareo Systems, along with the ND's leading business incubator.
8. Maintained the largest physical footprint in the state: main campus, seven major research and extension centers and extension offices in every county of North Dakota total almost 20,000 acres.
9. Completed construction of Aldevron Tower, a 74,000 square foot, six-story building and is a \$28.0 million, fully privately-funded building with a focus on team-based education.
10. Started construction on Sugihara Hall which will be a nearly 106,000 square foot, lab-intensive building.
11. Provided collaborative programs in: a wide variety of funded research collaborations with other leading research universities around the country; reversed transfer agreement "Pathways" program and other shared services with NDSCS, and collaborative NDSU courses and programs with other System institutions (DSU, VCSU, MiSU, etc.); offered jointly with UND graduate programs in public health and biomedical engineering; and provided payroll services for NDSCS, VCSU, DSU and WSC.

Executive Budget Recommendation

- Reduces \$29,096 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$9.9 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$125,000 of one time funds from the General Fund for lawsuit settlement agreement fees.
- Provides \$2.3 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$125.1 million from the General Fund for the state share of campus operations at \$57.35 per adjusted student credit hour
- Provides \$14.0 million of bonding authority for Agriculture Products Development Center.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

235 North Dakota State University

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
North Dakota State University	818,166,713	751,574,675	15,972,152	2.1%	767,546,827	13,226,117	1.8%	764,800,792
Total Major Programs	818,166,713	751,574,675	15,972,152	2.1%	767,546,827	13,226,117	1.8%	764,800,792
By Line Item								
Campus Operations	730,085,720	743,775,571	15,574,524	2.1%	759,350,095	(1,171,511)	(0.2%)	742,604,060
Capital Assets	35,799,104	7,799,104	397,628	5.1%	8,196,732	14,397,628	184.6%	22,196,732
Capital Assets Carryover	1,218,586	0	0	0.0%	0	0	0.0%	0
Capital Projects - Non-State	44,328,423	0	0	0.0%	0	0	0.0%	0
Capital Projects Carryover - Non-State	6,734,880	0	0	0.0%	0	0	0.0%	0
Total Line Items	818,166,713	751,574,675	15,972,152	2.1%	767,546,827	13,226,117	1.8%	764,800,792
By Funding Source								
General Fund	129,253,831	132,714,983	12,481,587	9.4%	145,196,570	(7,573,650)	(5.7%)	125,141,333
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	688,912,882	618,859,692	3,490,565	0.6%	622,350,257	20,799,767	3.4%	639,659,459
Total Funding Source	818,166,713	751,574,675	15,972,152	2.1%	767,546,827	13,226,117	1.8%	764,800,792
Total FTE	1,895.66	1,870.16	(40.73)	(2.2%)	1,829.43	(40.73)	(2.2%)	1,829.43

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. Worked collaboratively with Richland, Wilkin, Northern Cass, Central Cass, Fargo, and West Fargo school districts to increase partnership with K-12.

3. Developed and implemented new class and room scheduling system.
4. Earned 2020-21 Military Friendly® School Designation.
5. Certified by American Welding Society as an Accredited Test Facility.
6. Named by Aspen Institute as a Top 150 U.S. Community College.
7. Recognized in The Aspen Institute's Workforce Playbook.
8. Listed at #14 by Forbes that ranks the nation's Top Two-Year Trade Schools.
9. Ranked #15 among public two-year institutions by the Chronicle of Higher Education.

Executive Budget Recommendation

- Reduces \$1.9 million from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$2.6 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$671,894 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$32.8 million from the General Fund for the state share of campus operations at \$91.66 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

238 ND State College of Science

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND State College of Science	91,990,163	96,737,790	726,541	0.8%	97,464,331	(3,166,632)	(3.3%)	93,571,158
Total Major Programs	91,990,163	96,737,790	726,541	0.8%	97,464,331	(3,166,632)	(3.3%)	93,571,158
By Line Item								
Campus Operations	89,045,718	95,725,411	726,541	0.8%	96,451,952	(3,166,632)	(3.3%)	92,558,779
Capital Assets	1,102,820	1,012,379	0	0.0%	1,012,379	0	0.0%	1,012,379
Capital Assets-Carryover	1,841,625	0	0	0.0%	0	0	0.0%	0
Total Line Items	91,990,163	96,737,790	726,541	0.8%	97,464,331	(3,166,632)	(3.3%)	93,571,158
By Funding Source								
General Fund	36,050,855	36,542,022	336,521	0.9%	36,878,543	(3,791,466)	(10.4%)	32,750,556
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	55,939,308	60,195,768	390,020	0.6%	60,585,788	624,834	1.0%	60,820,602
Total Funding Source	91,990,163	96,737,790	726,541	0.8%	97,464,331	(3,166,632)	(3.3%)	93,571,158
Total FTE	345.04	311.61	0.00	0.0%	311.61	0.00	0.0%	311.61

Statutory Authority

North Dakota Century Code 15-13-01.

Agency Description

Dickinson State University (DSU) is a comprehensive state institution, one of 11 colleges and universities that make up the North Dakota University System. The university employs approximately 180 faculty and staff with an enrollment of approximately 1,400 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. Made significant progress in evaluating and implementing instructional efficiency.
2. Added esports, competitive cheer, baseball, JV volleyball, and JV men's and women's basketball teams to increase enrollment and diversify athletic opportunities for students.
3. Hired two teaching deans to provide more academic administrative representation and shared governance on campus.
4. Increased academic program offerings including the addition of three Master's Degrees.
5. Expanded dual mission programming including a CNA course and communication workshop (in addition to the new Master's Degrees).

6. Awarded \$2.4 million in scholarships over the last 3 years through the DSU Heritage Foundation.
7. Signed articulation agreement with Williston State College that will allow students to complete an elementary education degree from DSU while remaining in Williston.
8. Signed a memorandum of understanding with Dickinson Public Schools to provide "Early Entry" education, bringing as many as 125 local high school students to the DSU campus to study during the academic year.
9. Implemented a campus-wide emergency management plan.
10. Developed plans and procedures in response to COVID-19, prioritizing the transition of courses to hybrid/hyflex modalities to allow for necessary flexibility for our students, staff, and faculty.
11. Implemented a substantial budget reduction plan that eliminated 34 full-time positions, including 14 that were occupied at the time of elimination, to balance the budget by next biennium (assuming stable funding formulas and holding enrollment slightly above last year's level).

Executive Budget Recommendation

- Provides \$833,012 from the General Fund higher education formula due to an increase in adjusted student credits.
- Reduces \$1.4 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$342,146 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$18.1 million from the General Fund for the state share of campus operations at \$85.78 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

239 Dickinson State University

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dickinson State University	60,782,831	48,970,072	2,440,730	5.0%	51,410,802	138,948	0.3%	49,109,020
Total Major Programs	60,782,831	48,970,072	2,440,730	5.0%	51,410,802	138,948	0.3%	49,109,020
By Line Item								
Campus Operations	49,725,765	48,560,994	2,440,730	5.0%	51,001,724	138,948	0.3%	48,699,942
One-Time Operations and Debt	5,409,626	0	0	0.0%	0	0	0.0%	0
Capital Assets	409,078	409,078	0	0.0%	409,078	0	0.0%	409,078
Capital Assets Carryover	3,693,012	0	0	0.0%	0	0	0.0%	0
TR Presidential Library	1,545,350	0	0	0.0%	0	0	0.0%	0
Total Line Items	60,782,831	48,970,072	2,440,730	5.0%	51,410,802	138,948	0.3%	49,109,020
By Funding Source								
General Fund	27,846,340	18,393,063	2,312,803	12.6%	20,705,866	(266,796)	(1.5%)	18,126,267
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	32,936,491	30,577,009	127,927	0.4%	30,704,936	405,744	1.3%	30,982,753
Total Funding Source	60,782,831	48,970,072	2,440,730	5.0%	51,410,802	138,948	0.3%	49,109,020
Total FTE	168.00	213.26	(37.76)	(17.7%)	175.50	(37.76)	(17.7%)	175.50

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, mathematics and nursing. Students can also pursue a Masters of Arts in Teaching (MAT), Masters of Science in Nursing or continue 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. Continued the student fall enrollment growth, setting another record of 1,212 headcount for Fall 2019. The enrollment included a record number (204) dual credit high school students and (399) distance delivery degree seeking students.

2. Offered flexibility for students in distance off-campus programs. A total of 729 students chose accessible courses via a variety of delivery methods on campus and at off campus sites at Dakota College at Bottineau, Lake Region State College, Cankdeska Cikana Community College, Williston State College, and North Dakota State College of Science.
3. Provided innovative new academic program include the Masters of Science Degree in Nursing which will prepare nurses who are seeking or advancing their roles in nursing education and leadership. The program is offered entirely online in five-week blocks. The Bachelor of Science Degree in Agribusiness will provide students with enhanced skill set and expand their knowledge allowing them to excel in all aspects of business related to farming, ranching, producing and marketing agricultural commodities. The program will be offered through traditional, online and hybrid delivery methods.
4. Received academic accreditation awards including the Higher Learning Commission (HLC) 4th year Assurance Review, Spring 2020, and the Division of Education Council for the Accreditation of Educator Preparation (CAEP) ReAccreditation, Spring 2020.

Executive Budget Recommendation

- Provides \$1.8 million from the General Fund higher education formula due to an increase in adjusted student credits.
- Reduces \$1.4 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$324,638 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$17.2 million from the General Fund for the state share of campus operations at \$85.78 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

240 Mayville State University

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Mayville State University	51,631,827	48,078,547	3,238,273	6.7%	51,316,820	1,317,116	2.7%	49,395,663
Total Major Programs	51,631,827	48,078,547	3,238,273	6.7%	51,316,820	1,317,116	2.7%	49,395,663
By Line Item								
Campus Operations	47,768,287	47,719,555	3,188,144	6.7%	50,907,699	1,266,987	2.7%	48,986,542
Capital Assets	2,920,913	358,992	50,129	14.0%	409,121	50,129	14.0%	409,121
Capital Assets Carryover	218,266	0	0	0.0%	0	0	0.0%	0
Capital Projects Carryover - Non-State	724,361	0	0	0.0%	0	0	0.0%	0
Total Line Items	51,631,827	48,078,547	3,238,273	6.7%	51,316,820	1,317,116	2.7%	49,395,663
By Funding Source								
General Fund	14,318,003	16,420,616	2,844,008	17.3%	19,264,624	778,578	4.7%	17,199,194
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	37,313,824	31,657,931	394,265	1.2%	32,052,196	538,538	1.7%	32,196,469
Total Funding Source	51,631,827	48,078,547	3,238,273	6.7%	51,316,820	1,317,116	2.7%	49,395,663
Total FTE	210.53	230.35	0.00	0.0%	230.35	0.00	0.0%	230.35

Statutory Authority

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

Agency Description

Minot State University (MSU) 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 one of its largest private gifts in its history in November 2019--\$1.0 million from Roger and Ann Looyenga to establish the Looyenga Leadership Center supporting new academic programs in Leadership Studies.
2. Renovated the MSU Dome with new seating and changes to the building egress to improve the spectator experience. This \$2.2 million renovation was completely funded with non-State, fundraised dollars.

3. Added new academic programs in such areas as Cybersecurity, Exercise Science & Rehabilitation, Medicinal Plant Chemistry, and Disability Human Services.
4. Established a new 10,000 square foot Academic Support Center in the lower level of the Gordon B. Olson Library. This provides a one-stop shop for 11 different tutoring and academic services.
5. Achieved a 20-year high IPEDS graduation rate (the percentage of incoming freshmen graduating within six years).
6. Won a second national ACHA championship in 2019 by the MSU Beaver Club Hockey team.

Executive Budget Recommendation

- Provides \$66,276 from the General Fund higher education formula due to an increase in adjusted student credits.
- Reduces \$3.0 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$711,216 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$37.7 million from the General Fund for the state share of campus operations at \$85.78 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

241 Minot State University

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Minot State University	116,304,887	103,424,693	2,868,056	2.8%	106,292,749	(1,736,888)	(1.7%)	101,687,805
Total Major Programs	116,304,887	103,424,693	2,868,056	2.8%	106,292,749	(1,736,888)	(1.7%)	101,687,805
By Line Item								
Campus Operations	110,894,015	102,325,073	2,868,056	2.8%	105,193,129	(1,736,888)	(1.7%)	100,588,185
Capital Assets	1,134,016	1,099,620	0	0.0%	1,099,620	0	0.0%	1,099,620
Capital Assets Carryover	1,980,561	0	0	0.0%	0	0	0.0%	0
Capital Projects Non-state funded	2,284,000	0	0	0.0%	0	0	0.0%	0
Biennium Carryover	12,295			0.0%	0	0	0.0%	0
Total Line Items	116,304,887	103,424,693	2,868,056	2.8%	106,292,749	(1,736,888)	(1.7%)	101,687,805
By Funding Source								
General Fund	40,427,869	39,896,693	2,852,614	7.2%	42,749,307	(2,219,730)	(5.6%)	37,676,963
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	75,877,018	63,528,000	15,442	0.0%	63,543,442	482,842	0.8%	64,010,842
Total Funding Source	116,304,887	103,424,693	2,868,056	2.8%	106,292,749	(1,736,888)	(1.7%)	101,687,805
Total FTE	441.65	403.04	0.00	0.0%	403.04	0.00	0.0%	403.04

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 enrollment in the fall of 2019 of 1,665 students.
2. Realized nearly 73 percent retention rate in the fall-to-fall semester of 2018-19.
3. Began construction of our new Center for the Arts.
4. Received accreditation approval letters for athletic training, teacher education, music programs, and our institutional fourth-year assurance review by the Higher Learning Commission.
5. Received national rankings for best online teaching programs, affordable online education, an outstanding master's of education program, and best online bachelor's programs.
6. Allocated a record of nearly \$1.9 million in scholarships this academic year by the VCSU Foundation. Sixty-eight percent of students are from North Dakota.

7. Named VCSU the #2 public regional college in the Midwest for 2019 by U.S. News and World Report. Also named a U.S. News "Best College" for the 22nd consecutive year.
8. Collaborated with K-12 schools to implement dual credit programs.
9. Collaborated with K-12 schools to create a substitute teacher program, giving our students valuable in-class experiences while simultaneously allowing K-12 schools time to train and work with teachers.
10. Implemented new innovations in using technology in the classroom, including synchronous delivery.
11. Completed training module for universal access in blackboard by 100 percent of the faculty.
12. Initiated a rural teachers cooperative program to help teachers in ND schools complete masters degrees.

Executive Budget Recommendation

- Reduces \$860,398 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$1.6 million from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$387,915 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$20.6 million from the General Fund for the state share of campus operations at \$85.78 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

242 Valley City State University

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Valley City State University	53,047,963	48,632,751	584,743	1.2%	49,217,494	(1,731,009)	(3.6%)	46,901,742
Total Major Programs	53,047,963	48,632,751	584,743	1.2%	49,217,494	(1,731,009)	(3.6%)	46,901,742
By Line Item								
Campus Operations	48,517,842	48,176,928	530,121	1.1%	48,707,049	(1,785,631)	(3.7%)	46,391,297
Capital Assets	2,264,313	455,823	54,622	12.0%	510,445	54,622	12.0%	510,445
Capital Assets Carryover	2,265,808	0	0	0.0%	0	0	0.0%	0
Total Line Items	53,047,963	48,632,751	584,743	1.2%	49,217,494	(1,731,009)	(3.6%)	46,901,742
By Funding Source								
General Fund	22,581,929	22,658,933	485,914	2.1%	23,144,847	(2,107,373)	(9.3%)	20,551,560
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	30,466,034	25,973,818	98,829	0.4%	26,072,647	376,364	1.4%	26,350,182
Total Funding Source	53,047,963	48,632,751	584,743	1.2%	49,217,494	(1,731,009)	(3.6%)	46,901,742
Total FTE	202.75	202.77	0.00	0.0%	202.77	0.00	0.0%	202.77

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.

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. Increased its headcount and full-time equivalent (FTE) enrollment each year since the fall of 2015. Headcount has grown from 692 to 1006 and FTE has increased from 459 to 5959.
2. Implemented a new program for dual-credit students titled Leading to Advanced Educational Preparation (LEAP). An expansion of the program, LEAP Beyond, will be launched in 2020-21 academic year for students interested in receiving an Associate Degree while still in high school.
3. Doubled enrollment in the college's nursing program over the past five years from 47 to over 100. The college's two nursing programs (practical nursing and associate degree nursing) are collectively the college's largest career and technical education programs.

4. Partnered with the Heart of America Medical Center in Rugby to re-establish a satellite PN program in the fall of 2019. DCB partnered with LRSC and WSC to offer an agriculture program on the Bottineau campus in the fall of 2019. A new Industrial Hemp program and a Diagnostic Medical Sonography program were launched in 2020.
5. Continued the fourth year of its partnership with Trinity Health in Minot in which the Trinity Health Foundation is providing \$100,000 per year for five years to support the college's nursing programs in Minot.
6. Began the initial steps to implement DCB's first ever major capital campaign, which is a \$4 million project to develop the college's Old Main Building into a Center for Nursing and Allied Health.
7. Installed a new heating plant back-up boiler in the spring of 2020. HVAC improvements in the college's Nelson Science Center will be completed in the summer of 2020.
8. Began the final design for the new dining/student center. This project will be financed through \$2.5 million of revenue bonds approved by the 2019 legislature. Construction is slated for the late spring/early summer of 2021.
9. Met the 7 percent minimum requirement as the college's ending reserves of \$420,348. The college financial ratios meet all the requirements for accreditation by the Higher Learning Commission.

Executive Budget Recommendation

- Provides \$1.4 million from the General Fund higher education formula due to an increase in adjusted student credits.
- Reduces \$685,096 from the General Fund by adjusting the base funding per student credit hour amount to 92.5 percent of current law.
- Provides \$176,977 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$8.6 million from the General Fund for the state share of campus operations at \$91.66 per adjusted student credit hour.
- Provides \$4.0 million for Old Main renovation, \$2.0 million of bonding authority and \$2.0 million of special fund authority.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

243 Dakota College at Bottineau

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dakota College at Bottineau	23,107,686	21,554,613	2,261,838	10.5%	23,816,451	5,256,597	24.4%	26,811,210
Total Major Programs	23,107,686	21,554,613	2,261,838	10.5%	23,816,451	5,256,597	24.4%	26,811,210
By Line Item								
Campus Operations	21,335,340	21,440,606	2,261,838	10.5%	23,702,444	1,256,597	5.9%	22,697,203
Capital Assets	1,578,547	114,007	0	0.0%	114,007	4,000,000	3,508.6%	4,114,007
Capital Assets Carryover	193,799	0	0	0.0%	0	0	0.0%	0
Total Line Items	23,107,686	21,554,613	2,261,838	10.5%	23,816,451	5,256,597	24.4%	26,811,210
By Funding Source								
General Fund	7,705,890	7,740,826	1,964,535	25.4%	9,705,361	885,663	11.4%	8,626,489
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	15,401,796	13,813,787	297,303	2.2%	14,111,090	4,370,934	31.6%	18,184,721
Total Funding Source	23,107,686	21,554,613	2,261,838	10.5%	23,816,451	5,256,597	24.4%	26,811,210
Total FTE	82.29	82.29	9.57	11.6%	91.86	9.57	11.6%	91.86

Statutory Authority

North Dakota Constitution, Article VIII, Section 6. North Dakota Century Code 4.1-21,18-02, 18-14 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 13,761 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 \$1.3 million forestry-based economic benefits for forestry practices serving 90 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 1,807 K-12 teachers (21 percent) and 22,590 K-12 students (21 percent).
7. Promoted professionalism in the tree care industry through training provided to 41 arborists (15 percent) certified according to International Society of Arboriculture standards.
8. Supplied conservation tree planting needs for 99 percent of Towner State Nursery customers through the sale of 1,049,470 nursery seedlings.
9. Sustained North Dakota's natural resources through the active forest management and protection services for 86,348 acres or 15 percent of privately-owned forest lands.
10. Served 227 or 61 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 135,214 acres of "at risk" forest resources through continuous surveys for damaging pests and agents.
12. Provided quality outdoor state forest experiences on 8,695 acres or 63 percent of the state forests under multiple use management.

Executive Budget Recommendation

- Removes the agency's base budget adjustment for 3.0 percent and 3.0 percent salary increases and provides funding for the recommended executive compensation plan.
- Reduces the 2019-21 legislative ongoing General Fund appropriation by \$233,833.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

244 ND Forest Service

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Operations	10,800,169	15,223,336	175,114	1.2%	15,398,450	(116,603)	(0.8%)	15,106,733
Capital Assets	118,728	118,728	0	0.0%	118,728	0	0.0%	118,728
Total Major Programs	10,918,897	15,342,064	175,114	1.1%	15,517,178	(116,603)	(0.8%)	15,225,461
By Line Item								
Campus Operations	10,419,294	15,223,336	175,114	1.2%	15,398,450	(116,603)	(0.8%)	15,106,733
Capital Assets	118,728	118,728	0	0.0%	118,728	0	0.0%	118,728
Biennium Carryover	380,875	0	0	0.0%	0	0	0.0%	0
Total Line Items	10,918,897	15,342,064	175,114	1.1%	15,517,178	(116,603)	(0.8%)	15,225,461
By Funding Source								
General Fund	4,396,144	4,676,664	129,348	2.8%	4,806,012	(120,193)	(2.6%)	4,556,471
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	6,522,753	10,665,400	45,766	0.4%	10,711,166	3,590	0.0%	10,668,990
Total Funding Source	10,918,897	15,342,064	175,114	1.1%	15,517,178	(116,603)	(0.8%)	15,225,461
Total FTE	27.00	28.00	0.00	0.0%	28.00	0.00	0.0%	28.00

Statutory Authority

North Dakota Century Code Chapter 54-24.

Agency Description

The North Dakota State Library has embraced the governor's strategic initiatives for North Dakota: Work As One, maintain a Citizen Focus, approach problems with a Growth Mindset, apply Leadership Everywhere, and Make a Difference, with the goals to Empower People, Improve Lives and Inspire Success. All work and services delivered by North Dakota State Library staff to citizens and librarians are oriented to incorporate the initiatives and goals as presented above.

The North Dakota State Library provides statewide leadership, advocacy and community development to public and school libraries. The State Library provides comprehensive informational resources for all libraries and citizens in the state. Developmental and technical services are provided including training librarians in all aspects of librarianship and management, collecting, organizing, and cataloging state documents to preserve the history of the state; promoting the statewide online library catalog; technical assistance; facilitating interlibrary loan for all libraries and citizens statewide; providing talking book services to vision impaired citizens; digitization coordination and development services; distributing grants on a competitive basis to school, public, and academic libraries; and coordinating and providing Online Library Resources for libraries and citizens. State Library staff provide technical assistance and library development services to public and school libraries statewide.

The State Library collaborates with public and private agencies and organizations to work as one to develop and coordinate statewide services and enrich information services for citizens in local communities through public and school librarians.

During Fiscal Year 2020 the State Library reorganized to reset agency priorities and meet the Governor's strategic initiatives and goals. Four major divisions were established with all agency services being placed within the four divisions. Through organizational efficiencies additional services were added, including literacy services, outreach and partnership services, enhanced digital initiatives, and statistical measurement services.

Major Accomplishments

1. Established partnerships through the Library Vision initiative, which provides a long-range plan for coordinated library services.

2. Promoted the statewide online library network of linked libraries.
3. Continued development of an extensive interlibrary loan system and facilitated over 36,000 interlibrary loan requests.
4. Provided professional reference services to librarians, state agencies and citizens; provided informational databases available to all North Dakotans.
5. Provided three statewide training workshops for librarians.
6. Continued to operate an electronic state document retrieval and delivery service.
7. Administered Library Vision grant funds and federal Library Services and Technology Act (LSTA) training grant funds; administered the State Aid to Public Libraries grant program.
8. Provided Talking Book services to 1,300 North Dakotans.
9. Provided library development services to public and school libraries.
10. Continued to develop and administer a statewide digitization program and collaborated with Montana in the Digital Public Library of America (DPLA).
11. Received an additional federal grant to establish coding clubs in rural public libraries statewide for children ages 8-14 to train them in technology for educational and career success.
12. Continued to partner with the Grand Forks Air Force Base to purchase STEM to loan to libraries statewide.
13. Continued to partner with the ND Parks and Recreation Department to give public libraries state park passes.
14. Administered the five-year plan for 2018-22 of State Library services in cooperation with the Institute of Museum and Library Services (IMLS).
15. Continued to partner with Minnesota and South Dakota to collaboratively purchase Online Library Resources for all libraries in North Dakota at a greatly reduced price.
16. Partnered with libraries across the state to offer a virtual statewide Summer Reading Program Kickoff Week, which replaced the traditional in-person event that was cancelled due to COVID-19.

Executive Budget Recommendation

- Restores 1.0 FTE along with \$151,000 in General Fund appropriation removed in the agency base budget.
- Adds \$280,693 for the proposed rent model change.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

250 State Library

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	760,630	799,101	(78,062)	(9.8%)	721,039	223,981	28.0%	1,023,082
Services	4,947,083	5,381,597	(347,334)	(6.5%)	5,034,263	99,252	1.8%	5,480,849
Programs	1,968,631	1,975,082	(86,879)	(4.4%)	1,888,203	(86,879)	(4.4%)	1,888,203
Total Major Programs	7,676,344	8,155,780	(512,275)	(6.3%)	7,643,505	236,354	2.9%	8,392,134
By Line Item								
Salaries and Wages	3,939,014	4,300,335	(425,396)	(9.9%)	3,874,939	(158,246)	(3.7%)	4,142,089
Operating Expenses	1,540,419	1,621,917	0	0.0%	1,621,917	481,479	29.7%	2,103,396
Grants	2,196,911	2,233,528	(86,879)	(3.9%)	2,146,649	(86,879)	(3.9%)	2,146,649
Total Line Items	7,676,344	8,155,780	(512,275)	(6.3%)	7,643,505	236,354	2.9%	8,392,134
By Funding Source								
General Fund	5,607,868	5,781,419	(289,071)	(5.0%)	5,492,348	242,490	4.2%	6,023,909
Federal Funds	1,976,694	2,287,102	(223,204)	(9.8%)	2,063,898	(6,136)	(0.3%)	2,280,966
Special Funds	91,782	87,259	0	0.0%	87,259	0	0.0%	87,259
Total Funding Source	7,676,344	8,155,780	(512,275)	(6.3%)	7,643,505	236,354	2.9%	8,392,134
Total FTE	28.75	27.75	(2.00)	(7.2%)	25.75	(1.00)	(3.6%)	26.75

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 and auditory 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 and outreach specialists in their home school or Devils Lake Public Schools (if living at NDSD). Adults age 18 to death are served through the Adult Outreach Program

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.

Major Accomplishments

1. Completed strategy planning for the next two years.
2. Replaced roof, ceiling lights and HVAC in the cafeteria.
3. Hired a masters level counselor to provide services to students as needed.

4. Facilitated adult support groups in eight North Dakota cities.
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, law enforcement, county workers and hospitals.
6. Refocused the residential school as a model school with a professional learning community for the teachers and other professionals who provide services to the students who are deaf or hard of hearing.
7. Increased interpreting classes provided to families and ND communities with specific classes for individual students and their teacher and classmates.
8. Provided support and professional development of educational interpreters in the state through the partnership of NDSD/RCDHH, Lake Region College, and Minot State University.
9. Provided interpreting for the governors press conferences on COVID-19.
10. Had continuous services for students and families as we transitioned to distance learning from March through May.
11. Transitioned 40 staff to working from home in March.
12. Significant increase in computer skills of staff and students as virtual services were provided in homes.
13. Built display areas to move items from the museum to the resource center to increase visibility by the public.

Executive Budget Recommendation

- Provides \$133,704 from the General Fund for an increase in teacher salaries.
- Provides \$650,000 from special funds for priority projects determined from the facility condition assessment that was done as part of the real estate study.
- Restores \$700,000 in salaries, of which \$350,000 is from the General Fund and \$350,000 from special funds, removed in the agency base budget.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

252 School for Deaf/Res Ctr for Deaf and HoH

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Education and Outreach	9,343,802	9,959,208	(752,887)	(7.6%)	9,206,321	985,523	9.9%	10,944,731
Total Major Programs	9,343,802	9,959,208	(752,887)	(7.6%)	9,206,321	985,523	9.9%	10,944,731
By Line Item								
Salaries and Wages	7,151,569	8,054,944	(752,887)	(9.3%)	7,302,057	288,023	3.6%	8,342,967
Operating Expenses	1,410,548	1,705,586	0	0.0%	1,705,586	0	0.0%	1,705,586
Capital Assets	578,190	158,678	0	0.0%	158,678	697,500	439.6%	856,178
Capital Construction Carry	23,495	0	0	0.0%	0	0	0.0%	0
Grants	180,000	40,000	0	0.0%	40,000	0	0.0%	40,000
Total Line Items	9,343,802	9,959,208	(752,887)	(7.6%)	9,206,321	985,523	9.9%	10,944,731
By Funding Source								
General Fund	7,487,739	7,528,850	(752,885)	(10.0%)	6,775,965	(71,553)	(1.0%)	7,457,297
Federal Funds	187,010	100,512	(1)	0.0%	100,511	1,316	1.3%	101,828
Special Funds	1,669,053	2,329,846	(1)	0.0%	2,329,845	1,055,760	45.3%	3,385,606
Total Funding Source	9,343,802	9,959,208	(752,887)	(7.6%)	9,206,321	985,523	9.9%	10,944,731
Total FTE	45.61	44.61	0.00	0.0%	44.61	0.00	0.0%	44.61

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, 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. Utilized a more robust IT plan for internal efficiency as well as better data collection for decision making.
2. Increased public awareness efforts substantially with multiple radio interviews and a TV appearance as part of an effort to inform the general population of citizens and reach a greater number of people that are eligible for services.
3. Developed with the North Dakota Vocational Rehabilitation a new agreement in the form of a memorandum of understanding which paves the way for greater collaboration on behalf of adults with vision impairment.
4. Established a new contract with Minot State University was to provide vision screening training with 12 early intervention service organizations statewide.
5. Launched plans to continue and expand virtual/distance instruction and service delivery long-term.

Executive Budget Recommendation

- Provides \$72,610 in General Fund dollars for an increase in teacher salaries.
- Provides \$292,500 in special funds for various campus projects.

REQUEST/RECOMMENDATION COMPARISON SUMMARY**253 ND Vision Services/School for the Blind****Biennium: 2021-2023**

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Education	5,260,874	5,770,304	(235,899)	(4.1%)	5,534,405	429,414	7.4%	6,199,718
Total Major Programs	5,260,874	5,770,304	(235,899)	(4.1%)	5,534,405	429,414	7.4%	6,199,718
By Line Item								
Salaries and Wages	4,396,620	4,935,291	(229,664)	(4.7%)	4,705,627	62,564	1.3%	4,997,855
Operating Expenses	690,106	795,821	(6,235)	(0.8%)	789,586	(3,150)	(0.4%)	792,671
Capital Assets	174,148	39,192	0	0.0%	39,192	370,000	944.1%	409,192
Total Line Items	5,260,874	5,770,304	(235,899)	(4.1%)	5,534,405	429,414	7.4%	6,199,718
By Funding Source								
General Fund	4,394,030	4,717,989	(235,899)	(5.0%)	4,482,090	(95,561)	(2.0%)	4,622,428
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	866,844	1,052,315	0	0.0%	1,052,315	524,975	49.9%	1,577,290
Total Funding Source	5,260,874	5,770,304	(235,899)	(4.1%)	5,534,405	429,414	7.4%	6,199,718
Total FTE	28.50	27.90	(0.15)	(0.5%)	27.75	(0.15)	(0.5%)	27.75

Statutory Authority

North Dakota Century Code Chapter 15-20.1-3, 15-19 and Carl D Perkins Career and Technical Act of 2006 as amended by The Strengthening Career and Technical Education for the 21st Century Act.

Agency Description

The Department of Career & Technical Education (DCTE) 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. Career & Technical Education 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 and the implementation and expansion of quality work-based learning experiences. The department also establishes standards for teacher certification, curriculum development, access for special populations, and focuses on equity in programs, activities, and services at all levels of education. The Career & Technical Education governing board recognizes that a qualified, skilled workforce is essential to the economic well-being of North Dakota's business, industry and public sector.

During the 2019 legislative session, the North Dakota Center for Distance Education (NDCDE) was moved from ND Information Technology to the DCTE. NDCDE exists to help students learn and to ensure that the quality of each student's learning experience meets or exceeds all standards and expectations. NDCDE does not work alone; it relies on teachers, schools, curriculum providers, software providers, parents, government officials, and citizens to partner with for the benefit of students.

Major Accomplishments

1. Wrote the state plan for the federal Strengthening Career and Technical Education in the 21st Century Act, including implementation of a comprehensive local needs assessment and selecting work-based learning as the secondary performance accountability measure. In addition, competitive innovation grants were established to expand CTE programming
2. Absorbed the North Dakota Center for Distance Education (NDCDE) during the 2019 legislative session. Enrollments continued to rise, especially due to the COVID-19 pandemic. NDCDE, DCTE and the various area career and technology centers continued to explore partnership opportunities on how to provide access to quality virtual CTE to all students.
3. Developed, revised and consolidated many of the coordinated plans of study to simplify the career planning process and qualifying for the CTE scholarship. DCTE simplified the coordinated plans of study to distinguish between foundational courses and courses that lead to a career pathway.
4. Continued to monitor and assist three pilot "virtual" area career technology centers established by the 2007-09 legislature. There are 5 virtual area centers and 5 traditional area centers that increased access to CTE programming to 100 schools.

Executive Budget Recommendation

- Recommended adding \$1.0 million to help cover the cost to continue for the secondary grants.
- Through bonding, \$45.0 million will be used for a matching grant program for the development of new career academies.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

270 Career and Technical Education

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	5,341,133	7,170,561	(335,685)	(4.7%)	6,834,876	(116,561)	(1.6%)	7,054,000
Grants	35,187,004	38,246,360	(545,093)	(1.4%)	37,701,267	45,854,907	119.9%	84,101,267
CDE	0	9,351,188	(652,637)	(7.0%)	8,698,551	(508,190)	(5.4%)	8,842,998
Total Major Programs	40,528,137	54,768,109	(1,533,415)	(2.8%)	53,234,694	45,230,156	82.6%	99,998,265
By Line Item								
Salaries and Wages	4,446,703	4,812,765	(273,478)	(5.7%)	4,539,287	(126,531)	(2.6%)	4,686,234
Operating Expenses	894,430	2,357,796	(62,207)	(2.6%)	2,295,589	9,970	0.4%	2,367,766
Grants	32,327,581	9,207,349	0	0.0%	9,207,349	45,300,000	492.0%	54,507,349
Secondary Grants	0	24,587,780	0	0.0%	24,587,780	1,100,000	4.5%	25,687,780
Postsecondary Grants	279,601	256,982	(256,982)	(100.0%)	0	(256,982)	(100.0%)	0
Adult Farm Management	579,822	1,894,249	(138,111)	(7.3%)	1,756,138	(138,111)	(7.3%)	1,756,138
Workforce Training	2,000,000	2,000,000	(100,000)	(5.0%)	1,900,000	(100,000)	(5.0%)	1,900,000
Marketplace for Kids	0	300,000	(50,000)	(16.7%)	250,000	(50,000)	(16.7%)	250,000
Center for Distance Ed	0	9,351,188	(652,637)	(7.0%)	8,698,551	(508,190)	(5.4%)	8,842,998
Total Line Items	40,528,137	54,768,109	(1,533,415)	(2.8%)	53,234,694	45,230,156	82.6%	99,998,265
By Funding Source								
General Fund	29,145,923	40,064,988	(1,547,721)	(3.9%)	38,517,267	(86,540)	(0.2%)	39,978,448
Federal Funds	9,332,054	11,498,147	14,306	0.1%	11,512,453	316,696	2.8%	11,814,843
Special Funds	2,050,160	3,204,974	0	0.0%	3,204,974	45,000,000	1,404.1%	48,204,974
Total Funding Source	40,528,137	54,768,109	(1,533,415)	(2.8%)	53,234,694	45,230,156	82.6%	99,998,265
Total FTE	24.50	52.30	(2.00)	(3.8%)	50.30	(2.00)	(3.8%)	50.30

Statutory Authority

North Dakota Century Code Titles 19, 23, 25 and 61.

Agency Description

- 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 who have intellectual disabilities, and clinical laboratory services.

Major Accomplishments

1. Increased loan repayment applications by 147 percent.
2. Served over 7,000 tobacco users in the last biennium. Forty percent were tobacco free seven months after completing the program.
3. Screened 2,947 women for breast and/or cervical cancer through Women's Way resulting in 21 individuals diagnosed with breast cancer and 18 cervical conditions that required treatment.
4. Provided funding to 20 domestic violence/rape crisis agencies to provide crisis intervention, shelter and other services. Also funded two domestic violence/rape crisis agencies to implement Green Dot Bystander Intervention Strategy in their communities, trained 34 persons as facilitators.
5. Provided over 3,000 sealant applications to students during 2017-18 school year. Sealants and fluoride varnish help protect teeth from tooth decay.
6. Provided family planning medical, education, and counseling services to over 13,000 individuals at 18 locations statewide.
7. Provided 552 cribs to the Cribs for Kids Program sites, a statewide safe sleep education and crib distribution program for low-income families.
8. Launched Count the Kicks, a stillbirth prevention campaign that educates parents on the importance of tracking baby movements during the third trimester of pregnancy.
9. Supported multidisciplinary clinics coordinating management of chronic health conditions for over 2,600 children.
10. Administered the Cardiac Care for Children program to approximately 950 children statewide.

11. Partnered with Blue Cross Blue Shield of ND to train over 350 health care providers across the state on how to take blood pressure accurately.
12. Provided healthy food, nutrition education, breastfeeding support and referrals to nearly 40,000 women, infants and children through the WIC program.
13. Provided 1,224 car safety seats through car seat distribution programs and inspected 1,522 car seats through car seat checkups. Gave 1,425 child passenger safety presentations to 46,414 children.
14. Received 27 signed letters of consent and from 11 Cardiac Ready Communities.
15. Registered over 700 qualified medical marijuana patients. North Dakota became the first state to make ID cards accessible via mobile devices.
16. Received and processed 95,633 specimens resulting in 158,466 analytical tests.
17. Provided over 10,000 HIV tests to at-risk persons.
18. Worked to authorize four syringe service programs in the state, located in Mandan, Minot, Fargo and Valley City.
19. Conducted over 6,100 inspections of licensed food and lodging facilities.
20. Implemented an online nurse aide registry application and renewal system.
21. Processed 102,309 requests for more than 275,000 certified copies, record searches, amendments and verifications of vital records.
22. Achieved a turnover rate below the state average for both years of the last biennium.

Executive Budget Recommendation

- Provides \$95.0 million and 22.5 FTE for pandemic support, of which \$84.2 million is one-time funding:
 - \$54.5 million from the General Fund
 - \$35.5 million from federal funds
 - \$5.0 million from special funds
- Recommends statutory language to provide authority to borrow up to \$25.0 million to respond to the public health emergency if all other pandemic support has been exhausted.
- Restores nearly \$1.2 million for tobacco programs from special funds.
- Provides \$85,230 to increase the UND forensic examiner contract from the General Fund.
- Provides one-time appropriation of \$910,000 for forensic examiner equipment upgrades from the General Fund.
- Provides one-time appropriation of \$3.0 million for statewide health strategies from special funds.
- Transfers 5.0 FTE positions to NDIT for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

301 ND Department of Health

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Fiscal and Operations	12,562,270	13,723,900	941,145	6.9%	14,665,045	3,936,300	28.7%	17,660,200
Medical Services	16,432,550	19,464,148	1,266,301	6.5%	20,730,449	23,022,507	118.3%	42,486,655
Healthy and Safe Communities	74,277,342	85,552,255	(2,061,519)	(2.4%)	83,490,736	11,350,061	13.3%	96,902,316
Laboratory Services	6,557,540	7,540,107	(112,973)	(1.5%)	7,427,134	55,932,890	741.8%	63,472,997
Health Resources and Response	29,080,663	31,834,710	(193,312)	(0.6%)	31,641,398	4,060,702	12.8%	35,895,412
Research and Response	0	107,149	169,268	158.0%	276,417	3,635,647	3,393.1%	3,742,796
Total Major Programs	138,910,365	158,222,269	8,910	0.0%	158,231,179	101,938,107	64.4%	260,160,376
By Line Item								
Salaries and Wages	33,879,238	37,719,574	3,390,720	9.0%	41,110,294	3,537,368	9.4%	41,256,942
Operating Expenses	25,491,244	32,398,526	(3,107,542)	(9.6%)	29,290,984	(1,561,826)	(4.8%)	30,836,700
Capital Assets	1,937,616	2,164,813	(368,420)	(17.0%)	1,796,393	481,580	22.2%	2,646,393
Grants	45,743,236	53,257,292	1,056,395	2.0%	54,313,687	1,056,395	2.0%	54,313,687
Tobacco Prevention & Control	13,344,083	12,902,064	(1,082,243)	(8.4%)	11,819,821	117,013	0.9%	13,019,077
WIC Food Payments	17,428,772	19,780,000	120,000	0.6%	19,900,000	120,000	0.6%	19,900,000
Medical Marijuana	1,086,176	0	0	0.0%	0	0	0.0%	0
COVID19	0	0	0	0.0%	0	95,187,577	100.0%	95,187,577
Statewide Health Strategies	0	0	0	0.0%	0	3,000,000	100.0%	3,000,000
Total Line Items	138,910,365	158,222,269	8,910	0.0%	158,231,179	101,938,107	64.4%	260,160,376
By Funding Source								
General Fund	30,715,233	36,270,590	(3,871,311)	(10.7%)	32,399,279	52,609,153	145.0%	88,879,743
Federal Funds	84,450,547	101,306,765	3,880,221	3.8%	105,186,986	40,061,663	39.5%	141,368,428
Special Funds	23,744,585	20,644,914	0	0.0%	20,644,914	9,267,291	44.9%	29,912,205
Total Funding Source	138,910,365	158,222,269	8,910	0.0%	158,231,179	101,938,107	64.4%	260,160,376
Total FTE	211.75	204.00	0.00	0.0%	204.00	17.50	8.6%	221.50

Statutory Authority

North Dakota Century Code Titles 23.1 and 61.

Agency Description

The Department of Environmental Quality (DEQ) works closely with federal, state and local governments along with private industry and agriculture to safeguard the quality of North Dakota's air, land and water resources through permitting, inspecting, sampling, analytical services and monitoring activities.

Major Accomplishments

1. Continued to maintain high compliance rates above national levels for all environmental health regulatory programs while responding to the energy industry's increased needs.

2. Reviewed approximately 1,650 environmental spill reports since July 1, 2015 by conducting field investigations, remediation oversight and enforcement.
3. Improved compliance in the oilfield by utilizing an appropriate mix of compliance assistance, field monitoring, enforcement and collaboration with the industry.

Executive Budget Recommendation

- Provides 1.5 FTE to create the department's accounting office.
- Transfers 1.00 FTE to NDIT as part of IT unification.
- Provides up to \$5.0 million for a transfer to the Environmental Quality Restoration Fund if June 30, 2021 Legacy Fund earnings exceed \$500.0 million.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

303 Department of Environmental Quality

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Department of Environmental Quality	40,796,557	57,674,496	1,303,087	2.3%	58,977,583	2,132,858	3.7%	59,807,354
Total Major Programs	40,796,557	57,674,496	1,303,087	2.3%	58,977,583	2,132,858	3.7%	59,807,354
By Line Item								
Salaries and Wages	26,203,774	30,587,358	1,106,537	3.6%	31,693,895	2,163,585	7.1%	32,750,943
Operating	6,841,670	9,962,180	1,014,218	10.2%	10,976,398	786,941	7.9%	10,749,121
Capital Assets	868,332	1,263,429	(16,257)	(1.3%)	1,247,172	(16,257)	(1.3%)	1,247,172
Grants	6,882,781	15,861,529	(801,411)	(5.1%)	15,060,118	(801,411)	(5.1%)	15,060,118
Total Line Items	40,796,557	57,674,496	1,303,087	2.3%	58,977,583	2,132,858	3.7%	59,807,354
By Funding Source								
General Fund	11,172,188	12,480,922	(176,647)	(1.4%)	12,304,275	116,776	0.9%	12,597,698
Federal Funds	20,441,733	26,905,346	1,479,734	5.5%	28,385,080	1,855,887	6.9%	28,761,233
Special Funds	9,182,636	18,288,228	0	0.0%	18,288,228	160,195	0.9%	18,448,423
Total Funding Source	40,796,557	57,674,496	1,303,087	2.3%	58,977,583	2,132,858	3.7%	59,807,354
Total FTE	152.25	165.50	0.00	0.0%	165.50	0.50	0.3%	166.00

Statutory Authority

North Dakota Century Code Chapters 37-15 and 37-18.1.

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. 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.
5. Launched advertising campaign totally funded by donations.
6. Instituted an aromatherapy program that has been beneficial for residents. Program has helped manage pain, improve sleep, reduce stress and anxiety, treat headaches, improve digestion and help boost immunities.
7. Removed Administrator's house, underground tunnels and other old buildings.
8. Received a grant to set up wellness area for staff.
9. Completed facility assessment for the Veterans Home and prioritized list of items identified.
10. Worked with Eide Bailly on strategic plan for the Veterans Home.

Executive Budget Recommendation

- Restores \$221,546 for food from special funds removed in the agency base budget.
- Provides \$238,500 from General Fund for increased medication costs.
- Provides one-time funding of \$131,500 for flooring replacement from special funds.
- Provides one-time funding of \$200,000 for a memorial garden from special funds.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

313 Veterans Home

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	2,164,217	2,376,213	197,643	8.3%	2,573,856	268,704	11.3%	2,644,917
Plant Operations	2,682,943	2,395,254	(15,941)	(0.7%)	2,379,313	337,010	14.1%	2,732,264
New Veterans Home	227,864	0	0	0.0%	0	0	0.0%	0
Dietary	1,647,570	1,714,213	892,821	52.1%	2,607,034	1,163,582	67.9%	2,877,795
Nursing Basic Care	4,324,002	4,827,351	(1,011,727)	(21.0%)	3,815,624	(905,945)	(18.8%)	3,921,406
Nursing Skilled Care	8,715,085	9,283,040	(423,579)	(4.6%)	8,859,461	(228,692)	(2.5%)	9,054,348
Resident Services	247,167	295,826	(28,098)	(9.5%)	267,728	(21,601)	(7.3%)	274,225
Social Services	1,311,941	1,404,877	(290,164)	(20.7%)	1,114,713	(260,473)	(18.5%)	1,144,404
Housekeeping	588,206	581,130	107,823	18.6%	688,953	122,011	21.0%	703,141
Laundry	352,921	357,922	2,041	0.6%	359,963	9,220	2.6%	367,142
Pharmacy	1,102,000	1,170,270	5,287	0.5%	1,175,557	254,171	21.7%	1,424,441
Total Major Programs	23,363,916	24,406,096	(563,894)	(2.3%)	23,842,202	737,987	3.0%	25,144,083
By Line Item								
Salaries and Wages	17,435,377	18,916,632	(533,107)	(2.8%)	18,383,525	(55,833)	(0.3%)	18,860,799
Operating Expenses	4,968,481	5,083,731	(49,025)	(1.0%)	5,034,706	444,082	8.7%	5,527,813
Capital Assets	518,123	405,733	18,238	4.5%	423,971	349,738	86.2%	755,471
Capital Construction Carryover	214,071	0	0	0.0%	0	0	0.0%	0
New Veterans Home	227,864	0	0	0.0%	0	0	0.0%	0
Total Line Items	23,363,916	24,406,096	(563,894)	(2.3%)	23,842,202	737,987	3.0%	25,144,083
By Funding Source								
General Fund	6,184,280	5,654,324	(565,432)	(10.0%)	5,088,892	(187,623)	(3.3%)	5,466,701
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	17,179,636	18,751,772	1,538	0.0%	18,753,310	925,610	4.9%	19,677,382
Total Funding Source	23,363,916	24,406,096	(563,894)	(2.3%)	23,842,202	737,987	3.0%	25,144,083
Total FTE	120.72	120.72	(5.93)	(4.9%)	114.79	(5.93)	(4.9%)	114.79

Statutory Authority

North Dakota Century Code Sections 54-36-01 to 54-36-10.

Agency Description

The North Dakota Indian Affairs Commission (NDIAC) 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 inter-agency communication, protocol, and jurisdictional issues. Additionally, NDIAC works with tribal governments, their people and communities to enhance capacity in working with the state.

The NDIAC 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 Native American citizens. These materials are available in print and for download on the website.

Major Accomplishments

1. Established and completed the 2019 North Dakota Indian Youth Leadership Academy. Thirty-eight high school students from across North Dakota participated in a five-day leadership camp. During the camp, nationally known Native American speakers were in attendance providing sessions on wellness, spirituality, leadership, career development, values and culture.
2. Reorganized the North Dakota American Indian Business Development Office with the North Dakota 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 Native American owned businesses in

North Dakota. Established a regional Native American-owned business directory in North Dakota, South Dakota and Montana.

3. Held the 3rd Strengthening Government to Government Partnerships and Relationships conference in 2020. This conference brought together federal agencies, state agency and tribal staff to talk about treaties, policy, and other issues the tribal communities face and was the biggest event to date.
4. Co-sponsored with the North Dakota Department of Public Instruction (DPI) a two-day North Dakota 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. Established and continued to co-chair the North Dakota Indian Education Advisory Committee in partnership with DPI, and continued to work directly with all North Dakota Tribal Colleges and North Dakota University System.
8. Worked with North Dakota legislature and the executive branch to create the Tribal Taxation Committee. This committee works on various challenges that the tribes face.
9. Ensured all North Dakota tribes and members had adequate resources in controlling and combating the COVID-19 virus.
10. Coordinated large scale testing events with North Dakota tribes, national guard and local public health centers.

Executive Budget Recommendation

- Recommends the budget as requested.
- Provides funding for youth leadership seminar.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

316 Indian Affairs Commission

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Indian Affairs Administration	1,076,932	1,098,639	(54,932)	(5.0%)	1,043,707	13,447	1.2%	1,112,086
Total Major Programs	1,076,932	1,098,639	(54,932)	(5.0%)	1,043,707	13,447	1.2%	1,112,086
By Line Item								
Salaries and Wages	813,571	870,079	(210)	0.0%	869,869	26,136	3.0%	896,215
Operating Expenses	263,361	228,560	(54,722)	(23.9%)	173,838	(12,689)	(5.6%)	215,871
Total Line Items	1,076,932	1,098,639	(54,932)	(5.0%)	1,043,707	13,447	1.2%	1,112,086
By Funding Source								
General Fund	1,076,932	1,098,639	(54,932)	(5.0%)	1,043,707	13,447	1.2%	1,112,086
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	1,076,932	1,098,639	(54,932)	(5.0%)	1,043,707	13,447	1.2%	1,112,086
Total FTE	4.00	4.00	0.00	0.0%	4.00	0.00	0.0%	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 52,000 veterans and their dependents know about the state and federal benefits to which they are entitled for having served their country and assist them in obtaining such benefits. The department is responsible for the collection, filing, safeguarding and maintaining of North Dakota Veterans DD214 and DD215 armed forces discharge documents. The department safeguards these records in fireproof locking cabinets and in electronic form. NDDVA provides certified and true copies to the veterans or their eligible next of kin upon request at no charge.

The department is responsible for assisting counties with training of 65 County Veterans Service Officers (CVSOs) and their assistants who serve 53 counties, are appointed by their respective county commissions, and assist in the training of 9 Tribal Veteran Service Officers (TVSOs) from four tribes. The department provides training through two annual training seminars to keep the CVSO/TVSOs current on issues, topics and programs available to and affecting veterans, and provide initial and continued one-on-one training with the CVSO/TVSOs either in person or in electronic form. The department assists counties in serving veterans in the absence of CVSO personnel.

The department accepts, develops and completes veterans claims for benefits and services 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, nursing home assistance, death benefits, housing, 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, Hardship medical and non-medical Grant Programs and Commemorative Memorial Coin 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, CVSO/TVSOs, veterans organizations and US mail. The department, working under the supervision of the Administrative Committee on Veterans Affairs, monitors legislation and assists others in acquiring information.

Major Accomplishments

1. Provided training and support to County Veteran Service Officers (CVSOs) and Tribal Veteran Service Officers (TVSOs).
2. Continued to archive DD214s into electronic data base.
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. Improved women veteran services.
5. Established and maintained working relationships with counties and Native American tribes in North Dakota.
6. Involved in legislative changes that resulted in improvements to services and benefits.
7. Implemented changes to improve transportation for veterans to medical appointments.
8. Reviewed, updated and approved all of the program catalogs for North Dakota's institutes of higher learning.
9. Increased number of employers certified and participating in on-the-job training and apprenticeship programs.
10. Recognized and accepted military credit alignment by North Dakota University System, the first time in North Dakota.

Executive Budget Recommendation

- Provides \$140,000 from the General Fund for a temporary grant and loan officer position.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

321 Department of Veterans Affairs

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Veterans Affairs Administration	2,118,690	2,354,587	710,319	30.2%	3,064,906	889,700	37.8%	3,244,287
Total Major Programs	2,118,690	2,354,587	710,319	30.2%	3,064,906	889,700	37.8%	3,244,287
By Line Item								
Transport Vans	0	18,800	0	0.0%	18,800	0	0.0%	18,800
Grants - Transportation Program	723,755	800,000	480,000	60.0%	1,280,000	480,000	60.0%	1,280,000
Veterans Affairs Administration	1,172,815	1,200,130	(63,447)	(5.3%)	1,136,683	109,821	9.2%	1,309,951
Service Dogs	0	50,000	0	0.0%	50,000	0	0.0%	50,000
State Approving Agency	222,120	285,657	2,266	0.8%	287,923	8,379	2.9%	294,036
Veterans Home Cemetary	0	0	291,500	100.0%	291,500	291,500	100.0%	291,500
Total Line Items	2,118,690	2,354,587	710,319	30.2%	3,064,906	889,700	37.8%	3,244,287
By Funding Source								
General Fund	1,093,826	1,268,930	(63,447)	(5.0%)	1,205,483	109,694	8.6%	1,378,624
Federal Funds	1,024,864	1,085,657	773,766	71.3%	1,859,423	780,006	71.8%	1,865,663
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	2,118,690	2,354,587	710,319	30.2%	3,064,906	889,700	37.8%	3,244,287
Total FTE	7.00	7.00	0.00	0.0%	7.00	0.00	0.0%	7.00

Statutory Authority

North Dakota Century Code Chapters 6-09.16, 10-4, 11-23, 12.1-01, 13-05, 14-08.1, 14-09, 14-10, 14-12.2, 14-13, 14-15, 14-15.1, 14-19, 14-20, 15.1-02, 15.1-24, 15.1-32, 15.1-34, 19-03.1, 23-02.1, 23-06, 25-01, 25-01.1, 25-01.2, 25-02, 25-03.1, 25-03.2, 25-03.3, 25-04, 25-11, 25-16, 25-16.1, 25-16.2, 25-17, 25-18, 26.1-02, 26.1-36, 26.1-45, 26.1-54, 27-20, 27-21, 28-21, 34-15, 35-34, 39-01, 43-41, 50-01, 50-01.1, 50-01.2, 50-06, 50-06.1, 50-06.2, 50-06.3, 4.6, 50-24.7, 50-24.8, 50-25.1, 50-25.2, 50-27, 50-28, 50-29, 50-30, 50-31, 50-32, 50-33, 50-34, 50-35, 54-23.3, 54-38, 54-44.3, 54-44.8, 54-46, and 57-20.

Agency Description

The North Dakota Department of Human Services is an umbrella agency headed by an Executive Director appointed by the Governor, who with the Executive Leadership Team, oversee the operations of Administration and Support, Behavioral Health and Field Services, Medical Services, Program and Policy and the Human Service Zone area.

Administration and Support includes Fiscal Administration, Human Resources, Legal Advisory Unit, Risk Management and the Executive Office. The Behavioral Health Division is responsible for licensing, system-wide policy development, planning and training, and workforce development. The Field Services Division is responsible for the provision of clinical services at the eight regional human service centers, the Life Skills and Transition Center and the North Dakota State Hospital.

Medical Services is responsible for the Title XIX Medicaid program, including medical review and quality measurement/improvement, Early and Periodic Screening, Diagnosis and Treatment, the Children's Health Insurance Program (CHIP), long-term care qualified service provider enrollment, Medicaid eligibility policy, claims, and audits; the Program of All-Inclusive Care for the Elderly (PACE); Autism Spectrum Disorder waiver and autism services, Medically Fragile Children's waiver, Children's Hospice waiver; and Medicaid expansion.

Program and Policy is comprised of seven major areas: Aging Services, including nutrition services, family caregiver support, home and community-based long-term support services and case management, vulnerable adult protective services and Money Follows the Person; Children and Family Services, including adoption, foster care, child care licensing and child protective services; Child Support; Developmental Disabilities, including early intervention services and long-term community-based residential and support services; Economic Assistance, which includes public assistance program policy and eligibility; and Vocational Rehabilitation. North Dakota's economic assistance programs are supervised by the state and administered by the 19 human service zones. Additionally, many aging services and children and family services are provided through county social service boards or contracted providers.

Direct delivery of services to individuals and families is provided through the eight regional human service centers. The centers provide an array of outpatient services including behavioral health services, behavioral health crisis services, outreach, developmental disabilities case management, other human services, and vocational rehabilitation services. Regional representatives at the human service centers also provide supervision and direction to county agencies in the provision of social services. The North Dakota State Hospital serves as an acute, intermediate, and rehabilitative psychiatric hospital serving primarily the southcentral and Devils Lake regions and secondarily for all other regions. NDSH also provides residential substance use disorder and Sex Offender treatment. Life Skills and Transitional Center provides residential services for youth and adults with intellectual disabilities and complicated behavioral and medical needs.

Major Accomplishments

1. Transitioned Medicaid Expansion outpatient pharmacy services to being administered by the department, resulting in over \$6.0 million savings.
2. Transitioned the Children's Health Insurance Program (CHIP) from a managed care program to a fee-for-service program administered by the department.
3. Increased the income eligibility limits to 162 percent of the federal poverty level for pregnant women so more will be eligible for Medicaid.
4. Updated the Medicaid State Plan effective May 1, 2020 to allow more providers to enroll to provide targeted case management for members with serious mental illness or serious emotional disturbance.
5. Added substance use disorder withdrawal management services to the Medicaid State Plan effective October 1, 2020.
6. Transitioned 63 individuals from an institution to community living through the Money Follows the Person program. Increased the eligibility age to 13 for the Medicaid children's autism spectrum disorder waiver.
7. Served an unduplicated 4,411 children through the Child Care Assistance Program in SFY 2019.
8. Served 72,203 unduplicated eligible individuals through the Supplemental Nutrition Assistance Program (SNAP) in SFY 2019, and 44 percent of them were children and youth, age 18 and younger.
9. Assisted 13,361 households with home heating costs during the 2019 Low Income Home Energy Assistance Program heating season.
10. Served an unduplicated 4,813 eligible individuals through the Temporary Assistance for Needy Families (TANF) program in SFY 2019.
11. Initiated a two-year federal grant-funded project to study intergovernmental case processing in child support.
12. Continued to implement social service redesign efforts by supporting the development of transition plans for the 19 new human service zones.
13. Implemented legislative investments to increase access and awareness of Home and Community Based Services (HCBS) for older adults and individuals with physical disabilities.

14. Became the seventh state in the country to receive approval of its Family First Title IV-E Prevention Services and Programs Plan.
15. Centralized Early Childhood Services operations by transitioning 25 county and regional licensing and supervisory staff into the CFS Division.
16. Transitioned 17 regional staff into the CFS Division as Field Services Specialists to help implement a program of continuous quality improvement and provide technical assistance and supervision of child welfare services.
17. Led efforts that will result in the statewide implementation of the Safety Framework Practice Model for child welfare.
18. Entered into a new State/Tribal Title IV-E Agreement with the four federally recognized Tribal Nations in North Dakota: Mandan, Hidatsa & Arikara Nation, Spirit Lake Nation, Standing Rock Sioux Tribe, and Turtle Mountain Band of Chippewa.
19. Expanded and transformed behavioral health crisis services statewide.
20. Expanded telehealth services statewide and implemented centralized telehealth assessment team allowing for expanded walk-in assessment at all HSC for eight hours each day, Monday through Friday.
21. Achieved three-year accreditation by Joint Commission for the North Dakota State Hospital (NDSH) for the 21st time.
22. Received recognition from Joint Commission for the NDSH as a high achieving hospital and honored via hospital best practice consortium.
23. Achieved four-year person-centered excellence accreditation from The Council for the Life Skills and Transition Center (LSTC).
24. Expanded statewide emergency crisis services at LSTC by hiring CARES community crisis coordinators.
25. Worked with Behavioral Health to provide Individual Placement Services to individuals with a behavioral health or traumatic brain injury diagnosis.
26. Entered into 15 contracts covering 65 schools across the state to assist counselors with providing transition services supporting 2,485 students with disabilities to transition to employment and post-secondary options.
27. Added new funding tiers to several services available in the Traditional IID/ Developmental Disabilities Home and Community-Based Services waiver.
28. Expanded Free Through Recovery program to include individuals outside the criminal justice system.
29. Developed a Medicaid State Plan amendment to expand access to home and community-based services and supports as a covered service for individuals of all ages with a significant mental illness, an addiction or a brain injury.
30. Expanded addiction and recovery supports by changing the qualifying age for the substance abuse disorder voucher program from 18 to 14 years of age and allowing licensed opioid treatment programs to apply to open a medication unit to serve people in additional communities.
31. Provided federal funding to 22 local public health units and four tribes to support implementation of evidence-based substance abuse prevention efforts.

32. Initiated Peer Support Certification in North Dakota.
33. Implemented a Pandemic Low Income Home Energy Assistance Program (P-LIHEAP) to assist households who received heating assistance during the 2019-20 heating season.
34. Lifted mandatory work requirements for individuals in the SNAP and TANF Program to address COVID-related needs such as work opportunities ending, the need to self-quarantine, the need to care for children due to a closure of child care and in-person schooling.
35. Implemented a Pandemic Electronic Benefits Transfer (P-EBT) program in partnership with the Department of Public Instruction to provide SNAP benefits to families with children eligible for free or reduced price meals.
36. Worked with housing partners to implement a Rent Bridge rent assistance program to prevent evictions for qualifying households whose incomes were negatively affected by the pandemic.
37. Worked with the North Dakota Department of Health and other partners to develop modified operating practices for childcare providers and developed and implemented a Child Care Emergency Operating Grant.

Executive Budget Recommendation

- Provides \$9.0 million from the General Fund for the Substance Abuse Disorder (SUD) program.
- Adds 3.00 FTE for home and community based services case management staff.
- Provides \$500,000 for ongoing IT costs for the Early Childhood Data System from the General Fund.
- Provides \$917,004 for civil sex offender treatment from the General Fund.
- Provides a one-time appropriation of \$7.2 million for nursing facility payment reform, with \$3.3 million from the General Fund.
- Provides a one-time General Fund appropriation of \$3.3 million for a nursing facility bed buy back program.
- Provides a \$30.0 million one-time appropriation for replacement of the FRAME/ CCWIPS system, with \$15.0 million from the General Fund.
- Provides \$28.3 million for a 1.0 percent and 1.0 percent inflationary increase to providers, with \$13.8 million from the General Fund.
- Includes 12.00 FTE positions to transfer administration of Medicaid Expansion into the Department and transition Medicaid Expansion rates from commercial fee schedule to traditional Medicaid fee schedule. This would be effective July 1, 2022 with a one-year transition and includes budget savings of \$96.6 million, with General Fund savings of \$10.7 million.
- Authority to proceed with a new North Dakota State Hospital under a public-private partnership, NDCC 48-02.1.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

325 Department of Human Services

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Management	215,027,196	150,318,927	54,460,422	36.2%	204,779,349	87,223,386	58.0%	237,542,313
Program and Policy	3,002,049,754	3,459,367,842	96,639,473	2.8%	3,556,007,315	209,285,070	6.0%	3,668,652,912
Human Service Centers	138,652,621	162,984,547	(309,912)	(0.2%)	162,674,635	4,533,765	2.8%	167,518,312
Institutions	148,368,606	138,383,749	(14,847,573)	(10.7%)	123,536,176	(11,691,808)	(8.4%)	126,691,941
County Social Service Financing	154,012,317	173,700,000	2,177,464	1.3%	175,877,464	3,458,738	2.0%	177,158,738
Total Major Programs	3,658,110,494	4,084,755,065	138,119,874	3.4%	4,222,874,939	292,809,151	7.2%	4,377,564,216
By Line Item								
Salaries and Wages	122,805,197	128,724,469	6,355,671	4.9%	135,080,140	10,282,038	8.0%	139,006,507
Operating Expenses	243,554,541	289,217,559	62,281,074	21.5%	351,498,633	94,682,276	32.7%	383,899,835
Capital Assets	77,237	60,000	25,000	41.7%	85,000	25,000	41.7%	85,000
Capital Construction Carryover	73,178,207	0	0	0.0%	0	0	0.0%	0
Grants	387,366,442	449,002,998	(4,516,385)	(1.0%)	444,486,613	6,686,742	1.5%	455,689,740
Human Service Centers / Institutions	287,021,227	301,368,296	(15,157,485)	(5.0%)	286,210,811	(7,158,043)	(2.4%)	294,210,253
Grants-Medical Assistance	2,390,095,326	2,742,681,743	86,954,535	3.2%	2,829,636,278	184,832,400	6.7%	2,927,514,143
Property Tax Relief	154,012,317	173,700,000	2,177,464	1.3%	175,877,464	3,458,738	2.0%	177,158,738
Total Line Items	3,658,110,494	4,084,755,065	138,119,874	3.4%	4,222,874,939	292,809,151	7.2%	4,377,564,216
By Funding Source								
General Fund	1,325,416,970	1,461,150,884	64,437,593	4.4%	1,525,588,477	102,792,972	7.0%	1,563,943,856
Federal Funds	2,033,588,186	2,266,624,651	114,074,550	5.0%	2,380,699,201	205,560,725	9.1%	2,472,185,376
Special Funds	299,105,338	356,979,530	(40,392,269)	(11.3%)	316,587,261	(15,544,546)	(4.4%)	341,434,984
Total Funding Source	3,658,110,494	4,084,755,065	138,119,874	3.4%	4,222,874,939	292,809,151	7.2%	4,377,564,216
Total FTE	2,162.23	2,230.23	(11.60)	(0.5%)	2,218.63	(8.60)	(0.4%)	2,221.63

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's current selection is ND Cares. 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) Social Security Representative Payee Program; 9) 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 found eligible.

Major Accomplishments

1. Surveyed clients during summer 2020 to obtain input about future agency priorities. There was a 24.4 percent completion rate.
2. Re-established the Olmstead Commission under the Governor's September 13, 2018 Executive Order. An FTE was approved to support the work of the Commission and an attorney hired in October 2019. Established by-laws and a public inquiry process. A website is under construction.
3. Transitioned effectively to alternative work locations with the onset of the COVID-19 pandemic and continued to provide all services.

Executive Budget Recommendation

- Recommends the budget as requested.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

360 Protection and Advocacy

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Protection and Advocacy Program	6,005,790	7,166,150	100,403	1.4%	7,266,553	274,889	3.8%	7,441,039
Total Major Programs	6,005,790	7,166,150	100,403	1.4%	7,266,553	274,889	3.8%	7,441,039
By Line Item								
Protection and Advocacy Services	6,005,790	7,166,150	100,403	1.4%	7,266,553	274,889	3.8%	7,441,039
Total Line Items	6,005,790	7,166,150	100,403	1.4%	7,266,553	274,889	3.8%	7,441,039
By Funding Source								
General Fund	2,958,988	3,240,015	(162,001)	(5.0%)	3,078,014	(84,435)	(2.6%)	3,155,580
Federal Funds	3,046,802	3,926,135	262,404	6.7%	4,188,539	359,324	9.2%	4,285,459
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	6,005,790	7,166,150	100,403	1.4%	7,266,553	274,889	3.8%	7,441,039
Total FTE	27.50	28.50	0.00	0.0%	28.50	0.00	0.0%	28.50

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. Continued assisting employers with recruiting potential employees from a local to national level.
2. Connected employers and job seekers to meet North Dakota's workforce needs and received national recognition for service to veterans from veteran service organizations for staff and Fargo local office.
3. Marketed the Unmanned Aerial Systems (UAS) Featured Jobs document to highlight and promote the growing UAS industry in the Grand Forks region and the state.
4. Wrote 15 new jobs training agreements in the 2017-19 biennium with 372 planned jobs created.

5. Continued to participate in the development of the Statewide Longitudinal Data System (SLDS); a system that provides comprehensive workforce supply and demand information.
6. Automated the administration of the automated UI system in North Dakota, which positions Job Service to deal with continued federal funding shortfalls and the resulting loss of UI staff, enabling claimants to individually file claims and certify weekly eligibility.
7. Gained efficiencies through the implementation of an online, self-service portal for employers with ND Tax Department interfaces.
8. Implemented document management software resulting in efficiencies in data element validation and monitoring activities.
9. Implemented additional requirements of the Workforce Innovation and Opportunity Act of 2014.
10. Streamlined internal processes within the Foreign Labor Certification programs.

Executive Budget Recommendation

- Recommends the budget as requested.
- Provides authority for the continuing development of the unemployment insurance system modernization project.
- Transfers 16.0 FTE to NDIT as part of the IT unification initiative.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

380 Job Service North Dakota

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Job Service	42,762,604	65,074,342	(1,660,506)	(2.6%)	63,413,836	376,379	0.6%	65,450,721
Total Major Programs	42,762,604	65,074,342	(1,660,506)	(2.6%)	63,413,836	376,379	0.6%	65,450,721
By Line Item								
Salaries and Wages	27,450,597	30,572,221	24,284	0.1%	30,596,505	(1,453,471)	(4.8%)	29,118,750
Operating Expenses	10,327,300	17,840,895	(4,269,741)	(23.9%)	13,571,154	(755,101)	(4.2%)	17,085,794
Capital Assets	5,178	20,000	0	0.0%	20,000	0	0.0%	20,000
Grants Benefits and Claims	4,653,269	6,166,112	2,114,939	34.3%	8,281,051	2,114,939	34.3%	8,281,051
Reed Act - Unemployment	326,260	10,475,114	470,012	4.5%	10,945,126	470,012	4.5%	10,945,126
Total Line Items	42,762,604	65,074,342	(1,660,506)	(2.6%)	63,413,836	376,379	0.6%	65,450,721
By Funding Source								
General Fund	437,490	430,624	(21,532)	(5.0%)	409,092	(20,063)	(4.7%)	410,561
Federal Funds	41,768,219	63,753,048	(1,351,820)	(2.1%)	62,401,228	680,629	1.1%	64,433,677
Special Funds	556,895	890,670	(287,154)	(32.2%)	603,516	(284,187)	(31.9%)	606,483
Total Funding Source	42,762,604	65,074,342	(1,660,506)	(2.6%)	63,413,836	376,379	0.6%	65,450,721
Total FTE	181.61	172.61	0.00	0.0%	172.61	(16.00)	(9.3%)	156.61

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, Producer Licensing, Consumer Assistance, Examinations and Company Licensing, Legal, Fraud, and Product Filing. The Department has 41 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. Assisted 4,751 consumers in 2018 and 6,513 in 2019. This resulted in a saving for North Dakota citizens of 1.7 million.
2. Assisted 100 North Dakotans through the Prescription Connection program in 2018 and 53 in 2019 resulting in \$860,631 in savings for North Dakota citizens.
3. Processed 24,000 telephone calls from North Dakotans who needed help resolving an insurance-related matter and helped North Dakotans obtain \$3.7 million in relief.

4. Worked 610 fraud cases with a total loss amount of over \$1.4 million for fiscal year 2018 and 2019.
5. Provided low-cost insurance through the State Fire and Tornado Fund to 1,164 state entities and political subdivisions.
6. Analyzed and closed 5,476 insurance form and rate filings in 2018 and 5,885 in 2019.
7. Collected and deposited \$115.5 million of premium tax into the General Fund and another \$10 million was transferred from the Insurance Regulatory Trust Fund to the General Fund.
8. Disbursed \$17.9 million in fire district payments in fiscal years 2019 and 2020,
9. Completed 3 financial examinations in 2018 and 6 in 2019 on domestic insurance companies.
10. Implemented a section 1332 waiver under the ACA, creating the RAND, which reduced health insurance premiums on the individual marketplace in North Dakota by an average of 20 percent.
11. Participated in the discussion and implementation of the federal health care reform activities under the ACA through many interim legislative committee meetings, public presentations and consumer inquiries.

Executive Budget Recommendation

- Provides federal funding authority for the Reinsurance Association of North Dakota (RAND) program.
- Provides funding to North Dakota Fire Fighters Association and fire districts.
- Reduces legislatively approved FTE from 42.0 to 39.0.
- Includes \$100,000 in special funds for office renovation.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

401 Office of the Insurance Commissioner

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Grants To Local Fire Departments	15,047,562	18,818,030	0	0.0%	18,818,030	0	0.0%	18,818,030
Regulatory and Administration	9,662,111	9,716,673	21,796,185	224.3%	31,512,858	21,891,397	225.3%	31,608,070
Total Major Programs	24,709,673	28,534,703	21,796,185	76.4%	50,330,888	21,891,397	76.7%	50,426,100
By Line Item								
Salaries and Wages	8,005,756	8,149,998	177,922	2.2%	8,327,920	269,278	3.3%	8,419,276
Operating Expenses	1,656,355	1,566,675	29,913	1.9%	1,596,588	33,769	2.2%	1,600,444
Capital Assets	0	0	100,000	100.0%	100,000	100,000	100.0%	100,000
Grants	15,047,562	18,818,030	21,488,350	114.2%	40,306,380	21,488,350	114.2%	40,306,380
Total Line Items	24,709,673	28,534,703	21,796,185	76.4%	50,330,888	21,891,397	76.7%	50,426,100
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	537,073	372,811	21,724,815	5,827.3%	22,097,626	21,737,653	5,830.7%	22,110,464
Special Funds	24,172,600	28,161,892	71,370	0.3%	28,233,262	153,744	0.5%	28,315,636
Total Funding Source	24,709,673	28,534,703	21,796,185	76.4%	50,330,888	21,891,397	76.7%	50,426,100
Total FTE	46.00	41.00	(2.00)	(4.9%)	39.00	(2.00)	(4.9%)	39.00

Statutory Authority

North Dakota Century Code 4-36, 6-09.4, 17-05, 23-29-07.6, 28-32-02, 32-40.2, 38-08, 38-08.1, 38-11.2, 38-12, 38-12.1, 38-14.1, 38-15, 38-19, 38-22, 38-23, 38-24, 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) budget is comprised of three agencies including the Administrative Office (AO), the Public Finance Authority (PFA), and the Department of Mineral Resources (DMR) - the Oil and Gas Division and Geological Survey.

The AO coordinates the IC's oversight of the agencies/entities that report to the IC. The AO is the contracting office for the following programs: Lignite, Oil and Gas, Renewable Energy Research, Pipeline Authority, and the Outdoor Heritage Fund. The Transmission Authority is administered through a contract under the Lignite Research Program. The AO also provides oversight on the disbursement of revenues from the Western Area Water Supply Authority industrial sales. The AO has in the past been the primary contact for the Building Authority and the Student Loan Trust. These responsibilities are being assigned to PFA.

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 subsurface minerals, underground fluid injection, carbon dioxide underground storage, oil well cores and drilling samples, coal exploration drilling, geothermal, paleontological resources, high-level radioactive waste, underground storage and retrieval of nonhydrocarbons, 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. The DMR determines the geologic suitability of all proposed landfills, reviews highway improvement projects, pipeline and transmission line corridors, and paleontology on Trust Land tracts.

The PFA provides market and below market loans to political subdivisions and provides financial services in connection with the administration and management of the State Revolving Fund Program. Beginning in 2011, the PFA offered disaster loan assistance to political subdivisions through its Capital Finance Program. In 2019, the Executive Director became an authorized officer for the Building Authority.

Major Accomplishments

1. Issued 1,014 well permits, heard 851 cases, wrote orders disposing of cases, permitted 6 seismic projects, continued enhancing royalty owner access to well information and hearings, and permitted four seismic projects for Class VI program.
2. Secured over \$66.0 million of CARES Act funds to plug and reclaim several hundred abandoned wells and facilities to provide relief to the oil and gas service industry and landowners by restoring thousands of acres of land to pre-oil gas use.
3. Upgraded the agency's master oil and gas database.
4. Answered 962 inquiries, published 476 articles, maps, and reports, gave 52 presentations, and held two 2-day long core workshops.
5. Installed new fossil exhibit in Icelandic State Park, oversaw renovation of the Dakota hadrosaur exhibit at the ND State Museum, managed five public fossil digs, published a report on mosasaurs in ND, and created a virtual fossil lecture series filling the science gap when schools suddenly dismissed due to COVID-19.
6. Issued geothermal, coal exploration, and subsurface mineral permits for 447 test holes; reviewed geologic suitability of 181 infrastructure projects, reviewed three solid waste disposal permit applications, the geology for five coal mine permits, evaluated the paleontology on 1,043 Trust Land tracts.
7. Prepared for issuance of \$110.0 million of ND Building Authority bonds for ND University System projects.
8. Leveraged over \$38.8 million of state dollars with matching funds of about \$79.8 million for 25 oil and gas, lignite, and renewable energy research and educational projects.
9. Developed and implemented a new Outdoor Heritage Fund grant administration program.
10. Issued a current Transmission Capacity Study Report, and contracted with the Energy and Environmental Research Center to complete an Assessment of Bakken and Three Forks Natural Gas Compositions.
11. Surpassed \$1.55 billion mark in assistance approved and \$1.20 billion in funds disbursed in 2019.

Executive Budget Recommendation

- Restores funding for the second year of the biennium for 7.0 vacant FTE removed in the base budget request.
- Removes 4.0 FTE positions.
- Includes the Industrial Commission in a funding pool included in Attorney General's budget for potential litigation.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

405 Industrial Commission

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	16,326,108	11,681,361	(10,508,767)	(90.0%)	1,172,594	(10,462,636)	(89.6%)	1,218,725
Office of Mineral Resources	30,064,404	27,492,202	(4,088,130)	(14.9%)	23,404,072	(1,267,232)	(4.6%)	26,224,970
Public Finance Authority	555,100	804,425	8,033,221	998.6%	8,837,646	22,116,806	2,749.4%	22,921,231
Total Major Programs	46,945,612	39,977,988	(6,563,676)	(16.4%)	33,414,312	10,386,938	26.0%	50,364,926
By Line Item								
Salaries and Wages	21,359,618	23,409,450	(2,721,882)	(11.6%)	20,687,568	(208,533)	(0.9%)	23,200,917
Operating Expenses	10,008,597	5,830,227	(1,136,704)	(19.5%)	4,693,523	(710,269)	(12.2%)	5,119,958
Grants	15,415,013	0	0	0.0%	0	0	0.0%	0
Gas and Oil Div. Contingency	0	229,544	(229,544)	(100.0%)	0	(226,214)	(98.5%)	3,330
Bond Payments	0	10,508,767	(2,475,546)	(23.6%)	8,033,221	11,531,954	109.7%	22,040,721
Litigation Costs	162,384	0	0	0.0%	0	0	0.0%	0
Total Line Items	46,945,612	39,977,988	(6,563,676)	(16.4%)	33,414,312	10,386,938	26.0%	50,364,926
By Funding Source								
General Fund	26,618,928	27,254,198	(4,088,130)	(15.0%)	23,166,068	(1,267,232)	(4.6%)	25,986,966
Federal Funds	223,625	238,004	0	0.0%	238,004	0	0.0%	238,004
Special Funds	20,103,059	12,485,786	(2,475,546)	(19.8%)	10,010,240	11,654,170	93.3%	24,139,956
Total Funding Source	46,945,612	39,977,988	(6,563,676)	(16.4%)	33,414,312	10,386,938	26.0%	50,364,926
Total FTE	110.25	112.25	(17.00)	(15.1%)	95.25	(4.00)	(3.6%)	108.25

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 Employment Opportunity Commission and the Department of Housing and Urban Development each year.
3. Attended training at the National Fair Housing Training Academy.
4. Developed online submission process for agency forms.
5. Provided numerous educational presentations across the state.
6. Worked on developing procedural manuals for the agency.
7. Identified and implemented efficiencies to improve current processes within the agency.
8. Developed a database that will now allow the Department to be paperless.
9. Provided various training, education, public documents to the public, other agencies, and citizens traveling inside and outside of North Dakota, on COVID-19. This included training, education, and public documents in both areas of Labor and Human Rights.

Executive Budget Recommendation

- Provides one-time appropriation for phase two of software upgrade.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

406 Department of Labor and Human Rights

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Office of Labor Commissioner	2,337,698	2,806,191	(110,834)	(3.9%)	2,695,357	245,650	8.8%	3,051,841
Total Major Programs	2,337,698	2,806,191	(110,834)	(3.9%)	2,695,357	245,650	8.8%	3,051,841
By Line Item								
Salaries and Wages	2,076,145	2,475,765	(110,834)	(4.5%)	2,364,931	(35,528)	(1.4%)	2,440,237
Operating Expenses	261,553	330,426	0	0.0%	330,426	281,178	85.1%	611,604
Total Line Items	2,337,698	2,806,191	(110,834)	(3.9%)	2,695,357	245,650	8.8%	3,051,841
By Funding Source								
General Fund	1,897,828	2,325,510	(117,021)	(5.0%)	2,208,489	209,463	9.0%	2,534,973
Federal Funds	439,870	480,681	6,187	1.3%	486,868	36,187	7.5%	516,868
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	2,337,698	2,806,191	(110,834)	(3.9%)	2,695,357	245,650	8.8%	3,051,841
Total FTE	14.00	14.00	0.00	0.0%	14.00	0.00	0.0%	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).

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 conversion facilities, transmission line and pipeline siting, railroads, auctioneers and auction clerks, weighing and measuring devices, pipeline safety, coal mine reclamation, and eliminating public hazards from abandoned mine lands. The commission is comprised of three commissioners who are elected on a statewide basis to staggered six-year terms. The commission had 43 authorized full-time employees throughout the 2019-21 biennium and 2 to 3 temporary seasonal construction inspectors.

Major Accomplishments

1. Processed 864 formal cases to include industry filings, complaint proceedings, and rulemaking. Ninety-four percent of all formal cases were processed without the need for a formal hearing.
2. Received and processed more than 1,000 complaints and inquiries. The majority involved customers needing help with gas/electric utilities, telecommunications, and those submitting public comments related to siting applications. An updated public contact tracking application was deployed this biennium to help more efficiently track contacts with the Commission.
3. Continued to receive high marks on federal review of the coal regulatory and abandoned mine lands programs.

4. Approved 8 permit renewals in the Reclamation Division. As of June 30, 2019, there were 134,919 acres under permit for surface coal mining and reclamation operations.
5. Conducted sinkhole filling projects to fill approximately 340 hazardous sinkholes caused by underground mine collapse and one emergency project to fill extremely hazardous sinkholes near a state highway.
6. Inspected more than 18,000 rail cars, more than 5,300 miles of track and in the process, found thousands of defects that the railroads subsequently corrected.
7. Processed siting applications for 11 pipelines, 3 gas processing plants, 6 wind generation farms, one solar generation farm, and 4 electric transmission lines. Implemented and processed 15 decommissioning plans to ensure that wind projects are cleaned up and the land reclaimed when a wind farm is abandoned.
8. Worked with utilities to quickly adjust rates due to the Tax Cuts and Jobs Act of 2017, resulting in savings \$26.6 million for rate payers.
9. Completed 64 damage prevention complaints resulting in penalties totaling \$87,550, bringing more awareness of the ND One-Call Law. Participated in 811 Day at the state fair to help educate about the importance of calling 811 before any digging project.

Executive Budget Recommendation

- Provides \$550,000 special fund authority for agency to self-fund operations.
- Provides funding to re-purpose existing position for a natural gas pipeline inspector.
- Provides one-time equipment purchase of \$120,000, \$5,400 from the General Fund.
- Includes the Public Service Commission in a funding pool included in Attorney General's budget for potential litigation.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

408 Public Service Commission

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	2,744,921	4,430,761	(788,260)	(17.8%)	3,642,501	(471,635)	(10.6%)	3,959,126
Compliance	2,527,789	3,196,391	15,726	0.5%	3,212,117	591,881	18.5%	3,788,272
Public Utilities	1,228,042	1,517,123	26,811	1.8%	1,543,934	444,639	29.3%	1,961,762
Reclamation Programs	8,401,453	9,743,129	364,845	3.7%	10,107,974	584,480	6.0%	10,327,609
Total Major Programs	14,902,205	18,887,404	(380,878)	(2.0%)	18,506,526	1,149,365	6.1%	20,036,769
By Line Item								
Salaries and Wages	8,737,987	9,495,560	(670,297)	(7.1%)	8,825,263	424,666	4.5%	9,920,226
Operating Expenses	1,391,712	1,763,826	(36,993)	(2.1%)	1,726,833	248,031	14.1%	2,011,857
Capital Assets	9,988	25,000	0	0.0%	25,000	120,000	480.0%	145,000
Grants	15,625	20,000	0	0.0%	20,000	0	0.0%	20,000
AML Contractual Services	4,149,243	6,000,000	0	0.0%	6,000,000	0	0.0%	6,000,000
Rail Rate Complaint Case	0	900,000	0	0.0%	900,000	0	0.0%	900,000
Railroad Safety Program	550,468	589,018	412	0.1%	589,430	30,668	5.2%	619,686
Specialized Legal Services	47,182	94,000	326,000	346.8%	420,000	326,000	346.8%	420,000
Total Line Items	14,902,205	18,887,404	(380,878)	(2.0%)	18,506,526	1,149,365	6.1%	20,036,769
By Funding Source								
General Fund	6,174,127	6,714,928	(671,493)	(10.0%)	6,043,435	(101,520)	(1.5%)	6,613,408
Federal Funds	8,128,396	10,558,458	295,904	2.8%	10,854,362	690,217	6.5%	11,248,675
Special Funds	599,682	1,614,018	(5,289)	(0.3%)	1,608,729	560,668	34.7%	2,174,686
Total Funding Source	14,902,205	18,887,404	(380,878)	(2.0%)	18,506,526	1,149,365	6.1%	20,036,769
Total FTE	45.00	43.00	0.00	0.0%	43.00	0.00	0.0%	43.00

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 ND that belong to the National Plan of Integrated Systems (NPIAS).
3. Provided approximately \$10.0 million dollars in state airport infrastructure grants and leveraged approximately \$120.0 million of federal aid for North Dakota airport projects.
4. Updated the Aeronautics Commission website to ensure efficiency, easy navigability and better communication with the public.
5. Served as the advisory agency for the Board of University in School Lands in their appropriation of oil impact airport grants.
6. Continued to provide the Flight Instructor Assistance Program (FTAP) to offer assistance to rural public use airports not served by an active flight instructor.
7. Continued the Air Carrier Airport Management Intern Program for the eight communities that have airline service.

8. Presented the completion awards for the Airport Passport Program to encourage pilots to visit all of the state's airports.
9. Provided aviation education grants and support for schools and aviation museums to encourage individuals to pursue careers in science, technology, engineering and math related fields.
10. Distributed airport directories and aviation education material to communities throughout the state.
11. Continued the windsock program which provides one new windsock annually to each public airport in North Dakota.
12. Continued a statewide contract to provide routine maintenance to all of North Dakota's Automated Weather Observation System's (AWOS).
13. Educated the aviation community and public airport sponsors through airport inspections, training conferences, safety and security information, federal grant assurances and community meetings.
14. Worked to update the agency grant database to more efficiently and accurately track and manage airport grant infrastructure payments and historical allocations of federal, state, and local contributions for airport projects.
15. Worked to update the Aviation Information Management System to allow efficiency and timely gains in working with aircraft registrations, aircraft excise tax payments, aircraft dealer licensing and aerial applicator licensing.

Executive Budget Recommendation

- Provides an additional \$2.0 million in other funds for airports grants.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

412 Aeronautics Commission

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Regulatory and Administration	1,902,571	2,669,082	48,500	1.8%	2,717,582	96,225	3.6%	2,765,307
Airport Development and Maintenance	8,703,054	26,662,000	(163,500)	(0.6%)	26,498,500	1,801,500	6.8%	28,463,500
Total Major Programs	10,605,625	29,331,082	(115,000)	(0.4%)	29,216,082	1,897,725	6.5%	31,228,807
By Line Item								
Salaries and Wages	1,181,604	1,526,328	37,738	2.5%	1,564,066	84,802	5.6%	1,611,130
Operating Expenses	1,619,001	2,004,754	62,262	3.1%	2,067,016	62,923	3.1%	2,067,677
Construction Carryover	1,261,340	0	0	0.0%	0	0	0.0%	0
Grants	6,543,680	25,800,000	(215,000)	(0.8%)	25,585,000	1,750,000	6.8%	27,550,000
Total Line Items	10,605,625	29,331,082	(115,000)	(0.4%)	29,216,082	1,897,725	6.5%	31,228,807
By Funding Source								
General Fund	900,000	500,000	(25,000)	(5.0%)	475,000	(25,000)	(5.0%)	475,000
Federal Funds	842,403	935,000	(90,000)	(9.6%)	845,000	(90,000)	(9.6%)	845,000
Special Funds	8,863,222	27,896,082	0	0.0%	27,896,082	2,012,725	7.2%	29,908,807
Total Funding Source	10,605,625	29,331,082	(115,000)	(0.4%)	29,216,082	1,897,725	6.5%	31,228,807
Total FTE	7.00	7.00	0.00	0.0%	7.00	0.00	0.0%	7.00

Statutory Authority

North Dakota Century Code Titles 6, 13 and 51.

Agency Description

The Department of Financial Institutions is a self-funded regulatory agency responsible for the oversight of state-chartered banks, credit unions, trust companies, money brokers, collection agencies, mortgage loan originators, deferred presentment service providers (payday lenders), debt settlement providers, and money transmitters doing business under the laws of the state of North Dakota. The department conducts examinations to determine the safety and soundness of the financial institutions and monitor compliance with applicable rules and regulations.

The services financial institutions provide in North Dakota are the foundation of main street and touch every citizen. The department's responsibility is to ensure the safety and soundness of these institutions and therefore the continued economic development and the well-being of North Dakota communities and citizens.

Major Accomplishments

1. Obtained an appraisal waiver that addressed availability of financial services, provided relief for North Dakotans, and opened dialogue between industries.
2. Influenced national policy--federal regulators increased thresholds within their rules citing the North Dakota waiver as supporting reason and brought congressional attention to a problem created in Washington which has an impact on North Dakotans.
3. Maintained bank and credit union examination frequency within the requirements set by statute and federal regulations.

Executive Budget Recommendation

- Recommends \$160,000 in operating for money transmitter exams.
- Restores \$50,000 for salary shortfall.
- Provides \$40,000 for a Financial Literacy Program.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

413 Department of Financial Institutions

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dept of Financial Inst	8,052,433	8,684,567	0	0.0%	8,684,567	482,716	5.6%	9,167,283
Total Major Programs	8,052,433	8,684,567	0	0.0%	8,684,567	482,716	5.6%	9,167,283
By Line Item								
Salaries and Wages	6,282,560	7,022,654	173,809	2.5%	7,196,463	453,220	6.5%	7,475,874
Operating Expenses	1,769,873	1,641,913	(173,809)	(10.6%)	1,468,104	29,496	1.8%	1,671,409
Contingency	0	20,000	0	0.0%	20,000	0	0.0%	20,000
Total Line Items	8,052,433	8,684,567	0	0.0%	8,684,567	482,716	5.6%	9,167,283
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	8,052,433	8,684,567	0	0.0%	8,684,567	482,716	5.6%	9,167,283
Total Funding Source	8,052,433	8,684,567	0	0.0%	8,684,567	482,716	5.6%	9,167,283
Total FTE	30.00	31.00	0.00	0.0%	31.00	0.00	0.0%	31.00

Statutory Authority

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

Agency Description

The North Dakota Securities Department protects North Dakota investors and supports legitimate capital formation by businesses. The 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).

Key elements of this investor protection regulatory structure are the registration of investment firms and professionals (broker-dealer, agents, investment advisers, and investment adviser representatives), the registration of securities offerings and the qualification of securities offerings for registration exemptions, and the registration of franchise offerings. Registration fees collected are a revenue source for the state of North Dakota. The agency regulates the capital formation process and strives to adequately balance the support of efficient, legitimate capital formation with appropriate protections for investors who commit capital to businesses.

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

Major Accomplishments

1. Opened 145 investigations, including a large on-going investigation involving fraud, misrepresentation, and suitability violations in the sale of real estate investment trusts and variable annuities.
2. Initiated 12 initial coin offering (ICO) investigations that resulted in the issuance of 7 cease and desist orders.
3. Assisted with the successful criminal prosecution of a fraudulent drilling scheme, and the criminal prosecution of one of the largest Ponzi schemes operated in North Dakota.
4. Requested the withdrawal of 16 individual registrations, issued 13 cease and desist orders, 2 consent orders and 2 consent agreements.
5. Negotiated 5 rescission offers totaling \$1,537,005.
6. Obtained investor restitution totaling over \$4,693,236 involving 11 separate enforcement actions.
7. Collected a \$499,000 penalty from a multi-state enforcement case settlement related to unregistered activity.

Executive Budget Recommendation

- Recommends budget as requested.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

414 Securities Department

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Investor Protection	2,101,923	2,757,119	0	0.0%	2,757,119	68,606	2.5%	2,825,725
Total Major Programs	2,101,923	2,757,119	0	0.0%	2,757,119	68,606	2.5%	2,825,725
By Line Item								
Salaries and Wages	1,768,153	2,163,558	0	0.0%	2,163,558	67,064	3.1%	2,230,622
Operating Expenses	333,770	593,561	0	0.0%	593,561	1,542	0.3%	595,103
Total Line Items	2,101,923	2,757,119	0	0.0%	2,757,119	68,606	2.5%	2,825,725
By Funding Source								
General Fund	2,023,635	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	78,288	2,757,119	0	0.0%	2,757,119	68,606	2.5%	2,825,725
Total Funding Source	2,101,923	2,757,119	0	0.0%	2,757,119	68,606	2.5%	2,825,725
Total FTE	9.00	10.00	0.00	0.0%	10.00	0.00	0.0%	10.00

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 2020-22 Strategic Plan of the Bank include: to drive economic growth and diversity, expand access to postsecondary education, utilize BND's unique competitive advantage to drive economic diversification and entrepreneurship, enhance innovation and utilize our agility to be a model of efficient and effective government, and optimize technology and use of data.

Major Accomplishments

1. Increased only 2.0 FTE's (179.5 to 181.5) over the past seven years while its loan programs, particularly the loans administered for the state, have increased by over \$400.0 million and as of June 30, 2020 asset size was \$8.00 billion.
2. Closed 2019 with a \$4.50 billion loan portfolio.
3. Participated in 300 North Dakota business and industrial projects in 2019. Funding or renewed \$1.30 billion of commercial participation with financial institution partners in the \$2.10 billion commercial loan portfolio.
4. BND made 19 loans through the rural housing programs, accounting for \$3.8 million of its \$628.0 million portfolio.
5. Disbursed over \$121.0 million in student loans in 2019 with a total portfolio of \$1.20 billion.

6. Agriculture loan portfolio totaled \$647.0 million in 2019. BND funded or renewed \$172.0 million of agriculture loans in 2019.
7. Grew BND's earnings in 2019 by 7 percent over 2018 to \$169.0 million. BND's return on average equity was 15 percent.
8. Rated A+ by Standard and Poors (S&P), putting BND in a rating category with the highest-rated U.S. banks.
9. Administered the \$150.0 million Infrastructure Revolving Loan Program, which was funded by \$50.0 million from the Strategic Investments and Improvements Fund and \$100.0 million from BND retained earnings.
10. Administered the School Construction Administrative Revolving Loan Fund. The program combined \$75.0 million from the Foundation Aid Stabilization Fund with \$150.0 million of school loans originated by Department of Trust Lands.
11. Committed to provide up to \$255.0 million of its capital to fund its buydown of \$37.0 million in loan programs, \$78.0 million in various other areas, and provided a \$140.0 million dividend to the General Fund.

Executive Budget Recommendation

- Provides for a \$40.0 million transfer from BND's retained earnings to the PACE, beginning farmer and school construction loan interest buydown programs: \$26.0 million PACE/Flex PACE, \$5.0 million Agriculture PACE, \$1.0 million Biofuels PACE, \$8.0 million beginning farmer loan program.
- Provides for a \$3.0 million transfer from BND's retained earnings to the Agriculture Products Utilization Commission (APUC)
- Provides \$1.5 million increase for bank contingency line.
- Transfers 16.0 FTE positions to NDIT as part of IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

471 Bank of North Dakota

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Bank of North Dakota Operations	51,542,448	64,357,799	0	0.0%	64,357,799	2,603,280	4.0%	66,961,079
Total Major Programs	51,542,448	64,357,799	0	0.0%	64,357,799	2,603,280	4.0%	66,961,079
By Line Item								
Capital Assets	366,188	1,510,000	0	0.0%	1,510,000	0	0.0%	1,510,000
BND Operations	51,176,260	62,847,799	0	0.0%	62,847,799	2,603,280	4.1%	65,451,079
Total Line Items	51,542,448	64,357,799	0	0.0%	64,357,799	2,603,280	4.0%	66,961,079
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	51,542,448	64,357,799	0	0.0%	64,357,799	2,603,280	4.0%	66,961,079
Total Funding Source	51,542,448	64,357,799	0	0.0%	64,357,799	2,603,280	4.0%	66,961,079
Total FTE	181.50	181.50	0.00	0.0%	181.50	(16.00)	(8.8%)	165.50

Statutory Authority

North Dakota Century Code Chapter 54-17.

Agency Description

North Dakota Housing Finance Agency (NDHFA) is a self-supporting and mission-driven state agency dedicated to making housing affordable for all North Dakotans. NDHFA offers affordable home financing to low- to moderate-income families and help to ensure the continued availability of suitable rental housing for households of modest means while focusing on the overall housing needs of our state's growing communities. Programs administered include homeownership and down payment assistance, multifamily state and federal tax credits, Section 8 rental assistance, agency funded rehabilitation assistance, and state and federal compliance monitoring.

Major Accomplishments

1. Provided more than 47,000 single family loans across the state equal to approximately \$3.66 billion since 1983. Multifamily housing leverages, local, state and federal funding; today the agency has assisted in the creation and preservation of more than 9,400 rental units. Specifically, the state's Housing Incentive Fund, which was launched in 2011, has committed over \$87.9 million in authorized funds, adding 2,380 units.
2. Provided 3,272 low interest rate loans (ranging from 0.25 to 1 percent below market rate) with a total volume of over \$574.0 million for low to moderate income residents helping them to begin creating household wealth. Provided 2,526 residents with down payment and closing cost assistance totaling \$13.5 million to enable those households to preserve a share of their assets while still being required to contribute to the purchase of their home.
3. Administered rental assistance and compliance oversight for 2,925 Housing and Urban Development (HUD) and 6,906 Low Income Housing Tax Credit, 2,078 Housing Incentive Fund and 323 Housing Trust Fund affordable multifamily units.
4. Completed 15 new projects, creating or rehabilitating 209 senior units, 112 units for individuals experiencing homelessness, 24 units for individuals with disabilities and 349 units for low income families.

5. Allocated to 11 non-profit and tribal agencies \$400,000 in Helping Housing Across North Dakota (HAND) funding. Leveraging agency capital, Helping Hand supports the needs of lower-income households through grants to targeted single-family housing rehabilitation programs. During the biennium a total of \$367,944 was expended to rehab 293 single family units with total development costs of over \$1.0 million.
6. Committed \$100,000 in capital for the Rehab Accessibility Program (RAP) for accessibility upgrades for low income homeowners and renters. During the biennium a total of \$82,030 was expended on 25 accessibility projects totaling \$186,269 in total development costs.
7. Issued four capital advances totaling \$554,848 for acquisition and rehabilitation of four single family homes. These homes will continue to be part of the Grand Forks Community Land Trust portfolio and made available for qualified low-income households to purchase.
8. Provided assistance to transform one city block in Oakes that contains a single-family home, vacant seven-plex motel, and several trailer units, which are primarily only in use during the hunting season. The \$174,450 loan investment will be used to renovate the single-family structure, demolish the motel and trailer units, and replat the block into six separate lots to be sold.
9. Utilized a \$300,000 loan investment for a 56-unit USDA project in Grafton for exterior repairs. A second loan investment of \$125,625 was used on a twelve-unit project in Crosby for exterior repairs.

Executive Budget Recommendation

- Recommends transferring the mortgage loan program from Bank of North Dakota to ND Housing Finance Agency, which provides 2.0 FTE and \$393,076 from special funds for administering the program.
- Recommends transferring the HOME program from Commerce to ND Housing Finance Agency, which includes the transfer of 2.0 FTE and \$8.3 million in funding; \$700,000 special funds and \$7.6 million federal funds.
- Provides for the transfer of \$8.0 million to the Housing Incentive Fund from June 30, 2021 Legacy Fund earnings.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

473 ND Housing Finance Agency

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND Housing Finance Agency	43,571,020	47,421,891	2,464,587	5.2%	49,886,478	11,481,521	24.2%	58,903,412
Total Major Programs	43,571,020	47,421,891	2,464,587	5.2%	49,886,478	11,481,521	24.2%	58,903,412
By Line Item								
Salaries and Wages	7,569,377	8,509,015	0	0.0%	8,509,015	1,025,137	12.0%	9,534,152
Operating Expenses	5,394,065	5,346,276	555,987	10.4%	5,902,263	797,784	14.9%	6,144,060
Equipment	0	0	100,000	100.0%	100,000	150,000	100.0%	150,000
Grants	30,600,756	33,466,600	1,808,600	5.4%	35,275,200	9,508,600	28.4%	42,975,200
HFA Contingency	6,822	100,000	0	0.0%	100,000	0	0.0%	100,000
Total Line Items	43,571,020	47,421,891	2,464,587	5.2%	49,886,478	11,481,521	24.2%	58,903,412
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	30,027,166	32,896,600	3,416,556	10.4%	36,313,156	11,113,073	33.8%	44,009,673
Special Funds	13,543,854	14,525,291	(951,969)	(6.6%)	13,573,322	368,448	2.5%	14,893,739
Total Funding Source	43,571,020	47,421,891	2,464,587	5.2%	49,886,478	11,481,521	24.2%	58,903,412
Total FTE	44.00	44.00	0.00	0.0%	44.00	4.00	9.1%	48.00

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 14.3 million hundredweight in fiscal year 2020.

2. Purchased more than 30.9 million bushels of spring wheat and durum in fiscal year 2020.
3. Achieved profits of \$11.4 million in fiscal year 2020.

Executive Budget Recommendation

- Recommends an \$88.6 million budget, an \$11.6 million increase from 2019-21 legislative base, funded entirely from Mill profits.
- Continues funding of agriculture promotional expenses of \$500,000 through a special line item.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

475 ND Mill and Elevator Association

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Flour Mill and Grain Terminal Operations	59,191,452	76,994,824	(642)	0.0%	76,994,182	11,604,570	15.1%	88,599,394
Total Major Programs	59,191,452	76,994,824	(642)	0.0%	76,994,182	11,604,570	15.1%	88,599,394
By Line Item								
Salaries and Wages	35,396,222	46,447,824	(1,500,642)	(3.2%)	44,947,182	4,334,570	9.3%	50,782,394
Operating Expenses	23,744,945	29,837,000	1,500,000	5.0%	31,337,000	6,980,000	23.4%	36,817,000
Agriculture Promotion	50,285	210,000	0	0.0%	210,000	290,000	138.1%	500,000
Contingency	0	500,000	0	0.0%	500,000	0	0.0%	500,000
Total Line Items	59,191,452	76,994,824	(642)	0.0%	76,994,182	11,604,570	15.1%	88,599,394
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	59,191,452	76,994,824	(642)	0.0%	76,994,182	11,604,570	15.1%	88,599,394
Total Funding Source	59,191,452	76,994,824	(642)	0.0%	76,994,182	11,604,570	15.1%	88,599,394
Total FTE	153.00	156.00	0.00	0.0%	156.00	0.00	0.0%	156.00

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, a state entity, functions as the sole provider of workers compensation insurance in the state of North Dakota. WSI receives no general fund dollars and is funded entirely by employer premiums. 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.

WSI has 260 authorized full-time employees (FTEs). Claims for occupational injury and disease are filed with WSI and adjudicated by in-house agency claims analysts. WSI processes approximately 20,000 new claims per year. WSI services over 24,500 employers with a covered workforce of approximately 414,000 workers. Annual earned premiums were approximately \$250.0 million in FY2020.

Major Accomplishments

1. Continued to have the lower premium rates in the nation and were reduced for the 4th consecutive year.
2. Offered fair payment for medical and hospital services and ensures injured employees have access to quality healthcare.

3. Averaged 5.5 percent investment returns over the past years and total dividends issued 15 out of the last 16 years have amounted to \$1.50 billion.
4. Continued to provide and enhance policyholder safety and loss control programs, helping both employers and employees recognize and correct safety hazards. Injury rates fell for the 7th consecutive year.
5. Continued to maintain a low administrative expense ratio of approximately 16 percent. Workers' compensation industry expense ratios are approximately 25 percent.
6. Realized only 0.7 percent of decisions issued proceeded to an administrative court hearing.
7. Maintained medical cost containment through medical and hospital fee schedules, utilization review, medical bill review, and pharmacy formularies.
8. Maintained a great return to work program. Time-loss claims account for approximately 12 percent of total claims in North Dakota compared to 20 percent in other jurisdictions.

Executive Budget Recommendation

- Provides \$7.5 million in special funds for continuation of the development of the claims and policy system.
- Provides \$3.1 million in special funds for continuation of the MyWSI enhancement project.
- Provides \$514,000 for building improvements.
- Transfers 12.0 FTE positions to NDIT for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

485 Workforce Safety and Insurance

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Employer Services	10,817,916	11,365,584	76,060	0.7%	11,441,644	406,569	3.6%	11,772,153
Injury Services	26,648,936	28,024,576	4,261	0.0%	28,028,837	789,706	2.8%	28,814,282
Administrative Services	20,276,991	13,191,811	(1,991,733)	(15.1%)	11,200,078	9,225,750	69.9%	22,417,561
Executive and Other Services	8,136,502	8,305,871	1,911,412	23.0%	10,217,283	2,150,985	25.9%	10,456,856
Total Major Programs	65,880,345	60,887,842	0	0.0%	60,887,842	12,573,010	20.6%	73,460,852
By Line Item								
Workforce Safety Operations	65,880,345	60,887,842	0	0.0%	60,887,842	12,573,010	20.6%	73,460,852
Total Line Items	65,880,345	60,887,842	0	0.0%	60,887,842	12,573,010	20.6%	73,460,852
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	65,880,345	60,887,842	0	0.0%	60,887,842	12,573,010	20.6%	73,460,852
Total Funding Source	65,880,345	60,887,842	0	0.0%	60,887,842	12,573,010	20.6%	73,460,852
Total FTE	260.14	260.14	0.00	0.0%	260.14	(12.00)	(4.6%)	248.14

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. Received its tenth accreditation award with excellence, successfully completing its first ever "Gold Standard" assessment.
2. Became the first state highway patrol agency in the nation authorized to operate UAS over people.

3. Hosted youth academy.
4. Completed a hiring process to secure 18 recruit troopers.
5. Developed statewide evidence destruction procedures in cooperation with ND Dept of Environmental Quality and BCI.
6. Attended meetings with MHA, Turtle Mountain, and Spirit Lake tribal council members to facilitate discussion of MOU's on tribal lands.
7. Purchased sUAS (Drones) for use in crash reconstruction and search and rescue.
8. Started construction on shooting range/classroom addition.
9. Obtained remote pilot certificate and attended training in South Dakota.
10. Formalized a first-line supervisor engagement work group.
11. Formalized an agency wellness committee with a focus on mental health and well-being.
12. Combined the female work group, pay and benefits committee, and training and personnel committee into one human resources committee focused on recruitment and diversity.
13. Created a performance work group.
14. Provided FBI LEEDA training for sergeants and commanders.
15. Hosted Leadership in Police Organizations course (LPO).
16. Assisted the City of Fargo in maintaining order during May protests.

Executive Budget Recommendation

- Provides funding for new Computer Aided Dispatch (CAD) system subscription fees, body cameras and compatible in-car cameras and replacement of body armor.
- Transfers 2.00 FTE positions to the Information Technology Department for the IT unification process.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

504 Highway Patrol

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Field Operations	55,863,668	59,586,945	(6,632,036)	(11.1%)	52,954,909	1,890,003	3.2%	61,476,948
Total Major Programs	55,863,668	59,586,945	(6,632,036)	(11.1%)	52,954,909	1,890,003	3.2%	61,476,948
By Line Item								
Field Operations	55,863,668	59,586,945	(6,632,036)	(11.1%)	52,954,909	1,890,003	3.2%	61,476,948
Total Line Items	55,863,668	59,586,945	(6,632,036)	(11.1%)	52,954,909	1,890,003	3.2%	61,476,948
By Funding Source								
General Fund	41,017,995	44,213,575	(6,632,036)	(15.0%)	37,581,539	607,273	1.4%	44,820,848
Federal Funds	6,418,217	6,610,415	0	0.0%	6,610,415	96,816	1.5%	6,707,231
Special Funds	8,427,456	8,762,955	0	0.0%	8,762,955	1,185,914	13.5%	9,948,869
Total Funding Source	55,863,668	59,586,945	(6,632,036)	(11.1%)	52,954,909	1,890,003	3.2%	61,476,948
Total FTE	204.00	197.00	(24.00)	(12.2%)	173.00	(4.00)	(2.0%)	193.00

Statutory Authority

North Dakota Century Code Chapters 12-21, 12-44.1, 12-46, 42-47, 12-48, 12-48.1, 12-51, 12-52, 12-55, 12-59, 54.23.3, 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 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. Reduced resident population by over 15 percent in prison facilities during the COVID-19 pandemic.
2. Conducted 7,754 COVID-19 tests for residents and staff through October 7, 2020.
3. Created partnership with MASS Design to develop COVID-19 risk reducing strategies within prisons focusing on physical plant and operational changes to reduce the spread of COVID-19 and improve the mental health of staff and residents.
4. Launched wastewater COVID-19 testing project at NDSP.
5. Provided hard to find personal protective equipment (PPE) and other wellness products to state agencies, ND university system, US military and to ND citizens during COVID-19 pandemic.
6. Began pre-trial services pilot program on July 1, 2020. Pilot sites are the North Central Judicial District, the East Central Judicial District, and the South Central Judicial District.
7. Implemented Emerging Adults (18-24 year olds) Supervision Program, a collaborative effort between adult parole and probation and juvenile community supervision intended to improve community supervision outcomes for the emerging adult population.
8. Used a bed-projection model based on national confinement data. The Division of Juvenile Services strategically removed low risk/high need youth traditionally served in the secure setting resulting in a "right sizing" of the YCC capacity.
9. Implemented a zero-cost dashboarding project with Recidiviz. The project includes an internal portal and public facing website, with the public facing dashboard website providing viewers insight on DOCR's vital role in North Dakota.

Executive Budget Recommendation

- Provides funding for a phased approach to begin moving minimum security female inmates to the Youth Correctional Center campus and maintaining the contract with DWCRC as part of the Moss Group study recommendation.
- Adds \$1.9 million from the General Fund and 9.00 FTE positions to expand community correction resources.
- Adds \$910,000 and 5.00 FTE positions to expand the pretrial services project.
- Transfers 6.00 FTE positions to the Information Technology Department as part of the IT unification initiative.
- Adds \$1.0 million to the current \$7.0 million appropriation for the Free Through Recovery program.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

530 Department of Corrections and Rehabilitation

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Juvenile Services	28,714,093	31,785,068	(8,005,841)	(25.2%)	23,779,227	(7,393,301)	(23.3%)	24,391,767
Adult Services	211,917,580	236,625,947	(24,195,246)	(10.2%)	212,430,701	13,155,687	5.6%	249,781,634
Total Major Programs	240,631,673	268,411,015	(32,201,087)	(12.0%)	236,209,928	5,762,386	2.1%	274,173,401
By Line Item								
Adult Services	211,917,580	236,625,947	(24,195,246)	(10.2%)	212,430,701	13,155,687	5.6%	249,781,634
Juvenile Services	28,714,093	31,785,068	(8,005,841)	(25.2%)	23,779,227	(7,393,301)	(23.3%)	24,391,767
Total Line Items	240,631,673	268,411,015	(32,201,087)	(12.0%)	236,209,928	5,762,386	2.1%	274,173,401
By Funding Source								
General Fund	208,313,044	228,286,826	(33,286,574)	(14.6%)	195,000,252	893,096	0.4%	229,179,922
Federal Funds	9,436,932	16,663,970	1,093,486	6.6%	17,757,456	1,151,620	6.9%	17,815,590
Special Funds	22,881,697	23,460,219	(7,999)	0.0%	23,452,220	3,717,670	15.8%	27,177,889
Total Funding Source	240,631,673	268,411,015	(32,201,087)	(12.0%)	236,209,928	5,762,386	2.1%	274,173,401
Total FTE	845.29	899.79	(70.50)	(7.8%)	829.29	8.00	0.9%	907.79

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. Increased RTI TRADOC approved course list by seven, which is significant in a no-growth environment. Student throughput increased by 14 percent.
2. Conducted Raven training at Camp Grafton Training Center (CGTC), certifying 29 pilots from seven different units during FY17-19, establishing the capability to integrate into collective training events.
3. Established growing cyber collaboration relationships with U-Mary, BSC, ND CIO, Dakota State University, NDSU, Tribal, MDU IT/Cyber Staff & BPS and Shield 2019, three state team (CO, MT, & ND) comprised of Army/Air Guard and NDIT.
4. Secured an MQ-9 Reaper Operations Center Military Construction (MILCON) project was for the 119th Wing, to ensure uninterrupted support to Combatant Commanders conducting overseas operations.
5. Completed programming requirements for a Dickinson Readiness Center MILCON Project. This facility will be the headquarters to the 816th Military Police Company in the FY22-23 timeframe.
6. Validated CGTC collective simulation capability by conducting three brigade-size exercises and one out-of-state battalion level exercise.
7. Promoted CGTC as a premier training center that resulted in provision of services to eight non-DoD clients, the most in agency history.
8. Moved forward with plans to build a Multi-Purpose Machine Gun Range at CGTC-South with funding that was authorized from the state legislature.
9. Provided support to other states and territories for disaster response and recovery through the Emergency Management Assistance Compact (EMAC). Since the last reporting, assistance has been provided to Kansas, NRCC, Oklahoma, Washington, Oregon and California.

10. Provided \$32.8 million in federal and state disaster grants, \$6.2 million in federal Homeland Security grants, and \$2.7 million in federal Emergency Management Performance grants in the 2017-19 biennium.
11. Administered 17 open disasters in the 2017-19 biennium.
12. Continued implementation of Threat and Hazard Identification Risk Assessment (THIRA) process throughout the state to include completed of local county level assessments.
13. Partnered with NDIT to incorporate Fusion Centers into multi-state Joint Cyber Security Operations Center.
14. Completed the National Cyber Security Review to measure gaps and capabilities of the state's cyber security programs.
15. Completed a statewide Hazardous Materials Commodity Flow Study to assess types of hazardous materials and the modes of transportation used to move them into, in and out-of-state.
16. Facilitated and led implementation of a State Unified Command System and structure for COVID-19 to coordinate state and federal response and recovery activities in support of state, local, and tribal agencies.
17. Led efforts, in coordination with NDDEQ, ND Oil and Gas, and ND Dept of Ag, to develop a unified online reporting system database for reporting and notification of hazardous materials spills/releases within the state, scheduled to be online by end of 2020.
18. Upgraded current Tier II program and developing a unified hazmat reporting system, scheduled to go live by January 2021.
19. Received four federal disaster declarations - three for flooding, one for COVID-19 and one federal emergency declaration for COVID-19.

Executive Budget Recommendation

- Provides \$280,000 in on-going appropriation and \$2.6 million in one-time appropriation from the General Fund for the lease/purchase of land at Camp Grafton.
- Transfers the maintenance of the State Radio towers to NDIT, which will have no effect on the General Fund.
- Adds additional General Fund authority of \$75,000 to defray the costs of interring veterans' spouses and eligible dependents at the Veteran's Cemetery.
- Provides \$15.0 million in federal fund authority for the construction of a readiness center in Dickinson.
- Provides \$320,000, of which \$80,000 is from the General Fund and \$240,000 is federal funds, to update the building automation system throughout Fraine Barracks.
- Provides \$1.0 million in General Fund spending authority for deferred maintenance at the 330 buildings that the agency owns. Projects covered are repair cracks in walls, concrete and asphalt repairs, roof replacement/repairs and siding and window replacement.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

540 Office of the Adjutant General

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
National Guard	54,136,286	72,837,471	(1,101,517)	(1.5%)	71,735,954	26,189,558	36.0%	99,027,029
Dept of Emergency Services	83,035,442	71,875,515	10,571,392	14.7%	82,446,907	9,151,079	12.7%	81,026,594
Total Major Programs	137,171,728	144,712,986	9,469,875	6.5%	154,182,861	35,340,637	24.4%	180,053,623
By Line Item								
Salaries and Wages	17,135,787	17,820,197	864,235	4.8%	18,684,432	1,364,973	7.7%	19,185,170
Operating Expenses	19,821,544	10,827,895	300,000	2.8%	11,127,895	(177,248)	(1.6%)	10,650,647
Capital Assets	2,087,245	224,046	660,000	294.6%	884,046	24,760,000	11,051.3%	24,984,046
Grants	10,359,625	16,484,341	(1,723,425)	(10.5%)	14,760,916	(1,723,425)	(10.5%)	14,760,916
Disaster Costs	45,187,044	36,555,085	10,627,443	29.1%	47,182,528	10,653,930	29.1%	47,209,015
Civil Air Patrol	291,329	305,134	0	0.0%	305,134	3,847	1.3%	308,981
Radio Communications	416,519	0	0	0.0%	0	0	0.0%	0
Tuition Fees	3,388,983	4,782,072	(1,739,837)	(36.4%)	3,042,235	(1,739,837)	(36.4%)	3,042,235
Air Guard Contract	5,401,336	8,571,129	(282,821)	(3.3%)	8,288,308	(78,313)	(0.9%)	8,492,816
Army Guard Contract	31,485,100	46,940,013	720,160	1.5%	47,660,173	2,024,518	4.3%	48,964,531
Reintegration Program	804,266	1,051,168	44,121	4.2%	1,095,289	75,325	7.2%	1,126,493
ND Veterans Cemetary	792,950	1,151,906	(1)	0.0%	1,151,905	176,867	15.4%	1,328,773
Total Line Items	137,171,728	144,712,986	9,469,875	6.5%	154,182,861	35,340,637	24.4%	180,053,623
By Funding Source								
General Fund	27,640,441	27,390,197	(3,859,346)	(14.1%)	23,530,851	(610,619)	(2.2%)	26,779,578
Federal Funds	79,390,241	108,432,405	12,940,155	11.9%	121,372,560	35,500,604	32.7%	143,933,009
Special Funds	30,141,046	8,890,384	389,066	4.4%	9,279,450	450,652	5.1%	9,341,036
Total Funding Source	137,171,728	144,712,986	9,469,875	6.5%	154,182,861	35,340,637	24.4%	180,053,623
Total FTE	234.00	222.00	0.00	0.0%	222.00	0.00	0.0%	222.00

Statutory Authority

North Dakota Century Code Chapters 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 legislatively created divisions: Community Services, Economic Development & Finance, Tourism and Workforce Development and a Director of Initiatives that work together with our stakeholders to expand and diversify the economy of North Dakota, support community development, raise awareness of North Dakota state brand/image in the national and international ecosystems 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 people that choose to make North Dakota their home which, in turn, will entice non-residents to consider becoming North Dakotans.

Major Accomplishments

1. Developed nearly 100 primary sector projects in 2019; actively working \$2.00 billion in projects in 2020.
2. Introduced in excess of \$50.0 million in start-up innovation activity using LIFT and InnovateND; recruited Plug and Play to the State of ND.
3. Deployed systems-wide unmanned system plan to include initial BVLOS capability in the Red River Valley, doubled activity within the NPTUAS and grew Grand Sky commercial activity by 30 percent.
4. Led the state's brand unification efforts by creating a brand portal and providing trainings. Currently 26 agencies are using the Be Legendary brand.
5. Reached 67.0 million TV, 12.0 million print, 34.0 million out-of-home, 112 million digital, and 5.3 million on social media through 2019 advertising campaign.
6. Developed new creative campaign in 2019 which included multi-channel placements wrapped trains, Chicago Union Station.
7. Earned 836 media mentions and placements including Conde Nast Traveler and CNN reaching an audience of 2.09 billion for an editorial value of \$19.30 billion.

8. Retooled tourism division marketing materials due to pandemic and mobilized an in-state campaign and free cooperative platform featuring tourism businesses and destinations, resulting in a 38 percent increase in visits to NDtourism.com. Increased all 50 states. First time visitors made up 61 percent of visits.
9. Supported pandemic communications by providing leadership with JIC, CARE 19 apps, ND Smart Restart, ERG and Business Briefings.

Executive Budget Recommendation

- Recommends transferring the HOME program from Commerce to ND Housing Finance Agency, which includes the transfer of 2.00 FTE and \$8.3 million in funding; \$700,000 special funds and \$7.6 million federal funds.
- Transfers 1.00 FTE position to NDIT for IT unification.
- Provides \$2.0 million from the General Fund for Unmanned Aircraft System test site operations.
- Provides \$2.2 million of one-time funding from the General Fund to tourism for destination marketing and brand extension.
- Provides \$1.0 million of one-time funding from the General fund for the Technical Skills Training grant.
- Recommends bifurcation of the North Dakota Trade Office with Agriculture Commissioner, which includes the transfer of \$850,000 of General Funds for operating expenses.
- Transfers \$20.0 million from Legacy Fund earnings to the Unmanned Aircraft System Program Fund at June 30, 2021 for Beyond Visual Line Of Site (BVLOS).
- Transfers \$7.0 million from Legacy Fund earnings to the Unmanned Aircraft System Program Fund at June 30, 2021 for Grand Sky.
- Transfers \$30.0 million from Legacy Fund earnings to the Innovation Loan Fund at June 30, 2021 for Innovation Technology Loan Program (LIFT).

REQUEST/RECOMMENDATION COMPARISON SUMMARY

601 Department of Commerce

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Commerce Administration and Support	4,365,925	5,488,754	(1,048,254)	(19.1%)	4,440,500	(959,365)	(17.5%)	4,529,389
North Dakota Tourism	12,606,719	12,933,354	(1,828,104)	(14.1%)	11,105,250	461,156	3.6%	13,394,510
ND Workforce Development	4,325,600	5,498,612	(117,618)	(2.1%)	5,380,994	909,529	16.5%	6,408,141
Economic Development and Finance	20,965,208	11,880,824	5,858,868	49.3%	17,739,692	8,928,479	75.2%	20,809,303
Division of Community Services	43,592,999	51,188,470	7,915,190	15.5%	59,103,660	(365,435)	(0.7%)	50,823,035
Total Major Programs	85,856,451	86,990,014	10,780,082	12.4%	97,770,096	8,974,364	10.3%	95,964,378
By Line Item								
Salaries and Wages	11,646,114	13,217,286	(172,430)	(1.3%)	13,044,856	(275,425)	(2.1%)	12,941,861
Operating Expenses	13,793,460	14,873,203	(2,013,355)	(13.5%)	12,859,848	2,055,986	13.8%	16,929,189
Grants	50,389,468	52,638,527	6,343,803	12.1%	58,982,330	643,803	1.2%	53,282,330
Discretionary Grants	1,107,046	2,150,000	(600,000)	(27.9%)	1,550,000	(600,000)	(27.9%)	1,550,000
Flood Impact Loans/Grants	351,193	0	0	0.0%	0	0	0.0%	0
Grants-Tribal Colleges	498,200	0	0	0.0%	0	0	0.0%	0
Agric. Products Util. Comm. (APUC)	2,282,513	0	0	0.0%	0	0	0.0%	0
North Dakota Trade Office	2,000,000	1,600,000	0	0.0%	1,600,000	(850,000)	(53.1%)	750,000
Partner Programs	1,939,845	1,562,531	(234,380)	(15.0%)	1,328,151	0	0.0%	1,562,531
Entrepreneurship Grants	1,848,612	948,467	(543,556)	(57.3%)	404,911	0	0.0%	948,467
CARES Act Funding - 2020	0	0	8,000,000	100.0%	8,000,000	8,000,000	100.0%	8,000,000
Total Line Items	85,856,451	86,990,014	10,780,082	12.4%	97,770,096	8,974,364	10.3%	95,964,378
By Funding Source								
General Fund	31,035,415	32,866,722	(4,930,008)	(15.0%)	27,936,714	532,048	1.6%	33,398,770
Federal Funds	42,995,228	44,040,415	15,710,091	35.7%	59,750,506	8,111,877	18.4%	52,152,292
Special Funds	11,825,808	10,082,877	(1)	0.0%	10,082,876	330,439	3.3%	10,413,316
Total Funding Source	85,856,451	86,990,014	10,780,082	12.4%	97,770,096	8,974,364	10.3%	95,964,378
Total FTE	66.40	61.80	0.00	0.0%	61.80	(3.00)	(4.9%)	58.80

Statutory Authority

North Dakota Century Code Chapters 4.1-01, 4.1-01.1, 4.1-02, 4.1-03, 4.1-04, 4.1-05, 4.1-06, 4.1-07, 4.1-08, 4.1-09, 4.1-10, 4.1-11, 4.1-12, 4.1-13, 4.1-14, 4.1-15, 4.1-16, 4.1-17, 4.1-18.1, 4.1-19, 4.1-20, 4.1-21, 4.1-22, 4.1-23, 4.1-25, 4.1-26, 4.1-27, 4.1-28, 4.1-30, 4.1-31, 4.1-32, 4.1-33, 4.1-34, 4.1-35, 4.1-36, 4.1-37, 4.1-38, 4.1-39, 4.1-40, 4.1-41, 4.1-43, 4.1-44, 4.1-45, 4.1-47, 4.1-48, 4.1-52, 4.1-53, 4.1-54, 4.1-55, 4.1-56, 4.1-57, 4.1-72, 4.1-73, 4.1-74, 4.1-75, 4.1-83, 4.1-88, 6-09.10, 36-01, 36-14, 36-14.1, 36-15, 36-21.1, 36-25, 36-26, 60-01, 60-02, 60-02.1, 60-04, 60-05, 60-06, 60-10, and 61-31.

Agency Description

The agriculture 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 assist producers working through drought, flood, and excessive snow (emergency feed transportation program, interactive hay map).
2. Issued 3,361 phytosanitary certificates in 2018 and 4,110 in 2019, assisting in the export of North Dakota commodities to countries worldwide.

3. Collected 521,584 pounds of unwanted pesticides in 2019 through Project Safe Send; 340,344 pounds were collected in 2018.
4. Continued to promote North Dakota agricultural products in the global marketplace. North Dakota is the fifth leading agriculture exporter in the nation and exports to 124 different countries; up from 56 in 2005.
5. Continued administering the Pipeline Restoration and Reclamation Oversight Program to connect landowners and tenants experiencing pipeline reclamation and restoration issues with an independent ombudsman to help reach a reasonable solution. Seventy-four cases have been assigned to ombudsman since program inception in 2015.
6. Conducted education and outreach to producers on the Food Safety Modernization Act Produce Safety Rule.
7. Continued to defend North Dakota against federal overreach, as well as funding a study on Bees and Pollinators through Federal Environmental Law Impact Review Committee.
8. Implemented SB 2328 which transferred APUC to the department; over \$1.1 million have been awarded to 26 companies since July 2019.
9. Implemented the transfer of the Grain Warehouse Inspection Program as specified in SB 2009.
10. Created the Bioscience Innovation Grant Program as outlined in SB 2224.
11. Created the Environmental Impact Mitigation Fund under the oversight of the Federal Environmental Law Impact Review Committee as directed in HB 1383.

Executive Budget Recommendation

- Provides \$180,000 in general fund appropriation for replacing obsolete database systems.
- Provides \$850,000 in general fund operating appropriation for the partial transfer of the Trade Office from the Department of Commerce.
- Includes the Department of Agriculture in a funding pool included in the Attorney General's budget for potential litigation.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

602 Department of Agriculture

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	5,731,345	5,342,618	(519,739)	(9.7%)	4,822,879	756,635	14.2%	6,099,253
Plant Industries	3,207,478	3,510,132	61,652	1.8%	3,571,784	97,413	2.8%	3,607,545
Livestock Development	3,615,696	4,039,203	29,589	0.7%	4,068,792	111,343	2.8%	4,150,546
Marketing and Info	7,004,245	16,457,212	(206,087)	(1.3%)	16,251,125	(143,083)	(0.9%)	16,314,129
Grain Inspection & Feed	726,058	2,710,626	(13,857)	(0.5%)	2,696,769	25,118	0.9%	2,735,744
State Veterinarian	1,772,908	2,475,067	(100,233)	(4.0%)	2,374,834	(53,098)	(2.1%)	2,421,969
Pesticide and Fertilizer	3,614,544	4,487,977	(130,412)	(2.9%)	4,357,565	(60,192)	(1.3%)	4,427,785
Total Major Programs	25,672,274	39,022,835	(879,087)	(2.3%)	38,143,748	734,136	1.9%	39,756,971
By Line Item								
Salaries and Wages	11,516,152	14,232,746	(404,894)	(2.8%)	13,827,852	3,076	0.0%	14,235,822
Operating Expenses	4,195,321	6,592,780	(49,193)	(0.7%)	6,543,587	1,156,060	17.5%	7,748,840
Capital Assets	9,028	15,000	0	0.0%	15,000	0	0.0%	15,000
Grants	8,118,747	13,823,774	(347,000)	(2.5%)	13,476,774	(347,000)	(2.5%)	13,476,774
APUC	0	1,760,417	0	0.0%	1,760,417	0	0.0%	1,760,417
Board of Animal Health	289,732	865,718	(78,000)	(9.0%)	787,718	(78,000)	(9.0%)	787,718
Wildlife Services	1,408,000	1,457,400	0	0.0%	1,457,400	0	0.0%	1,457,400
Pipeline Oversight Program	71,327	200,000	0	0.0%	200,000	0	0.0%	200,000
Crop Harmonization Board	63,967	75,000	0	0.0%	75,000	0	0.0%	75,000
Total Line Items	25,672,274	39,022,835	(879,087)	(2.3%)	38,143,748	734,136	1.9%	39,756,971
By Funding Source								
General Fund	9,103,944	10,700,429	(1,070,046)	(10.0%)	9,630,383	367,218	3.4%	11,067,647
Federal Funds	7,900,807	12,213,665	470,887	3.9%	12,684,552	557,937	4.6%	12,771,602
Special Funds	8,667,523	16,108,741	(279,928)	(1.7%)	15,828,813	(191,019)	(1.2%)	15,917,722
Total Funding Source	25,672,274	39,022,835	(879,087)	(2.3%)	38,143,748	734,136	1.9%	39,756,971
Total FTE	73.00	78.00	(1.00)	(1.3%)	77.00	0.00	0.0%	78.00

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. Completed 32 research projects under the regional University Transportation Centers grant from USDOT on preserving the existing transportation system, transportation safety, and advanced transportation technologies.
2. Completed 3 research projects under the Tier 1 University Transportation Centers grant from USDOT related to small urban, regional, and transit mobility needs.
3. Conducted 348 training and professional development events for roadway managers, city planners, and transit operators in North Dakota and the nation.

4. Disseminated research results and transferred applied knowledge to 7405 transportation practitioners in North Dakota and the nation.
5. Provided state agencies, agricultural industries, and investment groups with important insights into grain marketing and patterns and trends, including the publication of 8 UGPTI reports.
6. Provided essential services to North Dakota's Metropolitan Planning Organizations to help them predict future traffic levels, update their transportation planning procedures, and deploy intelligent transportation systems.
7. Provided counties throughout the state with technical support including: on-site training and technical assistance, online roadway inventory tools, and online road and bridge planning assistance.
8. Provided oil and gas producing counties with technical assistance regarding roadway challenges stemming from oil traffic and movements of drilling-related inputs and equipment.
9. Provided tribal leaders and planners with insights in roadway management, safety, and transportation planning issues, solutions, and methods

Executive Budget Recommendation

- Reduces the 2019-21 legislative General Fund on-going appropriation by \$219,816.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

627 Upper Great Plains Transportation Institute

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Core Program	15,154,061	23,292,223	(219,816)	(0.9%)	23,072,407	55,011	0.2%	23,347,234
Total Major Programs	15,154,061	23,292,223	(219,816)	(0.9%)	23,072,407	55,011	0.2%	23,347,234
By Line Item								
Transportation Institute	15,154,061	23,292,223	(219,816)	(0.9%)	23,072,407	55,011	0.2%	23,347,234
Total Line Items	15,154,061	23,292,223	(219,816)	(0.9%)	23,072,407	55,011	0.2%	23,347,234
By Funding Source								
General Fund	3,794,759	4,396,329	(219,816)	(5.0%)	4,176,513	(113,279)	(2.6%)	4,283,050
Federal Funds	7,610,732	12,663,210	0	0.0%	12,663,210	147,222	1.2%	12,810,432
Special Funds	3,748,570	6,232,684	0	0.0%	6,232,684	21,068	0.3%	6,253,752
Total Funding Source	15,154,061	23,292,223	(219,816)	(0.9%)	23,072,407	55,011	0.2%	23,347,234
Total FTE	43.88	43.88	0.00	0.0%	43.88	0.00	0.0%	43.88

Statutory Authority

North Dakota Century Code Chapter 15-12.1.

Agency Description

Dickinson Research Extension Center (DREC)

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, soil science, and range science, while integrating new developments. Six major areas are served: agronomy, beef management, bio-security, range management, soil health, 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 should 1) increase or maintain carrying capacity of native range while emphasizing conservation and preservation, 2) stabilize grass production to compensate for the vagaries of the weather and precipitation as it influences forage production in the dryland agriculture, 3) identify the impact of different management strategies on beef production in the central region, and 4) explore the increased use of cover crops, annual forages and byproducts for the maintenance of the cow herd. CGREC's primary focus is management of grasslands, which occupies about one-third of the agricultural land in the state and aims to improve economic value to the natural resources while enhancing soil health and habitat for pollinators, birds, and mammals.

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 NCREC conducts research to increase agricultural productivity, with a focus in the north central region of ND. The NCREC serves agriculture producers in the region and state through crop research, Foundation seed production, and Extension education programs. Research and Extension programs at the NCREC focus on crop variety and new germplasm evaluation, weed control, cropping systems, crop pest management, reduced tillage, and soil fertility. Research is conducted on cereal grains, oilseeds, legumes, forages, grapes, and emerging specialty crops.

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 2,100 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 and foundation seed production.

The CREC conducts research and educational programs to the enhance the productivity, competitiveness, and diversity of agriculture in central North Dakota.

Research activities at the CREC include scientists and support staff trained and implementing programs in these disciplines: Agronomy, Plant Pathology, Soil Science, Precision Agriculture and Animal Science. These program teams are able to address a broad scope of factors that impact North Dakota agriculture. The crop diversity of the state is addressed in all program areas and is further supported by the ability to conduct research under both dryland and irrigated conditions. Projects addressing organic crop production and a fruit and berry program broaden the constituency being served. The foundation seed program of the center represents an important part of the overall NDSU Foundation Seed program. Based on the research capacity across multiple disciplines, the CREC strives to implement relevant research impacting current agricultural issues and is prepared to contribute significantly to future opportunities to enhance North Dakota agriculture.

CREC maintains a strong Extension program as four extension specialists base their educational programming from the center. The extension program emphasis areas addressed by these specialists include: agronomy, livestock, precision agriculture and livestock environmental management.

Major Accomplishments

Dickinson Research Extension Center (DREC)

1. Researched soil health and education to show how soil health is improved by the microbial action of microorganisms and interactions of cropping and livestock systems.
2. Shifted research and educational efforts to explore new forage and cattle resources and inputs.
3. Evaluated grass cultivars, soil mineral nitrogen, prairie ecosystems, grassland restoration and integrated grazing systems.
4. Reduced soil disturbance, increased plant diversity, added animal diversity, maintained living roots to feed soil organisms and covered soil with plants and plant residues.

Central Grasslands Research Extension Center (CGREC)

1. Initiated a large landscape level research project that compares innovative grazing strategies on livestock performance; livestock production; habitat for pollinators, birds, and mammals; soil health; and microbiology of the soil.
2. Expanded winter grazing research to include grazing of corn residues, cover crops, and bale grazing projects.
3. Studied impacts of supplementing enhanced mineral and energy feeds to grazing developing heifers on pasture using radio frequency identification technology and GPS technology.
4. Continued to expand on collaborative research efforts evaluating the impacts of management on reproductive performance of beef cows and bulls.
5. Expanded and initiated annual forage trials to assess varieties and explore economic return by forage species and systems.

Hettinger Research Extension Center (HREC)

1. Evaluated industrial hemp for production and adaptation.
2. Variety testing of 18 different crops to find the best performing cultivars.
3. Conducted weed science research evaluating new herbicides for weed control and crop safety for crops.
4. Evaluated the effects of patch-burning in post Conservation Reserve Program lands on livestock, vegetation, pollinators, and wildlife.
5. Received funding to begin honeybee research evaluating shelter belt use.
6. Developed a multidisciplinary research project evaluating an integrated crop-livestock system using annual forages, winter wheat, and sheep.
7. Conducted a nationally recognized sheep research program evaluating alternative technologies for increasing reproductive efficiency in both males and females and feedlot nutrition.
8. Initiated a project evaluating the potential of a genetic marker for structurally deformities in Rambouillet rams.
9. Trained extension agents certified in *Nitrate QuikTest Certification Program* for annual forages, assisting in the statewide drought response for NDSU Extension.
10. Trained 5 MS and 3 PhD students in the fields of Natural Resource Management and Animal Science.

Langdon Research Extension Center (LREC)

1. Continued to build research partnerships with agricultural 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. Provided support for main station crop breeding programs and other cropping system research programs.
4. Continued to foster and strengthen two new Extension Specialists outreach programs in agronomy and soil health.
5. Applied research in agronomy, pathology and soil health is providing growers with answers they need to become more profitable.

North Central Research Extension Center (NCREC)

1. Produced, conditioned, and distributed foundation seed of seven 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.
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 agricultural pesticides.

Williston Research Extension Center (WREC)

1. Produced over 45,000 bushels of foundation seed of 23 varieties of small grains and broadleaf crops.
2. Developed and utilized a 160-acre irrigated site to identify improved irrigated cropping and tillage systems, water use efficiency, and soil health.
3. Established and continue a pipeline reclamation research project.
4. Established a high tunnel research project with vegetable crops and cut flowers.
5. Established a saline seep reclamation research and demonstration project in collaboration with the Montana Salinity Control Association.

Carrington Research Extension Center (CREC)

1. Improved establishment of cover crops after soybean was achieved by identifying tolerance to common residual herbicides.
2. Created opportunities to study the agribiome within the long-term cropping systems project.
3. Initiated beef feedlot trials to address rations that expand the use of low-quality wheat and soybean hulls.
4. Conducted corn fertility trials that defined rates of sulfur application that optimized yield and economic return.
5. Provided crop performance information to farmers and industry for 26 different crops annually.
6. Identified strategies to manage the field pea root rot complex using planting date, fungicide and crop rotation.

Executive Budget Recommendation

- Reduces the 2019-21 legislative General Fund on-going appropriation by \$903,390.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

628 Branch Research Centers

Biennium: 2021-2023

Description	Expenditures Prev Biennium	Legislative Base	2021-2023 Requested		Requested Budget	2021-2023 Recommended		Executive Recommendation
	2017-2019	2019-2021	Incr(Decr)	% Chg		2021-2023	Incr(Decr)	
By Major Program								
Dickinson Research Center	4,497,881	7,015,862	(176,799)	(2.5%)	6,839,063	(109,453)	(1.6%)	6,906,409
Central Grasslands Research Center	3,186,643	3,510,825	(101,394)	(2.9%)	3,409,431	(56,299)	(1.6%)	3,454,526
Hettinger Research Center	3,497,839	5,112,403	(113,872)	(2.2%)	4,998,531	(48,983)	(1.0%)	5,063,420
Langdon Research Center	2,417,124	3,052,060	(82,660)	(2.7%)	2,969,400	(41,254)	(1.4%)	3,010,806
North Central Research Center	3,519,364	5,137,569	(97,341)	(1.9%)	5,040,228	(28,541)	(0.6%)	5,109,028
Williston Research Center	4,376,605	5,286,833	(142,915)	(2.7%)	5,143,918	(58,437)	(1.1%)	5,228,396
Carrington Research Center	8,695,933	9,685,861	(188,409)	(1.9%)	9,497,452	(42,966)	(0.4%)	9,642,895
Total Major Programs	30,191,389	38,801,413	(903,390)	(2.3%)	37,898,023	(385,933)	(1.0%)	38,415,480
By Line Item								
Dickinson Research Center	4,497,881	7,015,862	(176,799)	(2.5%)	6,839,063	(109,453)	(1.6%)	6,906,409
Central Grasslands Research Center	3,186,643	3,510,825	(101,394)	(2.9%)	3,409,431	(56,299)	(1.6%)	3,454,526
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Langdon Research Center	2,417,124	3,052,060	(82,660)	(2.7%)	2,969,400	(41,254)	(1.4%)	3,010,806
North Central Research Center	3,519,364	5,137,569	(97,341)	(1.9%)	5,040,228	(28,541)	(0.6%)	5,109,028
Williston Research Center	4,376,605	5,286,833	(142,915)	(2.7%)	5,143,918	(58,437)	(1.1%)	5,228,396
Carrington Research Center	8,695,933	9,685,861	(188,409)	(1.9%)	9,497,452	(42,966)	(0.4%)	9,642,895
Total Line Items	30,191,389	38,801,413	(903,390)	(2.3%)	37,898,023	(385,933)	(1.0%)	38,415,480
By Funding Source								
General Fund	17,155,257	18,201,026	(903,390)	(5.0%)	17,297,636	(502,022)	(2.8%)	17,699,004
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	13,036,132	20,600,387	0	0.0%	20,600,387	116,089	0.6%	20,716,476
Total Funding Source	30,191,389	38,801,413	(903,390)	(2.3%)	37,898,023	(385,933)	(1.0%)	38,415,480
Total FTE	110.29	109.81	(1.60)	(1.5%)	108.21	(1.60)	(1.5%)	108.21

Statutory Authority

North Dakota Century Code Chapter 11-38.

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. Instituted a new web-based Program Evaluation and Reporting System (PEARS) which provides up to the moment information on direct contacts, program activities, indirect contacts and program evaluation.
2. Provided research-based education to over 348,944 direct contacts in 2018 and 455,067 contacts in 2019.
3. Provided research-based education to 1,044 petroleum industry representative and landowners on the impacts of brine spills, strategies for remediation and awareness of consequences if left untreated.
4. Provided research-based education to 7,942 people on the incursion of the invasive pest Palmer amaranth and reached an estimated 60,894 people through mass and social media.

5. Leveraged \$5.0 million to create and launch a public-private partnership (www.thescncoalition.com) that delivered 20M potential impressions through agricultural media to help growers manage soybean diseases.
6. Assisted more than 23,600 North Dakota 4-H youth to develop life skills of teamwork, decision making, critical thinking and public speaking by engaging in a variety of learning experiences.
7. Engaged 6,314 youth in a deeper, sustained 4-H youth development experience through enrollment in different types of club experiences with the support of 2,447 registered adult volunteers working directly with them. 1,415 youth participated in day and residential camping experiences with 495 of them participating at the ND 4-H Camp near Washburn during the last reporting year.
8. Engaged more than 7,700 people in leadership and civic engagement programs in 2019 to help them feel more confident to serve on boards, councils and committees.
9. Reached more than 43,000 people in 2019 and early 2020 through extension nutrition education programs, helping participants learn to eat healthfully and decrease health-care costs.
10. Provided parent education classes to 4,080 North Dakota parents in 2019 to strengthen families, that results in reduced costs spent on child welfare and lowers crime by adults.

Executive Budget Recommendation

- Provides \$1.0 million from the General Fund for the livestock initiative, which includes the addition of 4.0 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

630 NDSU Extension Service

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
COOP Extension Service	43,379,505	55,487,825	(4,156,450)	(7.5%)	51,331,375	(1,992,414)	(3.6%)	53,495,411
Total Major Programs	43,379,505	55,487,825	(4,156,450)	(7.5%)	51,331,375	(1,992,414)	(3.6%)	53,495,411
By Line Item								
NDSU Extension Service	42,287,985	54,396,305	(4,156,450)	(7.6%)	50,239,855	(1,992,414)	(3.7%)	52,403,891
Soil Conservation Committee	1,091,520	1,091,520	0	0.0%	1,091,520	0	0.0%	1,091,520
Total Line Items	43,379,505	55,487,825	(4,156,450)	(7.5%)	51,331,375	(1,992,414)	(3.6%)	53,495,411
By Funding Source								
General Fund	25,648,320	27,709,666	(4,156,450)	(15.0%)	23,553,216	(2,513,398)	(9.1%)	25,196,268
Federal Funds	6,683,305	7,915,783	0	0.0%	7,915,783	163,009	2.1%	8,078,792
Special Funds	11,047,880	19,862,376	0	0.0%	19,862,376	357,975	1.8%	20,220,351
Total Funding Source	43,379,505	55,487,825	(4,156,450)	(7.5%)	51,331,375	(1,992,414)	(3.6%)	53,495,411
Total FTE	252.98	242.51	(3.74)	(1.5%)	238.77	0.26	0.1%	242.77

Statutory Authority

North Dakota Century Code Chapter 4.1-15.

Agency Description

The Northern Crops Institute (NCI) is a collaborative effort between North Dakota, Minnesota, Montana, and South Dakota to promote, develop, and market crops grown in the four-state region, and value-added agriculture, both internationally and domestically. 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 programs and technical services that facilitate domestic and international market development and expand the sale of northern grown crops. Representatives from more than 130 countries have visited NCI since its inception in 1979.

Major Accomplishments

1. Offered a record number of educational short courses designed to educate foreign buyers and the domestic industry about the value of the crops grown in this region, how to purchase them, manage risk, and increase utilization of northern grown crops. In addition, more than fourteen international trade teams were hosted, which is believed to be a record of number.

2. Worked to quickly pivot programs online and plans to host four online courses in 2020. Additionally, six different webinar series have been developed.
3. Released first technical publication, in conjunction with Minnesota and North Dakota Soybean groups, (Fullfat Soybean Meal Handbook) and shipped over 610 copies to over 37 different countries. These handbooks will be used as guides for webinars, trainings, and courses. Four additional handbooks are in various stages of production.
4. Continued focus on increasing outreach to select industries, as well as focus technical services, and asset utilization for the good of the industries we serve.
5. Expanded collaboration with outside resources which has resulted in several key events and milestones. NCI has seen an increase in new events, webinars, courses, and funding for both NCI and the region, because of these collaborations.
6. Continued work with the Northern Crops Council to carry out our strategy, and increase our impact, by conducting new and innovative courses, programs, and other educational activities, as laid out in Century Code with the goal of building capacity to maximize our potential.

Executive Budget Recommendation

- Reduces the 2019-21 General Fund on-going legislative appropriation by \$97,190.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

638 Northern Crops Institute

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Farm Product Development, Mktg. and Util	3,255,445	3,840,027	(97,190)	(2.5%)	3,742,837	(20,750)	(0.5%)	3,819,277
Total Major Programs	3,255,445	3,840,027	(97,190)	(2.5%)	3,742,837	(20,750)	(0.5%)	3,819,277
By Line Item								
Northern Crops Institute	3,255,445	3,840,027	(97,190)	(2.5%)	3,742,837	(20,750)	(0.5%)	3,819,277
Total Line Items	3,255,445	3,840,027	(97,190)	(2.5%)	3,742,837	(20,750)	(0.5%)	3,819,277
By Funding Source								
General Fund	1,886,891	1,943,810	(97,190)	(5.0%)	1,846,620	(48,757)	(2.5%)	1,895,053
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,368,554	1,896,217	0	0.0%	1,896,217	28,007	1.5%	1,924,224
Total Funding Source	3,255,445	3,840,027	(97,190)	(2.5%)	3,742,837	(20,750)	(0.5%)	3,819,277
Total FTE	11.80	12.80	0.75	5.9%	13.55	0.75	5.9%	13.55

Statutory Authority

ND Constitution Article XIX; North Dakota Century Code Chapter 15-12.1.

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. Established agrobiome programs focused on soils, plants, and livestock. While two of the agrobiome scientists will begin working at NDSU in the Fall 2020, the soil microbiome scientist has started and began a statewide study to characterize the microbiome and health of soils from wheat fields. The work is essential in understanding the relation between the microbiome and the crop, which can improve productivity and quality.
2. Conducted human coronavirus testing through the Vet Diagnostic lab. In addition, AES Researchers are testing wastewater from around the state for the coronavirus that causes COVID-19. This surveillance can help to identify emerging hotspots of COVID-19 earlier than human testing.

3. Released multiple new varieties in HR spring wheat,HR winter wheat, pulse crops, and soybeans.
4. Collaborated with Emerging Prairie to establish research projects on the Grand Farm, which were in collaboration with CHS.
5. Enhanced network connectivity to field research locations to move closer to developing the “farm of the future” through advance sensor development and data collection.
6. Collaborated between NDAES Range Scientist and Entomologist to investigate, assess and demonstrate scientifically based management options that sustainably enhance livestock productivity while conserving regional biodiversity.
7. Researched land and pipeline reclamation solutions. Research aims to restore soil productivity and reduce the cost of reclamation by identifying ways in which land can be reclaimed using crop rotations, tillage, and other methods.
8. Collected higher spatial resolutions of weather data from the NDAES’ North Dakota Agricultural Weather Network resulting in greater efficiencies for oil traffic. This data allows for greater spatial oil traffic control across counties after precipitation events.
9. Collaborated with the United States Forest Service to evaluate the potential of grazing management practices to facilitate the riparian restoration.
10. Developed supplementation strategies to help producers prevent potentially negative consequences of poor maternal nutrition and increase cattle production.

Executive Budget Recommendation

- Provides \$1.7 million from the General Fund for the big data initiative, which includes the addition of 6.0 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

640 NDSU Main Research Center

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Agricultural Research	101,966,737	109,170,101	(7,846,806)	(7.2%)	101,323,295	(3,915,678)	(3.6%)	105,254,423
Total Major Programs	101,966,737	109,170,101	(7,846,806)	(7.2%)	101,323,295	(3,915,678)	(3.6%)	105,254,423
By Line Item								
Main Research Center	101,966,737	109,170,101	(7,846,806)	(7.2%)	101,323,295	(3,915,678)	(3.6%)	105,254,423
Total Line Items	101,966,737	109,170,101	(7,846,806)	(7.2%)	101,323,295	(3,915,678)	(3.6%)	105,254,423
By Funding Source								
General Fund	50,133,108	52,667,326	(7,846,806)	(14.9%)	44,820,520	(4,480,025)	(8.5%)	48,187,301
Federal Funds	5,828,264	5,819,208	12,669	0.2%	5,831,877	167,617	2.9%	5,986,825
Special Funds	46,005,365	50,683,567	(12,669)	0.0%	50,670,898	396,730	0.8%	51,080,297
Total Funding Source	101,966,737	109,170,101	(7,846,806)	(7.2%)	101,323,295	(3,915,678)	(3.6%)	105,254,423
Total FTE	336.12	344.05	(12.49)	(3.6%)	331.56	(6.49)	(1.9%)	337.56

Statutory Authority

North Dakota Century Code Chapter 15-12.1.

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

- Maintains current staffing levels and funding sources.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

649 Agronomy Seed Farm

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Agricultural Research	1,450,039	1,565,975	0	0.0%	1,565,975	16,503	1.1%	1,582,478
Total Major Programs	1,450,039	1,565,975	0	0.0%	1,565,975	16,503	1.1%	1,582,478
By Line Item								
Agronomy Seed Farm	1,450,039	1,565,975	0	0.0%	1,565,975	16,503	1.1%	1,582,478
Total Line Items	1,450,039	1,565,975	0	0.0%	1,565,975	16,503	1.1%	1,582,478
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	1,450,039	1,565,975	0	0.0%	1,565,975	16,503	1.1%	1,582,478
Total Funding Source	1,450,039	1,565,975	0	0.0%	1,565,975	16,503	1.1%	1,582,478
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 4.1-45-01 to 4.1-45-24.

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 \$9.5 million.

State Fair provides the facilities, administration, staffing judges, equipment, prizes and recognition for those who bring over 47,000 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 \$29.5 million in capital construction from non-state revenues for capital improvements.
3. Generated revenue of \$19.4 million for capital improvements from admissions and rents.
4. Hosted 94,056 entries in a biennium.
5. Received entries from 52 counties in North Dakota.
6. Recognized nationally, regionally and statewide as a great attraction as the "Showplace of North Dakota".

Executive Budget Recommendation

- Reduces the 2019-21 General Fund on-going legislative appropriation by \$27,142.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

665 ND State Fair

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
State Support	515,665	542,833	(27,142)	(5.0%)	515,691	(27,142)	(5.0%)	515,691
Total Major Programs	515,665	542,833	(27,142)	(5.0%)	515,691	(27,142)	(5.0%)	515,691
By Line Item								
Premiums	515,665	542,833	(27,142)	(5.0%)	515,691	(27,142)	(5.0%)	515,691
Total Line Items	515,665	542,833	(27,142)	(5.0%)	515,691	(27,142)	(5.0%)	515,691
By Funding Source								
General Fund	515,665	542,833	(27,142)	(5.0%)	515,691	(27,142)	(5.0%)	515,691
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	515,665	542,833	(27,142)	(5.0%)	515,691	(27,142)	(5.0%)	515,691
Total FTE	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00

Statutory Authority

North Dakota Century Code 53-06.2-01 to 53-06.2-16.

Agency Description

The North Dakota Racing Commission is the regulatory body in charge of regulating live and simulcast racing, and account deposit wagering companies. The Commission administers three 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 Officer.

Major Accomplishments

1. Developed tax revenue to General Fund sufficient to offset biennial appropriation.
2. Revised tax requirements for live horse racing, simulcast wagering, and account deposit wagering has been advantageous to the companies engaged in simulcast and account deposit wagering. As a result, we have seen a few new companies begin operating under the agency's license, as well as the growth of those already established, contributing to an increase in revenue in 2020.
3. Maintained tax revenues and have seen increases in some areas despite the closures during the COVID-19 pandemic.
4. Continued to work with Horse Race North Dakota in Fargo to establish a long-term, financially viable business plan, including payment of debts to the City of Fargo, and re-establishment of racing in the region with a sustainable business model.
5. Continued to work with Outdoor Recreation Development Association and the Turtle Mountain Band of Chippewa to expand their race meet season to five weekends in 2020. Also realized an increase in both special fund and Tribal funding to the racetrack allowing for structural and infrastructure improvements at the track.
6. Completed the 2019 live race meet season with no horse injuries, deaths or positive drug tests.
7. Regulated live horse racing, simulcast, and account deposit wagering industry in North Dakota.

8. Provided support for developing account deposit wagering companies accounting for wagering and tax revenues.
9. Executed the duties of the North Dakota Century Code.
10. Worked with both racetracks on capital improvements.
11. Promoted and supported live horse racing and horse racing breeding programs in North Dakota.
12. Supported Lutheran Social Services problem gambling program.
13. Responded to issues related to live horse racing and account deposit wagering.
14. Approved and licensed live racing via licenses provided to tracks, associations, owners, trainers and jockeys.
15. Worked with the Turtle Mountain Gaming Division and the National Indian Gaming Commission to ensure compliance with all Federal and Tribal Laws.
16. Approved and licensed simulcast racing, including account deposit wagering companies, totalizators, service providers, site operators, and simulcast employees.
17. Monitored live racing by contracting to provide veterinarians, stewards, compliance investigator, and other individuals required to assure compliance with the Administrative Code.
18. Administered the promotion fund monies to promote live racing and provided oversight to ensure compliance with promotion awards.
19. Approved and disbursed the purse fund grants to live horse racing associations.
20. Utilized an independent contractor to administer the North Dakota Breeders' Fund Horse Registry for awards for both in-state and out-of-state live race meets.
21. Worked with an independent accounting agency to strengthen oversight and review of all pari-mutuel activities including audits.

Executive Budget Recommendation

- Reduces the 2019-21 legislative General Fund on-going appropriation by \$19,910.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

670 ND Horse Racing Commission

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Horse Racing Administration	496,452	565,037	(19,954)	(3.5%)	545,083	(7,825)	(1.4%)	557,212
Total Major Programs	496,452	565,037	(19,954)	(3.5%)	545,083	(7,825)	(1.4%)	557,212
By Line Item								
Racing Commission	496,452	565,037	(19,954)	(3.5%)	545,083	(7,825)	(1.4%)	557,212
Total Line Items	496,452	565,037	(19,954)	(3.5%)	545,083	(7,825)	(1.4%)	557,212
By Funding Source								
General Fund	379,620	399,072	(19,954)	(5.0%)	379,118	(8,599)	(2.2%)	390,473
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	116,832	165,965	0	0.0%	165,965	774	0.5%	166,739
Total Funding Source	496,452	565,037	(19,954)	(3.5%)	545,083	(7,825)	(1.4%)	557,212
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 four divisions, as follows:

- Administration 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, IT services, and general supervision.
- Audience Engagement and Museum Division is responsible for agency publications, marketing, outreach services, visitor services, development of educational programs and curriculum, and building public awareness. This division also 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. Added content resources to North Dakota Studies about women's suffrage in North Dakota to mark the 100th anniversary of the 19th Constitutional Amendment and Citizenship; the 6th and final Grade 4 unit to be transitioned to web-based curriculum.
2. Recognized eight honorees in the Native American Hall of Honor in partnership with the North Dakota Indian Affairs Commission.
3. Created the 2019 "North Dakota Night Sky", the first digital exhibit of its kind, received a North Dakota Advertising Federation award.
4. Used drone technology at state historic sites for documenting archaeological sites, for maintenance and publicity purposes.
5. Made the Digital Horizons website records available to the Digital Public Library of America.
6. Partnered with the State Department of Health allowing the public to research marriage, divorce, and birth record online on the website.
7. Completed numerous capital improvement projects at state historic sites, including a roof for the former Governor's Mansion.
8. Delivered a loan of the state's Sitting Bull buffalo robe to Mackenzie Art Gallery in Regina, Saskatchewan, where it is placed on exhibit for one year. Approximately 32 artifacts are loaned to cultural heritage centers and museums across North Dakota.
9. Developed a community ice-skating rink on Fort Totten State Historic site and donated 517 pounds of food to the New Hope Center from the site's garden.
10. Hosted 180 programs and events during 2019 that were attended by over 19,000 citizens. Provided outreach to programs/events attended by 2,851 people.
11. Hosted the National History Day in North Dakota competition for statewide middle school and high school students.
12. Created the "Prairie Post Office" exhibit and "Woman Suffrage in North Dakota" with partners across the state.

Executive Budget Recommendation

- Provides \$25,000 one-time and \$125,000 on-going appropriation for the State Archive Digital Repository(SADR) replacement.
- Provides \$500,000 for on-going appropriation for extraordinary repairs to historic sites.
- Provides appropriation for the transfer and operation of the Lewis and Clark Interpretive Center from the North Dakota Park and Recreation Department including 3.75 FTE.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

701 Historical Society

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	4,327,228	6,554,772	(767,169)	(11.7%)	5,787,603	(505,798)	(7.7%)	6,048,974
Audience Engagement and Museum	3,761,187	3,759,783	(24,387)	(0.6%)	3,735,396	78,101	2.1%	3,837,884
SA & HRL	2,392,659	2,516,858	(213,234)	(8.5%)	2,303,624	(156,307)	(6.2%)	2,360,551
Historic Sites	7,848,155	3,470,763	(595,906)	(17.2%)	2,874,857	1,895,296	54.6%	5,366,059
Historic Preservation Division	2,531,932	4,260,767	(263,481)	(6.2%)	3,997,286	(195,394)	(4.6%)	4,065,373
Total Major Programs	20,861,161	20,562,943	(1,864,177)	(9.1%)	18,698,766	1,115,898	5.4%	21,678,841
By Line Item								
Salaries and Wages	13,148,248	14,295,816	(978,554)	(6.8%)	13,317,262	944,443	6.6%	15,240,259
Operating Expenses	2,613,403	3,941,585	(411,096)	(10.4%)	3,530,489	145,982	3.7%	4,087,567
Capital Assets	1,690,949	1,225,542	25,473	2.1%	1,251,015	525,473	42.9%	1,751,015
Capital Construction Carryover	848,136	0	0	0.0%	0	0	0.0%	0
Double Ditch Historic Site	2,086,918	0	0	0.0%	0	0	0.0%	0
Grants	213,913	600,000	0	0.0%	600,000	0	0.0%	600,000
Cultural Heritage Grants	0	500,000	(500,000)	(100.0%)	0	(500,000)	(100.0%)	0
Litigation Costs	259,594	0	0	0.0%	0	0	0.0%	0
Total Line Items	20,861,161	20,562,943	(1,864,177)	(9.1%)	18,698,766	1,115,898	5.4%	21,678,841
By Funding Source								
General Fund	17,122,346	17,368,691	(1,587,942)	(9.1%)	15,780,749	774,639	4.5%	18,143,330
Federal Funds	1,651,897	3,194,252	(276,235)	(8.6%)	2,918,017	(246,812)	(7.7%)	2,947,440
Special Funds	2,086,918	0	0	0.0%	0	588,071	0.0%	588,071
Total Funding Source	20,861,161	20,562,943	(1,864,177)	(9.1%)	18,698,766	1,115,898	5.4%	21,678,841
Total FTE	75.00	75.00	0.00	0.0%	75.00	3.75	5.0%	78.75

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 *“to ensure that the role of the arts in the life of our communities will continue to grow and will play an evermore significant part in the welfare and educational experience of our citizens.”* North Dakota’s commitment to arts and culture, ensures healthy people, creates vibrant communities, and supports a 21st century state economy. NDCA’s purpose is to bring that commitment to life. NDCA grants National Endowment for the Arts (NEA) funds and state appropriated funds to North Dakota communities, schools, individuals, and organizations through its programs. NDCA also uses convening, education, and partnerships to 1) seed new ideas and activity and 2) build resilient capacity for the long-term. Bringing those pieces together, NDCA is pursuing a North Dakota in which all can experience arts and culture; all can participate; all are welcome; and arts and culture thrive. It is citizen-led and professionally staffed through a nine-member appointed Board that provides oversight to the 5.5 member staff.

Major Accomplishments

1. Completed a comprehensive statewide strategic planning process and plan that reinvents government, expands its reach, pursues a new vision for the state, and sustains federal investment in North Dakota’s arts.

2. Reacted quickly and nimbly in response to COVID-19, granting nearly \$500,000 to ND citizens and adjusting program offerings to support all.
3. Brought revenue to the state and the arts. In addition to its federal allotment and the COVID-19 specific funds mentioned above, NDCA applied for and received grants totaling over \$130,000 in new program funds from the Consensus Council, The Bush Foundation, and Arts Midwest.
4. Expanded its reach within and across the state through ongoing partnerships (Commerce, Parks, Heritage) and new programs with Native American Development Corporation, Department of Transportation and ND Department of Health.
5. Joined ND’s eight regions began in fall 2019 and is now undertaking its first project in Region 1, with a group of dedicated stakeholders. These public art projects connect with the particular cultural heritage of North Dakota’s eight regions – catalyzing creative, community development that promotes unity, collaboration, art-driven economic development, and tourism.
6. Made significant progress toward its strategic goal of cultural equity, accessibility, inclusion, and reaching communities traditionally underserved by the arts.
7. Reinvented itself in several areas through completion of a comprehensive statewide strategic plan that reinvents government, expands its reach, pursues a new vision for ND, and sustains federal investment in state’s arts.

Executive Budget Recommendation

- Reduces the 2021-23 legislative on-going General Fund appropriation.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

709 Council on the Arts

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Council on the Arts	3,055,858	3,345,126	(133,825)	(4.0%)	3,211,301	(95,171)	(2.8%)	3,249,955
Total Major Programs	3,055,858	3,345,126	(133,825)	(4.0%)	3,211,301	(95,171)	(2.8%)	3,249,955
By Line Item								
Salaries and Wages	911,372	968,858	16,167	1.7%	985,025	45,050	4.6%	1,013,908
Operating Expenses	341,353	285,774	(18,665)	(6.5%)	267,109	(17,894)	(6.3%)	267,880
Grants	1,803,133	2,090,494	(131,327)	(6.3%)	1,959,167	(122,327)	(5.9%)	1,968,167
Total Line Items	3,055,858	3,345,126	(133,825)	(4.0%)	3,211,301	(95,171)	(2.8%)	3,249,955
By Funding Source								
General Fund	1,564,083	1,606,204	(80,310)	(5.0%)	1,525,894	(41,657)	(2.6%)	1,564,547
Federal Funds	1,441,751	1,675,407	0	0.0%	1,675,407	1	0.0%	1,675,408
Special Funds	50,024	63,515	(53,515)	(84.3%)	10,000	(53,515)	(84.3%)	10,000
Total Funding Source	3,055,858	3,345,126	(133,825)	(4.0%)	3,211,301	(95,171)	(2.8%)	3,249,955
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 fish and 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 development and enhancement of 400-plus productive fishing waters across the state; partnered with landowners and local entities on providing fishing opportunities; continued a state/federal partnership allowing for some of the highest fish production stocking in North America.
2. Increased enrollment to approximately 800,000 acres of private land in the PLOTS program while continuing efforts towards a 1M acre goal of quality habitat and access for hunters. Developed and increased new habitat on private land enrolled in PLOTS for resident game species as well as species of conservation priority identified in the Department's Wildlife Action Plan and Mid-America Monarch Conservation Strategy. Initiated a pilot digital marketing campaign that was highly successful in generating contacts for private lands conservation.

3. Implemented electronic, paperless licensing and lotteries and continue to expand digital capabilities.
4. Improved efforts to restrict aquatic nuisance species and chronic wasting disease into ND.
5. Continued increase in youth participation in shooting sports programs.
6. Increased emphasis on initiating hunter and angler recruitment, retention, and reactivation efforts.
7. Continued education efforts in hunter education, hooked on fishing, boat and water safety education, fur harvester education, conservation education, 4th grade habitats of ND education curriculum, outdoor wildlife learning sites; implemented a pilot program for online hunter education to assess effectiveness.
8. Expanded the shooting range grant program to fund larger shooting range projects throughout the state.
9. Maintained 226 wildlife management areas and developed new acquisitions and donations.
10. Continued fish and wildlife research to increase management capabilities.
11. Increased moose and elk opportunities.
12. Renewed the existing MOU with Three Affiliated Tribes and the elk MOU with Standing Rock and implemented a new MOU with Three Affiliated Tribes for Bighorn Sheep management on tribal lands.

Executive Budget Recommendation

- Provides special fund authority of \$500,000 for Outdoor Heritage Fund grants.
- Provides special fund authority of \$200,000 for extraordinary repairs.
- Provides special fund authority of \$371,250 and federal fund authority of \$1.1 million for additional landowner PLOTS payments.
- Transfers 3.0 FTE positions to NDIIT for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

720 Game and Fish Department

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	16,684,245	19,004,748	(3,501,683)	(18.4%)	15,503,065	(3,109,283)	(16.4%)	15,895,465
Fisheries	8,914,504	12,390,480	1,634,173	13.2%	14,024,653	1,791,081	14.5%	14,181,561
Enforcement	8,787,432	9,728,357	1,813,005	18.6%	11,541,362	2,076,563	21.3%	11,804,920
Communications and Conservation	8,056,743	9,749,373	1,310,518	13.4%	11,059,891	1,454,285	14.9%	11,203,658
Wildlife	30,100,320	34,430,674	2,017,055	5.9%	36,447,729	4,296,561	12.5%	38,727,235
Total Major Programs	72,543,244	85,303,632	3,273,068	3.8%	88,576,700	6,509,207	7.6%	91,812,839
By Line Item								
Salaries and Wages	28,516,967	31,497,736	1,689,733	5.4%	33,187,469	2,066,064	6.6%	33,563,800
Operating Expenses	12,114,710	15,949,169	145,078	0.9%	16,094,247	735,873	4.6%	16,685,042
Capital Assets	3,490,673	5,917,891	656,879	11.1%	6,574,770	856,879	14.5%	6,774,770
Capital Construction Carryover	743,017	0	0	0.0%	0	0	0.0%	0
Grants-Game and Fish	6,943,743	8,547,165	376,178	4.4%	8,923,343	376,178	4.4%	8,923,343
Shooting Sports Grant Program	247,287	250,000	0	0.0%	250,000	0	0.0%	250,000
Land Habitat & Deer Depredation	16,649,786	17,660,009	300,000	1.7%	17,960,009	2,329,368	13.2%	19,989,377
Noxious Weed Control	633,703	725,000	0	0.0%	725,000	0	0.0%	725,000
Missouri River Enforcement	283,857	288,068	7,200	2.5%	295,268	9,709	3.4%	297,777
Grant-Gift-Donation	546,594	533,732	132,000	24.7%	665,732	137,377	25.7%	671,109
Nongame Wildlife Conservation	55,281	100,000	0	0.0%	100,000	0	0.0%	100,000
Aquatic Nuisance Species	57,960	1,500,000	0	0.0%	1,500,000	10,457	0.7%	1,510,457
Lonetree Reservoir	1,759,666	1,834,862	(34,000)	(1.9%)	1,800,862	(12,698)	(0.7%)	1,822,164
Wildlife Services	500,000	500,000	0	0.0%	500,000	0	0.0%	500,000
Total Line Items	72,543,244	85,303,632	3,273,068	3.8%	88,576,700	6,509,207	7.6%	91,812,839
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	34,378,780	36,873,631	3,273,069	8.9%	40,146,700	4,758,427	12.9%	41,632,058
Special Funds	38,164,464	48,430,001	(1)	0.0%	48,430,000	1,750,780	3.6%	50,180,781
Total Funding Source	72,543,244	85,303,632	3,273,068	3.8%	88,576,700	6,509,207	7.6%	91,812,839
Total FTE	163.00	165.00	0.00	0.0%	165.00	(3.00)	(1.8%)	162.00

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 offers a diversity of recreation opportunities and sustainably manages resources. 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, budget functions, and policy review and development.
- Grants, Trails, and Planning, which consists of recreation grants coordination, snowmobile and off-highway vehicle trail and safety programs, statewide comprehensive outdoor recreation and trail planning, and master planning for park properties in the state system.
- Natural Resources, which manages land natural resources through planning, implementation of management strategies for improvements and enhancements and provides oversight for state nature preserves.
- Park Programs, which consists of park visitor services, operation and maintenance of infrastructure associated with park properties, and education through natural, cultural, and historical interpretation.

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. Implemented objectives to goals outlined in the 2018-22 NDPRD Strategic Plan.
2. Invested in technology, including wifi registration at the entrances of state parks.
3. Improved process for agency website tracking prior to 2019 park season.
4. Increased state park visitation by 9 percent from 2009 to 2019.
5. Increased overnight rental facility nights by 10 percent in the last 5 years.
6. Obligated all federal grant funds for both the Recreational Trails Program and the Land and Water Conservation Fund. Since 2017, approximately \$3.3 million and \$3.7 million have been awarded to projects in North Dakota through the two programs, respectively.

7. Continued progress on backlog of major capital projects and extraordinary repairs appropriated for in the past two biennia.
8. Assisted the International Peace Garden Foundation in the development of a capital and deferred extraordinary repairs strategy and carried out legislative intent on the appropriation of one-time grant funding.
9. Implemented initiatives outlined in the Pembina Gorge State Recreation Area Master Plan, hired consultant, developed plans and engineered for a campground.
10. Installed the addition of 30/50 amp electrical service for camp sites at Sully Creek Campground.
11. Completed a staff training needs assessment and reformatted the annual all-staff meeting around professional and personal development.
12. Hired a professional park planner dedicated to updating site-specific master plans and implementing a 21st century planning framework.
13. Improved support of field operations and customer service through process improvements.
14. Improved processes around 3 areas of concern, utilized agency's practitioners to train ad-hoc committee members and launched new improvements in 2020.
15. Added to the level of service by adding ice rinks and a covered wagon rentable cabin, expanded trails and the interpretation of the Four Bears Trail at FALSP.
16. Launched a new reservation and point-of-sale system that provides more concise reporting and mobile friendly access.
17. Staff taught and took Leadership Everywhere courses.
18. Conducted an inventory of current statewide partnerships.
19. Identified gaps in marketing and created marketing plans for each destination property.

Executive Budget Recommendation

- Restores partial funding for operations in the amount of \$265,000 from the General Fund.
- Provides \$372,250 from the General Fund for NDIT ongoing costs.
- Provides one-time parks infrastructure funding of \$9.88 million through bonding.
- Includes a one-time \$10.0 million appropriation for park deferred maintenance from Legacy Fund earnings transferred on June 30, 2021.
- Provides up to \$10.0 million for a State Park challenge grant program if Legacy Fund earnings exceed \$505.0 million at June 30, 2021.
- Includes a one-time \$20.6 million appropriation for park district infrastructure grants through bonding.
- Transfers 3.75 FTE and operating funding for the Lewis & Clark Interpretive Center to the Historical Society.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

750 Parks and Recreation Department

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	2,849,521	2,604,999	(61,018)	(2.3%)	2,543,981	13,454	0.5%	2,618,453
Grants, Trails & Planning Division	4,506,741	9,323,560	653,350	7.0%	9,976,910	21,285,397	228.3%	30,608,957
Field Operations Division	20,762,307	20,614,593	(738,392)	(3.6%)	19,876,201	19,864,435	96.4%	40,479,028
Peace Garden	936,443	876,329	(131,449)	(15.0%)	744,880	(131,449)	(15.0%)	744,880
Lewis and Clark Interpretive Center	1,436,268	1,304,375	124,220	9.5%	1,428,595	(1,289,993)	(98.9%)	14,382
Total Major Programs	30,491,280	34,723,856	(153,289)	(0.4%)	34,570,567	39,741,844	114.5%	74,465,700
By Line Item								
Capital Construction Carryover	2,669,752	0	0	0.0%	0	0	0.0%	0
Administration	2,849,521	2,604,999	(61,018)	(2.3%)	2,543,981	13,454	0.5%	2,618,453
Natural Resources	18,092,555	20,614,593	(738,392)	(3.6%)	19,876,201	19,864,435	96.4%	40,479,028
Recreation	4,506,741	9,323,560	653,350	7.0%	9,976,910	21,285,397	228.3%	30,608,957
Peace Garden	936,443	876,329	(131,449)	(15.0%)	744,880	(131,449)	(15.0%)	744,880
Lewis & Clark	1,436,268	1,304,375	124,220	9.5%	1,428,595	(1,289,993)	(98.9%)	14,382
Total Line Items	30,491,280	34,723,856	(153,289)	(0.4%)	34,570,567	39,741,844	114.5%	74,465,700
By Funding Source								
General Fund	17,029,576	14,343,129	(1,428,336)	(10.0%)	12,914,793	(1,273,792)	(8.9%)	13,069,337
Federal Funds	2,598,420	7,321,876	1,275,047	17.4%	8,596,923	1,278,609	17.5%	8,600,485
Special Funds	10,863,284	13,058,851	0	0.0%	13,058,851	39,737,027	304.3%	52,795,878
Total Funding Source	30,491,280	34,723,856	(153,289)	(0.4%)	34,570,567	39,741,844	114.5%	74,465,700
Total FTE	62.50	61.50	0.00	0.0%	61.50	(3.75)	(6.1%)	57.75

Statutory Authority

North Dakota Century Code Title 61.

Agency Description

The State Water Commission consists of the Governor as chairman, the Commissioner of Agriculture as an ex-officio member, and eight members appointed by the Governor. North Dakota's State Engineer serves as Chief Engineer and Secretary to the State Water Commission. In a separate role, North Dakota's State Engineer is responsible for several regulatory functions and responsibilities, including allocation of the state's waters, dam safety, sovereign land management, and drainage.

The agency 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 state projects, such as the southwest pipeline project, the northwest area water supply, and Devils Lake flood control. The Commission also promotes water development by providing cost-share assistance for many local projects such as flood control, water conveyance, water supply systems, and other general water management efforts. The third function of the agency involves public information and education regarding the nature and occurrence of the state's water resources and the agency's functions.

Major Accomplishments

1. Began design and construction on the Northwest Area Water Supply project.
2. Continued to operate two Devils Lake outlets that have removed over 1.2 million acre-feet of floodwater since 2005.
3. Contributed toward the advancement of community flood control projects in the Mouse, Sheyenne, and Red River basins – benefiting 34 percent or 262,000+ North Dakotans.
4. Began implementation of Life Cycle Cost Analyses (LCCA) of water supply projects, and Economic Analyses (EA) of flood control and water conveyance projects.
5. Continued design, construction, and operation of Southwest Pipeline Project features.
6. Conducted ground and surface water evaluations throughout the state.

7. Continued to maintain a strong water right permitting process that provides for the orderly development of water resources in the state.
8. Conducted research and deployment of advanced technologies such as Airborne Electromagnetic(AEM) surveys, Pushing REmote SENSors (PRESENS), and drones for data collection efforts.
9. Administered the cost-share program to provide financial support to political subdivisions for locally led projects that protect public safety, enhance quality of life, and promote economic development.
10. Managed the Drought Disaster Livestock Water Supply Program (DDLWSP) to mitigate drought related impacts to the state's livestock industry.
11. Conducted a low head dam inventory to identify the location of low head dams throughout the state, with the goal of mitigating drowning risks associated with roller effects resulting in confirmation and location of 105 low head dams.
12. Continued to deploy/manage state-of-the-art remote telemetry water metering systems to track industrial water use in oil producing areas.
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 and infrastructure needs for the 2021-23 biennium and beyond.
15. Provided support for water education opportunities involving thousands of grade school students.
16. Utilized state-of-the-art technologies to provide hail suppression and rainfall enhancement cloud seeding services.
17. Deployed a publicly accessible, state-of-the-art flood hazard risk assessment platform called North Dakota Risk Assessment MapService (NDRAM).
18. Continued development and deployment of innovative IT infrastructure to address complex water resource management initiatives.
19. Issued 1,249 temporary water permits during the 2017-19 biennium, with 92 percent of that water for industrial depots in oil producing counties.

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

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
State Water Commission Budget	441,604,203	867,254,091	(145,021,737)	(16.7%)	722,232,354	(158,206,860)	(18.2%)	709,047,231
Total Major Programs	441,604,203	867,254,091	(145,021,737)	(16.7%)	722,232,354	(158,206,860)	(18.2%)	709,047,231
By Line Item								
Salaries and Wages	0	19,831,986	46,526	0.2%	19,878,512	851,158	4.3%	20,683,144
Operating Expenses	0	26,619,003	16,737,302	62.9%	43,356,305	16,747,547	62.9%	43,366,550
Capital Assets	0	145,872,567	19,412,210	13.3%	165,284,777	19,412,210	13.3%	165,284,777
Capital Const Carryover	63,158,619	0	0	0.0%	0	0	0.0%	0
Fargo Area Flood Control	0	66,500,000	(66,500,000)	(100.0%)	0	(66,500,000)	(100.0%)	0
Mouse River Flood Control	0	82,500,000	(82,500,000)	(100.0%)	0	(82,500,000)	(100.0%)	0
Other Flood Control	0	48,000,000	52,930,512	110.3%	100,930,512	46,630,512	97.1%	94,630,512
Project Carryover	0	308,333,818	(12,970,635)	(4.2%)	295,363,183	(12,970,635)	(4.2%)	295,363,183
Water Supply - Grants	0	105,302,941	(46,377,064)	(44.0%)	58,925,877	(51,137,064)	(48.6%)	54,165,877
Rural Water Supply - Grants	0	37,200,000	(15,154,087)	(40.7%)	22,045,913	(16,974,087)	(45.6%)	20,225,913
General Water - Grants	0	27,093,776	(10,646,501)	(39.3%)	16,447,275	(11,766,501)	(43.4%)	15,327,275
Administrative and Support Services	5,432,897	0	0	0.0%	0	0	0.0%	0
Water and Atmospheric Resources	373,012,687	0	0	0.0%	0	0	0.0%	0
Total Line Items	441,604,203	867,254,091	(145,021,737)	(16.7%)	722,232,354	(158,206,860)	(18.2%)	709,047,231
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	17,126,140	39,123,284	1,942,747	5.0%	41,066,031	1,960,073	5.0%	41,083,357
Special Funds	424,478,063	828,130,807	(146,964,484)	(17.7%)	681,166,323	(160,166,933)	(19.3%)	667,963,874
Total Funding Source	441,604,203	867,254,091	(145,021,737)	(16.7%)	722,232,354	(158,206,860)	(18.2%)	709,047,231
Total FTE	93.00	90.00	(1.00)	(1.1%)	89.00	0.00	0.0%	90.00

Statutory Authority

North Dakota Century Code Sections 24-01 through 24-15, 39-02 and 49-17.1-2.

Agency Description

Originally called the State Highway Department, the North Dakota Department of Transportation (NDDOT) was established in 1917. The NDDOT is an innovative and progressive organization that has a great team of employees that work hard across the state to carry out the Department's mission to safely move people and goods.

The NDDOT strives to build and maintain an efficient transportation system consisting of about 8,622 miles of roadway and 4,831 bridges. It oversees the development of surface transportation including highways, bridges, rail, transit, pedestrian and bicycle paths across the state.

Annually, the Department processes over 1,000,000 vehicle registrations and serves over 500,000 licensed drivers at branch offices located across the state. The NDDOT's Central Office is located on the North Dakota State Capitol Grounds in Bismarck and has eight District Offices across the state in Bismarck, Devils Lake, Dickinson, Fargo, Grand Forks, Minot, Valley City and Williston.

Major Accomplishments

1. Utilized biennial budget of \$1.40 billion to provide transportation and motorist services and maintain and improve state highways.
2. Conducted implementation of REAL ID driver's license.
3. Completed several public missions of North Dakota's UAS Integration Pilot Program and received approval to continue with the UAS program for the next 4 years and now referred to as Beyond Visual Line of Site (BVLOS).
4. Continued Vision Zero initiative, which seeks to establish a culture of personal responsibility where motor vehicle fatalities and serious injuries are recognized as preventable and not tolerated.
5. Continued to function during the COVID-19 Pandemic and changed business model in Driver License and Motor Vehicle services to further promote online and appointment only in-person services.

6. Completed construction of the Williston Drivers License facility, Minot Drivers License facility, the Fargo District addition and have awarded the reconstruction of the Ellendale section building.
7. Applied for opportunities to receive additional federal funds through grant application of discretionary dollars. Awarded \$15.0 million to replace transit providers aged buses; \$22.0 million to raise state roadways that could potentially be overtopped with water; and over \$6.5 million to help replace the aging structures on the state and county highway system.
8. Completed major construction projects including:
 - New Town North West Truck Route
 - Central Avenue in Valley City
 - Fargo Main Avenue
 - DeMers Avenue in Grand Forks
 - I-94 West Dickinson Pedestrian Bridge
 - Safety Corridor projects: US Hwy 83 - Bismarck to Washburn; US Hwy 52-Brooks Junction to Velva and US Hwy 85- Watford City to ND Hwy 68
 - Several road projects in Williston, Dickinson, Bismarck, Minot, Devils Lake, Valley City, Grand Forks and Fargo Districts
 - Long-X Bridge replacement to a 4-Lane structure
 - Reconstruction of the last section of Highway 1804 from New Town to Williston
 - 4-Laning of the Hwy 83 bypass in Minot

Executive Budget Recommendation

- Provides \$302.4 million from bonding for transportation infrastructure projects.
- Provides \$10.0 million and 5.00 FTE for a transportation management center.
- Provides \$9.7 million one-time funding from special funds for a construction and materials management system.
- Provides \$1.7 million from special funds for temporary drivers license staff.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

801 Department of Transportation

Biennium: 2021-2023

Description	Expenditures Prev Biennium 2017-2019	Legislative Base 2019-2021	2021-2023 Requested		Requested Budget 2021-2023	2021-2023 Recommended		Executive Recommendation 2021-2023
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	34,948,884	44,703,726	1,374,418	3.1%	46,078,144	11,480,797	25.7%	56,184,523
Drivers and Vehicle Services	42,267,564	48,353,903	4,364,749	9.0%	52,718,652	6,664,158	13.8%	55,018,061
Highways	1,206,946,616	1,224,312,292	69,014,805	5.6%	1,293,327,097	427,246,374	34.9%	1,651,558,666
Fleet Services	60,310,483	71,075,483	(4,064,783)	(5.7%)	67,010,700	(3,900,826)	(5.5%)	67,174,657
Total Major Programs	1,344,473,547	1,388,445,404	70,689,189	5.1%	1,459,134,593	441,490,503	31.8%	1,829,935,907
By Line Item								
Salaries and Wages	186,439,278	197,827,038	3,695,410	1.9%	201,522,448	8,323,925	4.2%	206,150,963
Operating Expenses	199,035,770	235,037,785	34,693,353	14.8%	269,731,138	46,906,102	20.0%	281,943,887
Capital Assets	639,757,881	859,725,944	15,346,426	1.8%	875,072,370	369,046,476	42.9%	1,228,772,420
Construction Carryover	12,536,357	0	0	0.0%	0	0	0.0%	0
Enhanced State Highway Investment	215,954,851	0	0	0.0%	0	0	0.0%	0
Grants	45,167,660	95,854,637	16,954,000	17.7%	112,808,637	17,214,000	18.0%	113,068,637
County & Township Road Program	10,661,144	0	0	0.0%	0	0	0.0%	0
Non-Oil Producing Counties	34,920,606	0	0	0.0%	0	0	0.0%	0
Total Line Items	1,344,473,547	1,388,445,404	70,689,189	5.1%	1,459,134,593	441,490,503	31.8%	1,829,935,907
By Funding Source								
General Fund	25,016,031	0	0	0.0%	0	0	0.0%	0
Federal Funds	585,768,179	738,914,475	70,689,189	9.6%	809,603,664	121,385,744	16.4%	860,300,219
Special Funds	733,689,337	649,530,929	0	0.0%	649,530,929	320,104,759	49.3%	969,635,688
Total Funding Source	1,344,473,547	1,388,445,404	70,689,189	5.1%	1,459,134,593	441,490,503	31.8%	1,829,935,907
Total FTE	1,047.00	982.00	0.00	0.0%	982.00	5.00	0.5%	987.00

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
101	Office of the Governor					
	Base Budget Request	18.00	4,072,933	0	0	4,072,933
	Total	18.00	4,072,933	0	0	4,072,933
108	Secretary of State					
	Base Budget Request	32.00	5,060,757	3,197,852	4,231,641	12,490,250
	01 Restore Operating Line	0.00	536,578	0	0	536,578
	02 Increase Special Fund Authority	0.00	0	0	746,578	746,578
	03 Election Reform - FTE Request	1.00	0	121,865	0	121,865
	04 Increase Special Fund authority - Additional	0.00	0	0	150,000	150,000
	05 Public Printing	0.00	26,381	0	0	26,381
	Total	33.00	5,623,716	3,319,717	5,128,219	14,071,652
110	Office of Management and Budget					
	Base Budget Request	112.00	25,138,496	0	8,746,515	33,885,011
	01 Add funding for HR Officer	0.00	110,869	0	0	110,869
	01 Extraordinary Repairs Facilities	0.00	900,000	0	0	900,000
	02 ADA Improvements	0.00	600,000	0	0	600,000
	02 Add Funding for 3 Procurement Officers	0.00	613,413	0	0	613,413
	03 Restore underfunding of salaries	0.00	223,196	0	0	223,196
	03 Special Assessments	0.00	300,000	0	0	300,000
	04 Fiscal Budget System Annual Contract	0.00	403,000	0	0	403,000
	04 Fiscal Budget System Request	0.00	1,230,100	0	0	1,230,100
	05 Building Automation Upgrade	0.00	800,000	0	0	800,000
	05 eProcurement Annual Contract	0.00	152,000	0	0	152,000
	06 Add FTE for Administration of eProcurement	0.00	204,471	0	0	204,471
	06 Facility Consolidation Study	0.00	350,000	0	0	350,000
	07 Exterior and Interior Wayfinding Signs	0.00	1,000,000	0	0	1,000,000
	07 Switch FMD payroll from GF to SF	0.00	0	0	5,245,161	5,245,161
	08 New Eprocurement Software	0.00	2,021,204	0	0	2,021,204
	08 Restore Statewide Dues	0.00	93,760	0	0	93,760
	09 Capitol and Judicial Wing Space Utilization Improvements	0.00	5,500,000	0	0	5,500,000
	09 Restore Statewide Grants	0.00	579,000	0	0	579,000
	10 Brynhild Haugland Remodel	0.00	500,000	0	0	500,000
	10 Increase CSG Annual Dues	0.00	17,025	0	0	17,025
	11 Student Internship	0.00	200,000	0	0	200,000
	12 Virtual Tour Program	0.00	100,000	0	0	100,000
	13 Mall Enhancements	0.00	400,000	0	0	400,000
	14 Perimeter Landscaping Enhancements	0.00	1,100,000	0	0	1,100,000
	15 South Entrance Landscaping	0.00	450,000	0	0	450,000
	16 Prairie Public One-Time Capital Projects	0.00	2,350,000	0	0	2,350,000
	Total	112.00	45,336,534	0	13,991,676	59,328,210

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
112	Information Technology					
	Base Budget Request	402.00	15,448,780	2,078,179	193,804,155	211,331,114
	01 IT Security Package	29.00	25,885,579	0	(5,666,422)	20,219,157
	02 IT Unification	66.00	0	0	31,933,032	31,933,032
	03 BPI/OCM/Automation	0.00	40,000,000	0	0	40,000,000
	04 Ancient Technology	0.00	60,000,000	0	0	60,000,000
	05 Health Information Network Sustainability	0.00	6,418,972	0	0	6,418,972
	06 DOT RIMS project	0.00	5,860,000	0	0	5,860,000
	07 State Radio Tower maintenannce	0.00	1,858,240	0	0	1,858,240
	08 GIS Land Parcels	0.00	150,000	0	0	150,000
	09 Federal Funding for SLDS, EduTech and HIT	0.00	0	0	0	0
	Total	497.00	155,621,571	2,078,179	220,070,765	377,770,515
117	Office of the State Auditor					
	Base Budget Request	58.00	9,096,174	1,369,488	2,835,564	13,301,226
	02 Local Government Auditors	0.00	0	0	744,458	744,458
	03 Local Government Auditors	2.00	0	0	372,229	372,229
	Total	60.00	9,096,174	1,369,488	3,952,251	14,417,913
120	Office of the State Treasurer					
	Base Budget Request	7.00	1,659,052	0	0	1,659,052
	Total	7.00	1,659,052	0	0	1,659,052
125	Office of the Attorney General					
	Base Budget Request	244.00	38,896,818	12,726,535	22,525,687	74,149,040
	01 Restore 15 percent reduction	1.00	5,920,566	0	0	5,920,566
	02 Equity and Reclassifications	0.00	160,427	15,455	489,560	665,442
	03 Tech Fees operating Increases	0.00	70,958	0	0	70,958
	04 Gaming Increases	8.00	0	0	1,919,398	1,919,398
	05 CJIS Projects	0.00	882,662	0	120,000	1,002,662
	06 Crime Lab Equipment	0.00	0	1,111,706	0	1,111,706
	06 Crime Lab operating	0.00	15,540	0	0	15,540
	07 BCI Operating	0.00	236,283	0	80,000	316,283
	08 IT Projects	0.00	0	300,000	875,000	1,175,000
	09 MFCU operating	0.00	0	0	0	0
	Total	253.00	46,183,254	14,153,696	26,009,645	86,346,595
127	Office of State Tax Commissioner					
	Base Budget Request	123.00	57,382,203	125,000	0	57,507,203
	01 Service Delivery Continuity	0.00	3,713,854	0	0	3,713,854
	02 Level 3 Gentax Support	0.00	1,350,000	0	0	1,350,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	03 Operating expenses rate and usage increases	0.00	278,750	0	0	278,750
	04 Retention/Attraction/Equity	0.00	350,000	0	0	350,000
	05 Litigation Pool	0.00	600,000	0	0	600,000
	06 GIS Rate and Boundary Files	0.00	50,000	0	0	50,000
	07 Treasury Refund Offset Program	0.00	45,000	0	0	45,000
	Total	123.00	63,769,807	125,000	0	63,894,807
140	Office of Administrative Hearings					
	Base Budget Request	5.00	0	0	2,741,665	2,741,665
	Total	5.00	0	0	2,741,665	2,741,665
150	Legislative Assembly					
	Base Budget Request	0.00	20,314,661	0	0	20,314,661
	Total	0.00	20,314,661	0	0	20,314,661
160	Legislative Council					
	Base Budget Request	44.00	15,318,589	0	70,000	15,388,589
	Total	44.00	15,318,589	0	70,000	15,388,589
180	Judicial Branch					
	Base Budget Request	363.00	113,305,248	1,691,909	502,500	115,499,657
	Total	363.00	113,305,248	1,691,909	502,500	115,499,657
188	Commission on Legal Counsel for Indigents					
	Base Budget Request	40.00	16,546,164	0	1,990,035	18,536,199
	02 Partial Restoration of Reduction	0.00	919,000	0	0	919,000
	Total	40.00	17,465,164	0	1,990,035	19,455,199
190	Retirement and Investment Office					
	Base Budget Request	20.00	0	0	5,869,164	5,869,164
	01 Retain Full Salary Funding	0.00	0	0	25,000	25,000
	02 ND ITD Desktop Support	0.00	0	0	70,920	70,920
	03 Reinstate Contingency Funds	0.00	0	0	125,000	125,000
	Total	20.00	0	0	6,090,084	6,090,084
192	Public Employees Retirement System					
	Base Budget Request	34.50	0	0	9,346,193	9,346,193
	04 FTE in the Event the Health Contract is Self-Insured	4.00	0	0	837,337	837,337
	05 Add back the Public Information Specialist III	0.80	0	0	169,913	169,913
	05 Additional Development Resources for PERSLink	0.00	0	0	209,000	209,000
	06 Upgrade PERSLink to Business Process Management	0.00	0	0	257,600	257,600

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	07 Make New Receptionist a 1.0 FTE	0.20	0	0	21,216	21,216
	Total	39.50	0	0	10,841,259	10,841,259
195	Ethics Commission					
	Base Budget Request	2.00	491,297	0	0	491,297
	01 Required Operational Costs for 2021-23	0.00	150,708	0	0	150,708
	Total	2.00	642,005	0	0	642,005
201	Department of Public Instruction					
	Base Budget Request	89.25	1,717,331,281	322,916,552	489,637,189	2,529,885,022
	01 Partial Restore Power School Reduction	0.00	575,000	0	0	575,000
	02 Extend ESSER funding to 21-23 biennium	0.00	0	27,500,000	0	27,500,000
	03 Restore ACT Elimination	0.00	780,000	0	0	780,000
	04 Restore Cognia Elimination	0.00	1,112,000	0	0	1,112,000
	05 NDIT Key Customer Management Fee	0.00	288,000	0	0	288,000
	Total	89.25	1,720,086,281	350,416,552	489,637,189	2,560,140,022
215	ND University System					
	Base Budget Request	158.83	110,701,968	0	24,342,029	135,043,997
	Total	158.83	110,701,968	0	24,342,029	135,043,997
226	Department of Trust Lands					
	Base Budget Request	28.00	0	0	8,108,401	8,108,401
	01 Large IT Project - Additional Funding	0.00	0	0	1,600,000	1,600,000
	02 New FTE	3.00	0	0	601,537	601,537
	Total	31.00	0	0	10,309,938	10,309,938
227	Bismarck State College					
	Base Budget Request	332.90	30,081,194	0	70,001,853	100,083,047
	01 Major Capital Projects	0.00	3,200,000	0	0	3,200,000
	Total	332.90	33,281,194	0	70,001,853	103,283,047
228	Lake Region State College					
	Base Budget Request	115.76	14,360,235	0	25,135,192	39,495,427
	01 Major Capital Projects	0.00	250,000	0	0	250,000
	Total	115.76	14,610,235	0	25,135,192	39,745,427
229	Williston State College					
	Base Budget Request	101.29	10,469,782	0	23,969,551	34,439,333
	01 Parking Lot and Storm Water Infrastructure	0.00	850,000	0	0	850,000
	Total	101.29	11,319,782	0	23,969,551	35,289,333

OPTIONAL ADJUSTMENT REQUESTS

OPTIONAL ADJUSTMENT PACKAGE

Biennium: 2021-2023

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
230	University of North Dakota					
	Base Budget Request	2,059.98	160,032,065	0	750,169,941	910,202,006
	Major Capital Projects	0.00	56,000,000	0	23,000,000	79,000,000
	Total	2,059.98	216,032,065	0	773,169,941	989,202,006
232	UND Medical Center					
	Base Budget Request	492.67	69,343,067	0	162,223,636	231,566,703
	Total	492.67	69,343,067	0	162,223,636	231,566,703
235	North Dakota State University					
	Base Budget Request	1,829.43	145,196,570	0	622,350,257	767,546,827
	01 Major Capital Projects	0.00	14,000,000	0	0	14,000,000
	03 Optional One-time Deficiency	0.00	125,000	0	0	125,000
	Total	1,829.43	159,321,570	0	622,350,257	781,671,827
238	ND State College of Science					
	Base Budget Request	311.61	36,878,543	0	60,585,788	97,464,331
	01 Major Capital Project	0.00	7,210,455	0	0	7,210,455
	Total	311.61	44,088,998	0	60,585,788	104,674,786
239	Dickinson State University					
	Base Budget Request	175.50	20,705,866	0	30,704,936	51,410,802
	01 Major Capital Project	0.00	1,000,000	0	6,000,000	7,000,000
	Total	175.50	21,705,866	0	36,704,936	58,410,802
240	Mayville State University					
	Base Budget Request	230.35	19,264,624	0	32,052,196	51,316,820
	01 Major Capital Projects	0.00	1,600,000	0	0	1,600,000
	Total	230.35	20,864,624	0	32,052,196	52,916,820
241	Minot State University					
	Base Budget Request	403.04	42,749,307	0	63,543,442	106,292,749
	01 Major Capital Projects	0.00	25,231,000	0	0	25,231,000
	Total	403.04	67,980,307	0	63,543,442	131,523,749
242	Valley City State University					
	Base Budget Request	202.77	23,144,847	0	26,072,647	49,217,494
	Total	202.77	23,144,847	0	26,072,647	49,217,494
243	Dakota College at Bottineau					

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	Base Budget Request	91.86	9,705,361	0	14,111,090	23,816,451
	Major Capital Projects	0.00	2,000,000	0	2,000,000	4,000,000
	Total	91.86	11,705,361	0	16,111,090	27,816,451
244	ND Forest Service					
	Base Budget Request	28.00	4,806,012	0	10,711,166	15,517,178
	Total	28.00	4,806,012	0	10,711,166	15,517,178
250	State Library					
	Base Budget Request	25.75	5,492,348	2,063,898	87,259	7,643,505
	01 Expected federal fund increase	0.00	0	200,000	0	200,000
	02 Reinstatement part of the 5% reduction	1.00	237,879	0	0	237,879
	Total	26.75	5,730,227	2,263,898	87,259	8,081,384
252	School for Deaf/Res Ctr for Deaf and HoH					
	Base Budget Request	44.61	6,775,965	100,511	2,329,845	9,206,321
	04 Replace upgrade campus server	0.00	0	0	7,500	7,500
	05 Teacher 2021 2023 Composite Scale Funding Request	0.00	133,704	0	0	133,704
	06 Funding Higher Educational Grants for Interpreter Servic	0.00	140,000	0	0	140,000
	07 Upgrade Standby Boiler	0.00	0	0	350,000	350,000
	08 Resouce Center Update HVAC Roof ceiling lights	0.00	0	0	300,000	300,000
	10 Equipment Grounds,Support Services, Audiology	0.00	0	0	40,000	40,000
	Total	44.61	7,049,669	100,511	3,027,345	10,177,525
253	ND Vision Services/School for the Blind					
	Base Budget Request	27.75	4,482,090	0	1,052,315	5,534,405
	02 Teacher Salary Increase	0.00	72,610	0	0	72,610
	03 Electrical Service South Wing	0.00	0	0	165,000	165,000
	04 Led Lighting LED	0.00	0	0	33,000	33,000
	05 Small Projects for Building	0.00	0	0	117,500	117,500
	08 Carpeting Flooring	0.00	0	0	10,000	10,000
	13 Request FTE Returned	0.00	145,982	0	0	145,982
	Total	27.75	4,700,682	0	1,377,815	6,078,497
270	Career and Technical Education					
	Base Budget Request	50.30	38,517,267	11,512,453	3,204,974	53,234,694
	01 Cost to Continue	0.00	1,500,000	0	0	1,500,000
	02 Fund New & Expanding Programs	0.00	1,500,000	0	0	1,500,000
	03 Restore Temp Salaries; Add 2 FTE Teacher Positions	0.00	3,749,808	0	0	3,749,808
	04 Develop New Funding Model	0.00	3,000,000	0	0	3,000,000
	05 Move STEM Network to Secondary Grants	0.00	0	0	0	0
	06 LRSC Apprenticeship Program	0.00	0	300,000	0	300,000

OPTIONAL ADJUSTMENT REQUESTS

OPTIONAL ADJUSTMENT PACKAGE

Biennium: 2021-2023

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	07 Establish Career Academies	0.00	40,000,000	0	0	40,000,000
	08 Funding for Career Academies	0.00	2,000,000	0	0	2,000,000
	Total	50.30	90,267,075	11,812,453	3,204,974	105,284,502
301	ND Department of Health					
	Base Budget Request	204.00	32,399,279	105,186,986	20,644,914	158,231,179
	01 COVID19	143.50	231,098,235	31,926,601	0	263,024,836
	02 Local Public Health State Aid Funding	0.00	5,226,900	0	0	5,226,900
	03 Forensic Examiner One-Time Upgrades	0.00	910,000	0	0	910,000
	04 Tobacco Prevention and Control Program Media and Cessati	0.00	1,946,000	0	0	1,946,000
	05 Loan Repayment Programs	0.00	585,000	0	0	585,000
	06 Forensic Examiner UND Contract	0.00	170,460	0	0	170,460
	07 Convert Temps - Emergency Preparedness Division	4.00	0	44,605	0	44,605
	08 Convert Temps - Office of the State Epidemiologist	2.00	(72,032)	92,477	0	20,445
	09 Convert Temps - Division of Emergency Medical Systems	2.00	10,038	10,744	0	20,782
	Total	355.50	272,273,880	137,261,413	20,644,914	430,180,207
303	Department of Environmental Quality					
	Base Budget Request	165.50	12,304,275	28,385,080	18,288,228	58,977,583
	01 DEQ Accounting	2.50	0	0	522,500	522,500
	02 Legal	0.00	500,000	0	0	500,000
	03 LIMS	0.00	1,000,000	0	0	1,000,000
	Total	168.00	13,804,275	28,385,080	18,810,728	61,000,083
313	Veterans Home					
	Base Budget Request	114.79	5,088,892	0	18,753,310	23,842,202
	01 Food - increase	0.00	0	0	221,546	221,546
	02 Medications	0.00	238,500	0	0	238,500
	03 IT - Data Processing	0.00	29,095	0	0	29,095
	04 Equity money for nursing department	0.00	550,000	0	0	550,000
	05 Flooring	0.00	0	0	131,500	131,500
	06 Humidifiers	0.00	0	0	6,000	6,000
	07 Memorial Garden	0.00	0	0	200,000	200,000
	08 Turbine Blower	0.00	0	0	8,500	8,500
	09 Bladder scanner	0.00	0	0	9,800	9,800
	Total	114.79	5,906,487	0	19,330,656	25,237,143
316	Indian Affairs Commission					
	Base Budget Request	4.00	1,043,707	0	0	1,043,707

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	02 Request for Youth Leadership section of annual conferenc	0.00	5,000	0	0	5,000
	03 NDIT Key Customer Management Fee	0.00	6,000	0	0	6,000
	Total	4.00	1,054,707	0	0	1,054,707
321	Department of Veterans Affairs					
	Base Budget Request	7.00	1,205,483	1,859,423	0	3,064,906
	01 Restore Base Budget Funding	0.00	53,950	0	0	53,950
	02 Salary Funding	0.00	128,000	0	0	128,000
	03 Loans and Grant Officer	1.00	159,001	0	0	159,001
	04 Veterans Benefits Specialist/Women Veterans	1.00	158,910	0	0	158,910
	05 Program Coordinator/Training/Information Officer	1.00	158,910	0	0	158,910
	06 DAV Vans	0.00	37,600	0	0	37,600
	Total	10.00	1,901,854	1,859,423	0	3,761,277
325	Department of Human Services					
	Base Budget Request	2,218.63	1,525,588,477	2,380,699,201	316,587,261	4,222,874,939
	01 SUD Voucher	0.00	9,000,000	0	0	9,000,000
	02 Nursing Facility Payment Reform	0.00	3,348,000	3,852,000	0	7,200,000
	04 HCBS Case Management/ADRL Staff	3.00	0	0	498,673	498,673
	05 Frame/CCWIPS Replacement	0.00	18,000,000	18,000,000	0	36,000,000
	06 Roof - New Horizons Building	0.00	575,000	0	0	575,000
	07 Building Maintenance - Heat Pump Replacement	0.00	455,000	0	0	455,000
	08 Duct Cleaning - All Patient Care Buildings	0.00	605,000	0	0	605,000
	09 Early Childhood Integrated Data System (ECIDS)	0.00	500,000	0	0	500,000
	10 New State Hospital	0.00	3,366,000	0	0	3,366,000
	11 Increase Supervision rate (in State Plan)	0.00	566,683	651,991	0	1,218,674
	12 VAPS Workers from Contract to State	6.00	163,959	0	0	163,959
	13 Contract, Payment, and Reporting System	0.00	2,000,000	0	0	2,000,000
	14 Nursing Home Bed Buy Back	0.00	6,000,000	0	0	6,000,000
	15 Civil Sex Offender Treatment Contract	0.00	917,004	0	0	917,004
	16 Door Upgrades/Card Access - LaHaug Building	0.00	105,000	0	0	105,000
	17 Building Maintenance - Lighting Retrofit	0.00	116,000	0	0	116,000
	18 Random Moment Time Study (RMTS) System	0.00	150,000	0	0	150,000
	19 Building Maintenance - Carpet Replacement	0.00	269,000	0	0	269,000
	20 Building Maintenance - Base Energy Management System	0.00	453,600	0	0	453,600
	Total	2,227.63	1,572,178,723	2,403,203,192	317,085,934	4,292,467,849
360	Protection and Advocacy					
	Base Budget Request	28.50	3,078,014	4,188,539	0	7,266,553
	Total	28.50	3,078,014	4,188,539	0	7,266,553

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
380	Job Service North Dakota					
	Base Budget Request	172.61	409,092	62,401,228	603,516	63,413,836
	Total	172.61	409,092	62,401,228	603,516	63,413,836
401	Office of the Insurance Commissioner					
	Base Budget Request	39.00	0	22,097,626	28,233,262	50,330,888
	Total	39.00	0	22,097,626	28,233,262	50,330,888
405	Industrial Commission					
	Base Budget Request	95.25	23,166,068	238,004	10,010,240	33,414,312
	01 Inflation/Restoration	0.00	198,510	0	43,000	241,510
	02 Restore Surface Geologist FTE	1.00	249,211	0	0	249,211
	03 Restore Map Tech FTE	1.00	162,192	0	0	162,192
	04 Restore Reclamation FTE	1.00	187,736	0	0	187,736
	05 Restore 3 Petroleum Engineer FTE	3.00	815,333	0	0	815,333
	06 Restore Lab Tech FTE	1.00	168,260	0	0	168,260
	07 Restore Pipeline ET FTE	1.00	185,005	0	0	185,005
	08 Restore 4 Engineering Tech FTE	4.00	755,835	0	0	755,835
	09 Restore Administrative Services FTE	1.00	143,026	0	0	143,026
	10 Equipment	0.00	100,830	0	0	100,830
	Total	108.25	26,132,006	238,004	10,053,240	36,423,250
406	Department of Labor and Human Rights					
	Base Budget Request	14.00	2,208,489	486,868	0	2,695,357
	Citizen Portal	0.00	158,283	0	0	158,283
	Increase Data Processing	0.00	6,720	0	0	6,720
	Phase 2 Software Upgrade to Power Dynamics	0.00	177,717	0	0	177,717
	Total	14.00	2,551,209	486,868	0	3,038,077
408	Public Service Commission					
	Base Budget Request	43.00	6,043,435	10,854,362	1,608,729	18,506,526
	01 Self Fund Programs	0.00	0	0	550,000	550,000
	02 Restore Program Funding	0.00	746,993	0	0	746,993
	05 Natural Gas Pipeline Inspector	0.00	167,547	167,548	0	335,095
	06 Equipment over \$5000	0.00	5,400	114,600	0	120,000
	Total	43.00	6,963,375	11,136,510	2,158,729	20,258,614
412	Aeronautics Commission					
	Base Budget Request	7.00	475,000	845,000	27,896,082	29,216,082
	02 Request additional permanent airport grant funding	0.00	0	0	1,965,000	1,965,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2021-2023

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	Total	7.00	475,000	845,000	29,861,082	31,181,082
413	Department of Financial Institutions					
	Base Budget Request	31.00	0	0	8,684,567	8,684,567
	01 Salary Shortfall	0.00	0	0	200,000	200,000
	02 Money Transmitter Examinations	0.00	0	0	160,000	160,000
	03 Change Budget to One Line Item	31.00	0	0	7,396,463	7,396,463
	04 Financial Literacy Program	0.00	0	0	40,000	40,000
	Total	62.00	0	0	16,481,030	16,481,030
414	Securities Department					
	Base Budget Request	10.00	0	0	2,757,119	2,757,119
	Total	10.00	0	0	2,757,119	2,757,119
471	Bank of North Dakota					
	Base Budget Request	181.50	0	0	64,357,799	64,357,799
	01 Equity Increases	0.00	0	0	250,000	250,000
	02 Increase Contingency	0.00	0	0	1,487,348	1,487,348
	03 IT unification	(16.00)	0	0	0	0
	Total	165.50	0	0	66,095,147	66,095,147
473	ND Housing Finance Agency					
	Base Budget Request	44.00	0	36,313,156	13,573,322	49,886,478
	01 Mortgage Loan Production and Transfer of Mortgage Loans	3.00	0	0	542,230	542,230
	02 HOME Program Transfer	2.00	0	7,643,371	700,000	8,343,371
	Total	49.00	0	43,956,527	14,815,552	58,772,079
475	ND Mill and Elevator Association					
	Base Budget Request	156.00	0	0	76,994,182	76,994,182
	01 Inflationary Increases and Business Growth	0.00	0	0	8,075,570	8,075,570
	Total	156.00	0	0	85,069,752	85,069,752
485	Workforce Safety and Insurance					
	Base Budget Request	260.14	0	0	60,887,842	60,887,842
	01 CAPS System Replacement Project	0.00	0	0	7,500,000	7,500,000
	02 MyWSI Enhancement Project	0.00	0	0	3,050,000	3,050,000
	03 Building Updates	0.00	0	0	514,000	514,000
	Total	260.14	0	0	71,951,842	71,951,842
504	Highway Patrol					

OPTIONAL ADJUSTMENT REQUESTS

OPTIONAL ADJUSTMENT PACKAGE

Biennium: 2021-2023

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Request	173.00	37,581,539	6,610,415	8,762,955	52,954,909
01 Restore Pay Plan Increases (1st Year of 2.5% and additio	0.00	278,258	0	45,299	323,557
02 Restore FTEs	22.00	4,584,798	0	746,178	5,330,976
03 Equity Pay Increases	0.00	1,317,520	0	214,480	1,532,000
04 On-Call Pay and Location Pay Adjustments	0.00	908,160	0	147,840	1,056,000
05 Funding for Hard Body Armor	0.00	228,000	0	37,000	265,000
06 Funding for SIRN compliant Mobile and Portable Radios	0.00	2,246,000	0	366,000	2,612,000
07 Computer Aided Dispatching (CAD) Ongoing Subscription/Us	0.00	51,000	0	8,000	59,000
08 Funding For Body Cameras and Compatible In-Car Cameras	0.00	996,000	0	162,000	1,158,000
09 Provide funding for a new Law Enforcement Training Acade	0.00	23,310,000	0	3,794,000	27,104,000
10 Funding for Capital Improvements of Law Enforcement Trai	0.00	752,000	0	123,000	875,000
11 Restore P.O.S.T. Board Training Funds	0.00	47,000	0	8,000	55,000
12 Reprioritization Reductions	0.00	0	0	(442,983)	(442,983)
13 Reprioritization Increases	0.00	0	0	618,692	618,692
Total	195.00	72,300,275	6,610,415	14,590,461	93,501,151

530 Department of Corrections and Rehabilitation

Base Budget Request	829.29	195,000,252	17,757,456	23,452,220	236,209,928
01 Womens Housing - YCC Campus and DWCR	0.00	12,838,680	0	0	12,838,680
02 Restore MRCC	43.00	10,687,419	0	0	10,687,419
03 Restore JRMU	27.50	3,132,411	0	0	3,132,411
04 Restore Community Housing and Programming	0.00	6,427,742	0	0	6,427,742
05 Community Corrections Resources	19.00	3,416,368	0	0	3,416,368
06 Expand Free Through Recovery	0.00	13,890,560	0	0	13,890,560
07 Expand PreTrial	10.00	1,820,604	0	0	1,820,604
08 Statewide Interoperable Radio System	0.00	2,057,384	0	0	2,057,384
09 Extraordinary Repairs	0.00	2,748,214	0	100,000	2,848,214
10 Policy Management Application	0.00	75,000	0	0	75,000
11 DOCSTARS Enhancements	0.00	214,246	0	0	214,246
12 FileNet Enhancements	0.00	45,000	0	0	45,000
13 MS Dynamics Implementation	0.00	75,000	0	0	75,000
14 Facility Equipment less than \$5,000	0.00	191,000	0	0	191,000
15 NDSP Kitchen Equipment	0.00	85,000	0	0	85,000
16 JRCC Kitchen Equipment	0.00	30,000	0	0	30,000
17 Special Assessment - City of Bismarck	0.00	72,000	0	0	72,000
18 Teachers Composite Schedule Increase	0.00	204,332	0	0	204,332
19 NDSP Deferred Maintenance	0.00	1,772,020	0	0	1,772,020
20 JRCC Deferred Maintenance	0.00	2,332,470	0	0	2,332,470

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
21 YCC Deferred Maintenance	0.00	1,332,985	0	0	1,332,985
22 Restore Budget Reduction to Roughrider Industries	0.00	0	0	1,652,163	1,652,163
23 Roughrider Industries Equipment	0.00	0	0	1,281,988	1,281,988
24 RRI Storage Warehouse	0.00	0	0	500,000	500,000
25 COVID - Deferred Admissions County Jail	0.00	6,489,659	0	0	6,489,659
Total	928.79	264,938,346	17,757,456	26,986,371	309,682,173

540 Office of the Adjutant General

Base Budget Request	222.00	23,530,851	121,372,560	9,279,450	154,182,861
01 Camp Grafton South Expansion Project - Lease Land NG Pri	0.00	280,000	0	0	280,000
02 Camp Grafton South Expansion Project - Land Purchase NG	0.00	2,600,000	0	0	2,600,000
03 NDNG Andover Upgrade NG Priority #2	0.00	80,000	240,000	0	320,000
04 Maintenance & Repair - NG Operations NG Priority #3	0.00	1,000,000	0	0	1,000,000
05 DES Operational Increase for Consumables DES Priority #1	0.00	100,000	0	0	100,000
06 GF Reductions - Air/Army Add Back O&M NG Priority #4	0.00	225,745	0	0	225,745
07 Fargo RC Ops and Utility Ongoing Costs NG Priority #5	0.00	170,000	170,000	0	340,000
08 Fargo Readiness Center Equipment Start Up Costs NG Prior	0.00	50,000	50,000	0	100,000
09 NDNG Readiness Center - Dickinson NG Priority #6	0.00	0	15,500,000	0	15,500,000
10 Line of Communication Bridge (LOC-B) Training Site NG Pr	0.00	0	6,000,000	0	6,000,000
17 SR Towers Move to ITD	0.00	(1,858,240)	0	0	(1,858,240)
Total	222.00	26,178,356	143,332,560	9,279,450	178,790,366

601 Department of Commerce

Base Budget Request	61.80	27,936,714	59,750,506	10,082,876	97,770,096
01 HOME Program move to NDHFA	(2.00)	0	(7,643,371)	(700,000)	(8,343,371)
02 Destination Marketing - Tourism	0.00	7,000,000	0	0	7,000,000
03 Media Outreach - Tourism	0.00	960,000	0	0	960,000
04 Northern Plains UAS Test Site Operations General Fund	0.00	2,346,500	0	0	2,346,500
05 Beyond Visual Line of Site Statewide Network	0.00	21,000,000	0	0	21,000,000
06 Entrepreneurship	0.00	543,556	0	0	543,556
07 Grand Sky	0.00	7,500,000	0	0	7,500,000
08 Northern Plains UAS Test Site Federal & Special Funds	0.00	0	0	1,000,000	1,000,000
09 Partner Programs	0.00	234,380	0	0	234,380
10 Brand Extension & Visitors Services - Tourism	0.00	200,000	0	0	200,000
11 Information Technology Unification	(1.00)	(149,792)	0	0	(149,792)
12 Add Operating to IT for AC 811 IT Unification Optional	0.00	149,792	0	0	149,792
Total	58.80	67,721,150	52,107,135	10,382,876	130,211,161

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
602	Department of Agriculture					
	Base Budget Request	77.00	9,630,383	12,684,552	15,828,813	38,143,748
	Funding for Combined IT Requests	0.00	580,000	0	0	580,000
	01 Funding for Front Desk and Pride of Dakota FTE	1.00	163,079	0	0	163,079
	02 Funding for Apiary Grants	0.00	75,000	0	0	75,000
	03 Funding for Grape and Wine Grants	0.00	80,000	0	0	80,000
	04 Funding for Johnes Disease Control Program	0.00	68,000	0	0	68,000
	05 Funding for Employee Compensation Package	0.00	369,866	158,484	174,150	702,500
	06 Funding to reclassify Policy FTE to an Attorney FTE	0.00	68,279	0	0	68,279
	07 Funding for Legal Services for Grain Insolvency Cases	0.00	230,000	0	0	230,000
	08 Funding for Meat Inspector	0.00	106,458	0	0	106,458
	09 Funding for Grain Inspector FTE	1.00	183,399	0	0	183,399
	10 Funding for ND Mediation Service	0.00	120,000	0	0	120,000
	12 Funding for Reserve Corps Veterinarians IT	0.00	14,910	0	0	14,910
	Total	79.00	11,689,374	12,843,036	16,002,963	40,535,373
627	Upper Great Plains Transportation Institute					
	Base Budget Request	43.88	4,176,513	12,663,210	6,232,684	23,072,407
	01 Restore 5%	0.00	219,816	0	0	219,816
	02 Remote Sensing Optional	1.00	250,000	0	0	250,000
	Total	44.88	4,646,329	12,663,210	6,232,684	23,542,223
628	Branch Research Centers					
	Base Budget Request	108.21	17,297,636	0	20,600,387	37,898,023
	01 5 Pct Budget Restoration	0.00	903,722	0	0	903,722
	Total	108.21	18,201,358	0	20,600,387	38,801,745
630	NDSU Extension Service					
	Base Budget Request	238.77	23,553,216	7,915,783	19,862,376	51,331,375
	01 15% General Fund Restoration	0.00	4,156,450	0	0	4,156,450
	02 SBARE Initiatives	4.00	1,010,000	0	0	1,010,000
	Total	242.77	28,719,666	7,915,783	19,862,376	56,497,825
638	Northern Crops Institute					
	Base Budget Request	13.55	1,846,620	0	1,896,217	3,742,837
	Optional Restoration of Cuts	0.00	97,190	0	0	97,190
	Total	13.55	1,943,810	0	1,896,217	3,840,027
640	NDSU Main Research Center					
	Base Budget Request	331.56	44,820,520	5,831,877	50,670,898	101,323,295
	01 Restoration 15% General Fund Reduction	0.00	7,846,584	0	0	7,846,584

OPTIONAL ADJUSTMENT REQUESTS

OPTIONAL ADJUSTMENT PACKAGE

Biennium: 2021-2023

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	02 SBARE Initiatives	6.00	1,660,000	0	0	1,660,000
	03 SBARE One-time	0.00	1,440,465	0	0	1,440,465
	04 Major Capital Projects	0.00	74,570,000	0	0	74,570,000
	Total	337.56	130,337,569	5,831,877	50,670,898	186,840,344
649	Agronomy Seed Farm					
	Base Budget Request	3.00	0	0	1,565,975	1,565,975
	Total	3.00	0	0	1,565,975	1,565,975
665	ND State Fair					
	Base Budget Request	0.00	515,691	0	0	515,691
	01 Restore Premium Funding to 2015-17 Biennium Level	0.00	54,309	0	0	54,309
	Total	0.00	570,000	0	0	570,000
670	ND Horse Racing Commission					
	Base Budget Request	2.00	379,118	0	165,965	545,083
	04 Optional Request - Marketing ADWs	0.00	12,000	0	0	12,000
	05 Optional Request - Office Relocation	0.00	48,000	0	0	48,000
	06 Optional Request - Internships	0.00	30,000	0	0	30,000
	Total	2.00	469,118	0	165,965	635,083
701	Historical Society					
	Base Budget Request	75.00	15,780,749	2,918,017	0	18,698,766
	01 Capital Improvement Projects at Historic Sites	0.00	2,000,000	0	0	2,000,000
	02 State Archives Digital Repository (SADR) Upgrade	0.00	150,000	0	0	150,000
	03 Community Outreach Education Initiative	1.00	1,304,258	0	0	1,304,258
	04 Artifact Collections Storage and Education Center	0.00	150,000	0	0	150,000
	05 Security System Upgrade	0.00	450,000	0	0	450,000
	Total	76.00	19,835,007	2,918,017	0	22,753,024
709	Council on the Arts					
	Base Budget Request	5.00	1,525,894	1,675,407	10,000	3,211,301
	01 Restore General Fund Grant Programs	0.00	69,842	0	0	69,842
	02 New Administrative Assistant FTE	1.00	126,769	0	0	126,769
	03 Intern	0.00	25,397	0	0	25,397
	04 AmeriCorps Member	0.00	11,600	0	0	11,600
	Total	6.00	1,759,502	1,675,407	10,000	3,444,909
720	Game and Fish Department					
	Base Budget Request	165.00	0	40,146,700	48,430,000	88,576,700
	01 State Radio Equipment-Enforcement	0.00	801,500	0	0	801,500

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2021-2023**

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
02 Additional Landowner PLOTS Payments	0.00	0	1,113,750	371,250	1,485,000
03 Outdoor Heritage Fund Grants	0.00	0	0	500,000	500,000
Total	165.00	801,500	41,260,450	49,301,250	91,363,200
750 Parks and Recreation Department					
Base Budget Request	61.50	12,914,793	8,596,923	13,058,851	34,570,567
01 Restore 10% General Fund Cut	0.00	1,260,609	0	0	1,260,609
02 Restore General Funding of NDIT Costs	0.00	750,500	0	0	750,500
03 Department Infrastructure Enhancement	0.00	9,960,000	0	0	9,960,000
04 Restore General Funding of Extraordinary Repairs	0.00	1,141,920	0	0	1,141,920
05 Add 21-23 Optional Equipment Over \$5,000	0.00	359,100	0	0	359,100
06 Pembina Gorge Campground and Facilities	2.00	5,327,565	0	0	5,327,565
07 Agency Transfer - LCIC	0.00	(840,596)	0	(587,999)	(1,428,595)
Total	63.50	30,873,891	8,596,923	12,470,852	51,941,666
770 Water Commission					
Base Budget Request	89.00	0	41,066,031	681,166,323	722,232,354
01 Optional Request for Additional FTE in Regulatory	1.00	0	0	211,596	211,596
Total	90.00	0	41,066,031	681,377,919	722,443,950
801 Department of Transportation					
Base Budget Request	982.00	0	809,603,664	649,530,929	1,459,134,593
01 Salary Equity Adjustments	0.00	0	0	1,504,590	1,504,590
02 Drivers License Staffing Normalization	13.00	0	0	1,737,788	1,737,788
03 Transportation Management Center/IT -AVL	10.00	0	6,000,000	6,000,000	12,000,000
04 24/7 Snow and Ice Control	80.00	7,924,173	0	4,505,902	12,430,075
05 IT - Construction & Materials Management System	0.00	3,800,000	0	0	3,800,000
06 10-Year Infrastructure Plan	0.00	440,000,000	0	0	440,000,000
07 Infrastructure Grant for US Highway 85	0.00	50,000,000	45,000,000	0	95,000,000
Total	1,085.00	501,724,173	860,603,664	663,279,209	2,025,607,046
Total All Agencies	16,136.13	6,224,586,584	4,318,572,777	5,034,634,699	15,577,794,060

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
108 Secretary of State			
HAVA 2020 Election Funds	0	3,197,852	3,204,330
Total	0	3,197,852	3,204,330
112 Information Technology			
FirstNet 2	1,503,179	1,503,179	0
GIS Grant	75,000	75,000	65,679
HIE Grant	500,000	500,000	6,331,472
RUS Grant	0	0	500,000
SLDS	0	0	500,000
Total	2,078,179	2,078,179	7,397,151
117 Office of the State Auditor			
Royalty Audit Program	1,337,614	1,369,488	1,407,730
Total	1,337,614	1,369,488	1,407,730
125 Office of the Attorney General			
BCI	7,166,281	7,125,386	7,149,198
Crime Lab	993,466	915,026	2,026,732
IT Projects	2,592,176	2,583,954	2,883,954
MFCU	1,287,978	1,345,037	1,374,566
Operations & Response	109,111	109,111	109,111
PSN	1,131	1,131	1,131
SSCDI	512,417	542,067	552,234
Sex Offender	134,356	104,823	104,823
Total	12,796,916	12,726,535	14,201,749
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	1,255,281	1,099,999	1,099,999
Crt. Improvement Basic	148,368	197,080	197,092
Crt. Improvement Data Share	132,081	197,415	197,434
Crt. Improvement Training	123,866	197,415	197,433
Total	1,659,596	1,691,909	1,691,958
201 Department of Public Instruction			
21st Century/After School Learning	13,343,618	13,111,752	13,111,752

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Adult Education	1,972,833	1,831,555	1,831,555
Bilingual Education	878,438	603,243	603,243
Child Care Food Program	17,120,374	16,986,492	16,986,492
Child Nutr/Distrib-Cnp Team Nutr	36,000	36,000	36,000
Direct Certification Grant	97,500	95,000	95,000
Drug-Free Schools	235	235	235
Food Distribution on Indian Res	2,760,000	2,605,000	2,605,000
Fresh Fruits and Vegetables Program	3,706,139	3,540,726	3,540,726
HHS Early Childhood Comp	136,802	0	0
HHS Federal	1,394,165	1,565,565	1,574,205
Homeless Children	502,794	324,491	324,491
IDEA B	70,623,944	68,281,127	68,281,127
Improving Teacher Quality	18,107,117	18,054,448	18,054,448
Indirect Cost Pool	2,162,483	2,895,215	2,966,514
Indiv w/Disabil Educ Act/Preschool	1,881,993	1,819,535	1,819,535
NAEP State Coordinator	339,538	85,784	85,784
SAE School Food And Nutrition	5,274,213	2,968,330	2,968,330
School Equipment Grant	0	1,712,790	1,767,225
School Food Prog Gnt	43,752,511	43,752,511	43,752,511
School Improvement	1,017,520	1,017,520	1,017,520
Special Education Grant	5,451	7,868,084	35,606,407
Statewide Longitudinal Data System	3,135,962	3,048,218	3,048,218
Striving Readers	5,991,183	4,581,993	4,581,993
Summer Food Service Program	31,087,765	31,030,842	31,030,842
Supplemental Commodity Asst Program	415,507	400,007	400,007
TEFAP-Supplemental	6,000	0	0
Temp Emerg Food Asst Program	349,000	349,000	349,000
Title I Grants To Lea'S	78,486,297	78,486,297	78,486,297
Title I Migrant Education	1,373,269	1,140,917	1,140,917
Title I Neg/Delnq	234,000	234,000	234,000
Title I State Administration	1,737,900	404,383	404,383
Title IV	9,477,078	9,450,220	9,450,220
Title VI-Rural & Low-Income Schools	113,102	105,294	105,294
Title VI/State Assessmnts/Related A	5,395,822	4,529,978	4,529,978
Total	322,916,553	322,916,552	350,789,249
250 State Library			
LSTA	258,446	258,446	258,446
Public Libraries	2,028,656	1,735,096	1,952,162
Public Library Services	0	70,356	70,358
Total	2,287,102	2,063,898	2,280,966

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
252 School for Deaf/Res Ctr for Deaf and HoH			
IDEA-B	52,500	52,499	53,816
School Breakfast	48,012	48,012	48,012
Total	100,512	100,511	101,828
270 Career and Technical Education			
Carl Perkins Funds	11,498,147	11,512,453	11,512,453
Mine Safety	0	0	300,000
Title III CBO 93 Funds	0	0	2,390
Total	11,498,147	11,512,453	11,814,843
301 ND Department of Health			
Administrative Services Federal Fun	5,759,671	8,156,675	8,730,562
Community Health Federal Funds	58,283,754	58,949,467	63,170,455
Health Resources & Response Fed Fd	17,851,698	17,602,088	17,417,366
Laboratory Services Federal Funds	3,034,168	2,818,272	22,794,047
Medical Services Federal Funds	16,270,325	17,384,067	28,978,019
Research & Response Federal Funds	107,149	276,417	277,979
Total	101,306,765	105,186,986	141,368,428
303 Department of Environmental Quality			
Environmental Health Federal Funds	26,905,346	28,385,080	28,761,233
Total	26,905,346	28,385,080	28,761,233
321 Department of Veterans Affairs			
Rural Transportation Grant	800,000	1,280,000	1,280,000
State Approving Agency	285,657	287,923	294,163
Veterans Cemetery Grants	0	291,500	291,500
Total	1,085,657	1,859,423	1,865,663
325 Department of Human Services			
Aging Services	0	982,474	984,305
Aging Services	13,580,808	15,730,736	15,732,625
Behavioral Health	54,939,296	49,878,964	50,037,472
Child Welfare	53,239,685	58,248,717	73,873,426
Disability Services	0	(103,092)	(103,092)
Disability Services	39,883,485	40,329,411	40,706,229
Economic Assistance	304,455,546	313,432,559	314,896,843
Medical Assistance	1,800,525,831	1,902,199,432	1,976,057,568
Total	2,266,624,651	2,380,699,201	2,472,185,376

SCHEDULE OF FEDERAL FUNDS

REQUEST AND RECOMMENDATION

Biennium: 2021-2023

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
360 Protection and Advocacy			
Assistive Technology	144,980	150,710	154,198
Client Assistance	255,818	262,647	268,290
DD Program	1,016,549	1,073,111	1,101,026
HAVA Program	391,524	445,599	450,487
MI Program	936,414	1,008,065	1,034,415
Medicaid Title 19	210,000	206,741	212,357
PABSS Program	273,199	302,665	309,374
PAIR Program	412,378	406,473	417,278
Rep Payee Program	124,257	141,869	144,267
Supported Decision Making	20,000	40,000	40,000
TBI Program	141,016	150,659	153,767
Total	3,926,135	4,188,539	4,285,459
380 Job Service North Dakota			
Department of Human Services Funds	2,184,951	2,152,529	2,204,429
Labor Statistics	1,771,239	1,920,265	1,962,348
Other Federal Grants	1,958,789	756,056	769,998
Reed Act Distribution	10,475,114	10,945,126	10,945,126
Trade Assistance	1,599,615	2,594,277	2,599,116
Unemployment Insurance	22,672,412	22,120,440	23,687,628
Veterans Programs	1,164,597	1,215,022	1,238,982
Wagner-Peyser	10,497,887	9,109,062	9,333,857
Workforce Investment Act	11,428,444	11,588,451	11,692,193
Total	63,753,048	62,401,228	64,433,677
401 Office of the Insurance Commissioner			
RAND	0	21,488,350	21,488,350
State Health Insurance Counseling	372,811	609,276	622,114
Total	372,811	22,097,626	22,110,464
405 Industrial Commission			
PSC Coal	15,000	15,000	15,001
Statemap	13,000	12,996	12,996
UIC Oil & Gas	210,004	210,008	210,007
Total	238,004	238,004	238,004
406 Department of Labor and Human Rights			
EEOC 17-19	240,127	243,284	243,285
HUD 17-19	240,554	243,584	273,583

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Total	480,681	486,868	516,868
408 Public Service Commission			
AML Admin Grant	385,466	466,039	584,537
AML Admin Grant	350,000	150,000	150,000
AML Construction	0	344,960	344,961
AML Construction Grant	7,013,599	6,736,853	6,754,502
FRA Grant	0	20,000	20,000
Gas Safety Grant	176,000	31,000	31,000
Gas Safety Grant	113,111	299,244	479,354
Indirect Cost Recovery	1,226,282	798,990	823,601
One Call	35,000	10,000	10,000
Reclamation Grant	1,259,000	1,997,276	2,050,720
Total	10,558,458	10,854,362	11,248,675
412 Aeronautics Commission			
5010 Inspection Program	35,000	0	0
Aviation Economic Impact Study	0	(55,000)	(55,000)
Pavement Condition Study - 2015	900,000	900,000	900,000
Total	935,000	845,000	845,000
473 ND Housing Finance Agency			
Continuum of Care	0	107,930	111,126
HOME Investment Partnerships	0	0	7,653,988
Housing Counseling Assistance	120,000	120,000	120,000
Housing Trust Fund	5,600,000	5,833,131	5,836,892
Lower Inc Housing Assist Prog Sec 8	1,021,100	1,047,981	1,050,704
Rent Supplements Contract Admin	26,155,500	29,204,114	29,236,963
Total	32,896,600	36,313,156	44,009,673
504 Highway Patrol			
Alcohol Saturation OT	252,000	234,152	234,151
Construction Zone OT	80,000	86,464	86,466
Federal NDDOT Equipment	500,000	500,000	500,000
Fusion Center Program	260,000	266,978	273,724
Mtr Carrier Safety Assistance Progr	5,194,415	5,108,507	5,198,578
Seat Belt OT	324,000	358,844	358,843
Underage Drinking OT	0	55,470	55,469
Total	6,610,415	6,610,415	6,707,231

530 Department of Corrections and Rehabilitation

SCHEDULE OF FEDERAL FUNDS

REQUEST AND RECOMMENDATION

Biennium: 2021-2023

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Adult Educ/Pen	271,045	278,045	278,045
Crime Victims Advocacy-DJS	100,099	100,098	103,904
Drug Court Grant	84,000	84,000	84,000
FY 01 Fed Voca Grant	13,263,997	13,385,809	13,402,748
FY 2000 Federal Cvc Grant	190,000	190,000	190,000
Institutional Care (Federal) - YCC	100,044	104,160	104,160
JRI	0	999,638	999,638
Medicaid Reimb-Title XIX	0	(347,313)	(347,313)
OJJDP - Formula Funds	341,352	364,631	364,631
OJJDP - Title V Funds	0	780,741	780,741
SCAAP-BJA	42,580	42,580	42,580
School Lunch - YCC	200,000	120,000	120,000
Second Chance Act	13,000	13,000	13,000
Title I - YCC	237,136	212,000	212,000
Title XIX	1,756,243	1,325,693	1,363,082
Voc Ed (Carl Perkins) - YCC	14,100	14,000	14,000
Voc Ed (Incarcerated) - YCC	28,225	68,225	68,225
Vocational/Tech Education	22,149	22,149	22,149
Total	16,663,970	17,757,456	17,815,590

540 Office of the Adjutant General

Air Guard Contracts	7,396,129	7,706,349	7,821,614
Army Guard Contracts	44,999,480	46,847,912	69,146,315
Emergency Mgmt Performance Grants	9,197,289	7,804,158	7,879,593
Hazard Mitigation Grants	8,145,474	5,914,819	5,917,603
Hazardous Material Emergency Prep	3,803,118	745,412	746,011
Homeland Security Grants	10,358,663	13,464,606	13,507,240
Pre Disaster Mitigation	9,107,540	26,960,735	26,965,383
Public Assistance Grants	15,424,712	11,928,569	11,949,250
Total	108,432,405	121,372,560	143,933,009

601 Department of Commerce

AmeriCorps Competitive Funding	220,000	220,000	220,000
Apprenticeship USA Grants	0	347,157	347,157
Community Development Block Grant	8,379,068	8,309,731	8,314,742
Community Development Block Grant CARES	0	3,000,000	3,000,000
Community Services Block Grant	0	174,260	178,821
Community Services Block Grant CARES Act	0	4,000,000	4,000,000
Community Services Block Grt.	7,099,792	6,945,570	6,945,570
Dept of Energy Weatherization	2,075,819	2,069,784	2,073,276
Emergency Solutions Grant CARES	0	1,000,000	1,000,000
Emergency Solutions Grants Program	1,111,813	1,110,796	1,113,284

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Federal Fund Budget	0	0	932
HOME Program	7,326,795	7,460,983	7,113,607
HOME Program	0	291,576	(6,995,374)
Ind Cost Division of Comm Services	258,525	254,133	261,867
LI Energy Assist - Weatherization	0	16,256	16,791
LIHEAP	7,437,352	7,395,701	7,400,149
Low Inc Energy Asst Prog Emer Rprs	4,833,683	4,834,031	4,834,911
NASA-AFRC-UAS	1,000,000	8,000,000	8,000,000
Neighborhood Stabilization Prog	1,016,811	1,025,576	1,026,071
SAA	25,782	23,987	24,281
Shelter Plus Care	750,000	750,000	750,000
State Energy Program	829,510	850,202	852,085
State Heating Oil and Propane Prog	6,330	4,539	4,627
Tr & ND Has Jobs	1,669,135	1,560,276	1,560,276
WFD NDCNCS	0	105,948	109,219
Total	44,040,415	59,750,506	52,152,292
602 Department of Agriculture			
Animal Disease Trace (ADT)	685,064	702,254	706,954
Coop Agricultural Pest Survey Prog	670,999	659,275	664,237
Meat Inspection	2,003,656	2,021,156	2,056,016
ND Livestock Pollution Prev Prog	1,235,020	1,189,776	1,193,566
Pesticide Enforcement	1,133,959	1,373,476	1,399,278
Specialty Crop Grant	6,484,967	6,738,615	6,751,551
Total	12,213,665	12,684,552	12,771,602
627 Upper Great Plains Transportation Institute			
University Transportation Centers	12,663,210	12,663,210	12,810,432
Total	12,663,210	12,663,210	12,810,432
630 NDSU Extension Service			
USDA/CREES Smith Lever	7,915,783	7,915,783	8,078,792
Total	7,915,783	7,915,783	8,078,792
640 NDSU Main Research Center			
USDA/CREES Animal Health	38,455	0	0
USDA/CREES Hatch 7 Multi-State	5,437,019	5,488,143	5,633,930
USDA/CREES McIntire Stennis	343,734	343,734	352,895
Total	5,819,208	5,831,877	5,986,825

701 Historical Society

SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Beacon Island - SAT	156	0	0
Bureau of Reclamation	9,955	50,000	50,000
COE Garrison	254,645	358,245	358,245
Corp of Eng	327,516	242,302	242,302
FEMA Chateau	24,796	0	0
Historic Preservation 6100	2,261,885	2,021,470	2,050,893
Newspaper Digitization	246,000	246,000	246,000
Transportation Enhancement	69,299	0	0
Total	3,194,252	2,918,017	2,947,440
709 Council on the Arts			
NEA Partnership Grants	60,000	60,000	60,000
NEA Partnership Grants	1,282,207	1,282,207	1,282,207
NEA Partnership Grants	40,000	40,000	40,001
NEA Partnership Grants	225,600	225,600	225,600
NEA Partnership Grants	67,600	67,600	67,600
Total	1,675,407	1,675,407	1,675,408
720 Game and Fish Department			
DOI - Bureau of Reclamation	1,834,862	1,800,862	1,822,164
DOI - Sportfish Restoration	8,302,488	9,068,492	9,187,246
DOI - Wildlife Restoration	23,551,325	25,711,117	27,017,988
Misc Federal Funds	203,338	171,848	171,848
State Wildlife Grants	446,919	494,228	503,641
State Wildlife Grants	852,000	997,855	997,855
USCG Boating Safety	1,682,699	1,902,298	1,931,316
Total	36,873,631	40,146,700	41,632,058
750 Parks and Recreation Department			
2010-11 LWCF	6,697,045	6,547,527	6,547,527
LWCF 1992 Projects	0	2,333,426	2,333,426
RTP	624,831	324,831	324,831
RTP Program	0	(608,861)	(605,299)
Total	7,321,876	8,596,923	8,600,485
770 Water Commission			
2002 ND Weather Damage Modificatio	1,500,000	1,500,000	1,500,000
Cap Program	298,100	235,295	239,740
FEMA Cooperating Technical Partn	18,712	51,084	51,084
FEMA Map Modernization Mgmt	6,423,384	8,298,254	8,304,297
MR&I Administration	204,995	113,548	116,830

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2021-2023**

Agency/Fund Source	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Northwest Area Water Supply (NAWS)	29,938,957	30,221,147	30,221,147
State Dam Safety Grant Program	230,267	254,267	254,267
USGS National Grants	250,000	250,000	250,000
Wet Non-Point Source Program	258,869	142,436	145,992
Total	39,123,284	41,066,031	41,083,357
801 Department of Transportation			
FTA Bus Bus Fac	4,700,000	4,700,000	4,700,000
Fed Hwy Admin Planning & Construc	707,192,475	777,826,361	828,486,466
Fed Transit Admin Cap Asst Program	1,500,000	1,500,000	1,500,000
Fed Transit Admin Cap Invest Grants	100,000	100,000	100,000
Fed Transit Admin Formula Grants No	15,170,000	15,170,000	15,170,000
Fed Transit Admin Metro Planning G	2,000,000	2,000,000	2,000,000
National Priority Safety Program	4,806,000	4,806,000	4,806,000
State & Community Highway Safety	45,000	83,220	85,582
State and Comm Highway Safety	3,401,000	3,418,083	3,452,171
Total	738,914,475	809,603,664	860,300,219
Total All Agencies	3,905,344,771	4,159,930,951	4,401,378,064

SCHEDULE OF SPECIAL FUNDS

REQUEST AND RECOMMENDATION

Biennium: 2021-2023

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
108 Secretary of State				
SOS General Services Fund 263	263	2,629,894	2,814,476	2,971,619
HAVA Election Ref.Matching Fund 283	283	1,601,747	1,417,165	1,417,165
Total		4,231,641	4,231,641	4,388,784
110 Office of Management and Budget				
State Capital Bonding Fund	011	0	0	137,100,000
Capital Grounds Planning Fund 251	251	25,000	25,000	25,000
Risk Management Workers' Comp Fund	275	329,624	392,646	399,624
State Risk Management Fund 288	288	1,338,611	1,265,590	1,289,589
OMB Unemp/Payroll CI Fund 461	461	1,800,000	1,800,000	1,800,000
Facility Management Operating	750	0	0	5,245,161
Central Dup Serv Fund 790	790	5,253,280	5,263,279	5,319,238
Capitol Renovation Fund 902	902	0	0	2,718,800
Total		8,746,515	8,746,515	153,897,412
112 Information Technology				
PowerSchool Fund 300	300	5,521,538	5,250,000	5,323,119
Health Information Exchange Fd 325	325	4,379,146	1,704,146	2,734,894
EduTech Fund 408	408	812,616	1,051,794	1,065,793
Interoperable Radio Network	476	12,885,979	12,885,979	12,894,053
ITD Service Fund 780	780	170,204,876	172,912,236	227,993,926
Total		193,804,155	193,804,155	250,011,785
117 Office of the State Auditor				
State Conference Fund	212	300,000	300,000	300,000
State Auditors Operating Fund 246	246	2,535,564	2,535,564	3,368,565
Total		2,835,564	2,835,564	3,668,565
125 Office of the Attorney General				
Insurance Regulatory Trust Fund	239	660,000	660,000	660,000
Attorney General Refund Fund 250 F	250	5,451,564	5,779,345	6,288,861
Lottery Fund 292	292	5,946,454	5,207,589	5,267,490
AG Sobriety Fund	310	421,559	436,002	447,902
Attorney General Fund 322	322	9,726,719	9,490,306	11,162,010
AG Multijurisdictional Taskforce	367	68,410	68,183	150,193
Reduced Cigarette Ignition Propensi	374	304,662	374,262	376,201
Gaming And Excise Tax Alloc 446	446	510,000	510,000	510,000
Total		23,089,368	22,525,687	24,862,657

140 Office of Administrative Hearings

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Administrative Hearings Fund 266	266	2,830,664	2,741,665	2,782,417
Total		2,830,664	2,741,665	2,782,417
160 Legislative Council				
Insurance Regulatory Trust Fund 239	239	70,000	70,000	69,999
Total		70,000	70,000	69,999
180 Judicial Branch				
Judicial Conduct Comm. Fund 328	328	482,701	502,500	502,500
Total		482,701	502,500	502,500
188 Commission on Legal Counsel for Indigents				
Indigent Defense Admin. Fund	282	1,990,035	1,990,035	1,996,898
Total		1,990,035	1,990,035	1,996,898
190 Retirement and Investment Office				
Retirement and Investment Fund 207	207	5,869,164	5,869,164	6,180,318
Total		5,869,164	5,869,164	6,180,318
192 Public Employees Retirement System				
Public Employee Retirement Sys 483	483	9,346,193	9,346,193	10,108,112
Total		9,346,193	9,346,193	10,108,112
201 Department of Public Instruction				
Displaced Homemakers Fund 201F	235	74,493	74,492	75,532
Public Instruction Fund 201F	391	489,562,697	489,562,697	630,818,697
Total		489,637,190	489,637,189	630,894,229
215 ND University System				
State Capital Bonding Fund	011	0	0	19,000,000
NDUS Other Unrestricted Funds	2000	24,002,206	24,342,029	24,292,521
Total		24,002,206	24,342,029	43,292,521
226 Department of Trust Lands				
Trust Lands Maint. Fund	206	8,108,401	8,108,401	10,345,068
Total		8,108,401	8,108,401	10,345,068
227 Bismarck State College				
Special Fund Budget	003	0	0	799,077
BSC -Auxiliary Funds	259 1000	11,538,376	11,538,376	11,538,376

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2021-2023**

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
BSC - Other Unrestricted Funds	2000	20,064,624	20,468,461	20,064,624
BSC - Other Unrestricted Plant Funds	2800	85,934	85,934	85,934
BSC - Grants and Contracts	4000	11,292,491	11,292,491	11,292,491
BSC - Tuition Funds	6000	26,616,591	26,616,591	26,616,591
Total		69,598,016	70,001,853	70,397,093
228 Lake Region State College				
Special Fund Budget	003	0	0	300,801
LRSC - Auxiliary Funds	1000	3,920,269	3,920,269	3,920,269
LRSC - Other Unrestricted Funds	2000	4,356,920	4,515,598	4,356,920
LRSC - Other Unrestricted Plant Funds	2800	46,629	46,629	46,629
LRSC - Grants and Contracts	4000	6,121,574	6,121,574	6,121,574
LRSC - Tuition Funds	6000	10,420,136	10,420,136	10,420,136
LRSC - Other Restricted Funds	7000	110,986	110,986	110,986
Total		24,976,514	25,135,192	25,277,315
229 Williston State College				
Special Fund Budget	003	0	0	241,967
WSC - Auxiliary Funds	1000	2,991,881	2,991,881	2,991,881
WSC - Other Unrestricted Funds	2000	10,626,237	10,805,503	10,626,237
WSC - Other Unrestricted Plant Funds	2800	311,361	311,361	311,361
WSC - Grants and Contracts	4000	4,436,875	4,436,875	4,436,875
WSC - Tuition Funds	6000	5,423,931	5,423,931	5,423,931
Total		23,790,285	23,969,551	24,032,252
230 University of North Dakota				
Special Fund Budget	003	0	0	8,296,436
UND - Auxiliary Funds	1000	51,165,682	51,181,710	51,181,710
UND - Other Unrestricted Funds	2000	287,333,494	291,589,903	289,425,014
UND - Other Unrestricted Plant Funds	2800	11,887,611	11,887,611	11,887,611
UND - Grants and Contracts	4000	170,990,938	171,346,503	171,346,503
UND - Tuition Funds	6000	221,852,780	221,852,780	221,852,780
UND - Other Restricted Funds	7000	955,172	2,311,434	2,311,434
Total		744,185,677	750,169,941	756,301,488
232 UND Medical Center				
Special Fund Budget	003	0	0	1,867,679
UND SMHS - Other Unrestrict Funds	2000	62,023,300	69,984,736	66,798,111
UND SMHS - Other Unrestrict Plant Funds	2800	1,300,480	1,300,480	1,300,480
UND SMHS - Grants and Contracts	4000	56,292,584	50,073,239	50,073,239
UND SMHS - Tuition Funds	6000	38,311,114	40,034,633	40,034,633

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2021-2023**

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
UND SMHS - Other Restrict Funds	7000	1,109,533	830,548	830,548
Total		159,037,011	162,223,636	160,904,690
235 North Dakota State University				
Special Fund Budget	003	0	0	6,402,139
State Capital Bonding Fund	011	0	0	14,000,000
NDSU - Auxiliary Funds	1000	81,476,729	81,476,729	81,476,729
NDSU - Other Unrestricted Funds	2000	178,015,458	181,506,023	178,413,086
NDSU - Other Unrestricted Plant Funds	2800	8,894,646	8,894,646	8,894,646
NDSU - Grants and Contracts	4000	77,793,695	77,793,695	77,793,695
NDSU - Tuition Funds	6000	269,736,793	269,736,793	269,736,793
NDSU - Other Restricted Funds	7000	2,942,371	2,942,371	2,942,371
Total		618,859,692	622,350,257	639,659,459
238 ND State College of Science				
Special Fund Budget	003	0	0	624,834
NDSCS - Auxiliary Funds	1000	16,193,618	16,193,618	16,193,618
NDSCS - Other Unrestricted Funds	2000	12,982,466	13,372,486	12,982,466
NDSCS - Other Unrestricted Plant Funds	2800	876,361	876,361	876,361
NDSCS - Grants and Contracts	4000	11,895,681	11,895,681	11,895,681
NDSCS - Tuition Funds	6000	18,194,295	18,194,295	18,194,295
NDSCS - Other Restricted Funds	7000	53,347	53,347	53,347
Total		60,195,768	60,585,788	60,820,602
239 Dickinson State University				
Special Fund Budget	003	0	0	405,744
DSU - Auxiliary Funds	1000	3,537,864	3,537,864	3,537,864
DSU - Other Unrestricted Funds	2000	5,895,070	6,022,997	5,895,070
DSU - Grants and Contracts	4000	4,872,965	4,872,965	4,872,965
DSU - Tuition Funds	6000	16,271,110	16,271,110	16,271,110
Total		30,577,009	30,704,936	30,982,753
240 Mayville State University				
Special Fund Budget	003	0	0	488,409
MaSU - Auxiliary Funds	1000	2,480,768	2,480,768	2,480,768
MaSU - Other Unrestricted Funds	2000	4,200,000	4,594,265	4,250,129
MaSU - Grants and Contracts	4000	10,324,000	10,324,000	10,324,000
MaSU - Tuition Funds	6000	14,653,163	14,653,163	14,653,163
Total		31,657,931	32,052,196	32,196,469

241 Minot State University

SCHEDULE OF SPECIAL FUNDS

REQUEST AND RECOMMENDATION

Biennium: 2021-2023

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Special Fund Budget	003	0	0	987,648
MiSU - Auxiliary Funds	1000	5,161,820	5,161,820	5,161,820
MiSU - Other Unrestricted Funds	2000	4,640,811	5,161,059	4,640,811
MiSU - Other Unrestricted Plant Funds	2800	1,155,998	1,155,998	1,155,998
MiSU - Grants and Contracts	4000	15,220,607	15,220,607	15,220,607
MiSU - Tuition Funds	6000	36,728,428	36,223,622	36,223,622
MiSU - Other Restricted Funds	7000	620,336	620,336	620,336
Total		63,528,000	63,543,442	64,010,842
242 Valley City State University				
Special Fund Budget	003	0	0	376,364
VCSU - Auxiliary Funds	1000	3,844,222	3,844,222	3,844,222
VCSU - Other Unrestricted Funds	2000	3,643,365	3,742,194	3,643,365
VCSU - Other Unrestricted Funds	2800	178,116	178,116	178,116
VCSU - Grants and Contracts	4000	3,155,158	3,155,158	3,155,158
VCSU - Tuition Funds	6000	15,152,957	15,152,957	15,152,957
Total		25,973,818	26,072,647	26,350,182
243 Dakota College at Bottineau				
Special Fund Budget	003	0	0	144,464
State Capital Bonding Fund	011	0	0	2,000,000
DCB - Auxiliary Funds	1000	3,193,805	3,193,805	3,193,805
DCB - Other Unrestricted Funds	2000	2,324,076	2,621,379	2,550,546
DCB - Other Unrestricted Plant Funds	2800	39,650	39,650	39,650
DCB - Grants and Contracts	4000	2,294,146	2,294,146	2,294,146
DCB - Tuition Funds	6000	5,962,110	5,962,110	5,962,110
DCB - Other Restricted Funds	7000	0	0	2,000,000
Total		13,813,787	14,111,090	18,184,721
244 ND Forest Service				
Forest Svc - Other Unrestrict	2000	2,843,676	2,889,442	2,843,676
Forest Service Fund 244c	326	1,000,000	1,000,000	1,000,000
Forest Svc - Grants and Contracts	4000	5,914,295	5,914,295	5,917,885
Cent. Tree Prog. Trust Fund	451	900,000	900,000	900,000
Forest Svc - Othr Restricted	7000	7,429	7,429	7,429
Total		10,665,400	10,711,166	10,668,990
250 State Library				
Library Commission Fund - 390	390	87,259	87,259	87,259
Total		87,259	87,259	87,259

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
252 School for Deaf/Res Ctr for Deaf and HoH				
School for the Deaf Fund - 353	353	2,329,846	2,329,845	3,385,606
Total		2,329,846	2,329,845	3,385,606
253 ND Vision Services/School for the Blind				
School for the Blind Fund - 354	354	1,052,315	1,052,315	1,577,290
Total		1,052,315	1,052,315	1,577,290
270 Career and Technical Education				
State Capital Bonding Fund	011	0	0	45,000,000
CDE	274	3,050,000	3,050,000	3,050,000
Vocational Education Fund - 393	393	154,974	154,974	154,974
Total		3,204,974	3,204,974	48,204,974
301 ND Department of Health				
Insurance Tax Distribution Fund 240	240	1,125,000	1,125,000	1,125,000
Env Health Pract Lic Fund 313	313	2,010	1,290	1,290
Community Health Trust Fund 316	316	10,824,000	12,229,324	21,425,324
Dept of Health Operating 370	370	8,353,904	6,949,300	7,020,591
Domestic Violence Prev Fund 462	462	340,000	340,000	340,000
Total		20,644,914	20,644,914	29,912,205
303 Department of Environmental Quality				
Abandoned Vehicle Fund 202	202	250,000	250,000	250,000
Boiler Inspection Fund	211	882,249	0	0
Petroleum Tank Rel. Comp Fund	233	297,217	611,717	619,360
Wastewater Oper Cert 371	371	26,660	26,663	27,392
Environ Rangeland and Protect 376	376	250,000	250,000	254,279
Environmental Quality Operations 485	485	16,582,102	17,149,848	17,297,392
Total		18,288,228	18,288,228	18,448,423
313 Veterans Home				
Melvin Norgard Memorial Fund 289	289	0	0	200,000
Soldiers Home Fund 380	380	18,751,772	18,753,310	19,477,382
Total		18,751,772	18,753,310	19,677,382
325 Department of Human Services				
Employment - People W/ Disabil 254	254	12,001	19,102	19,102
Compuls Gambling & Prevention 285	285	632,800	632,800	632,800
ND Health Care Trust Fund 315	315	1,000,000	0	0

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Community Health Trust Fund 316	316	32,400,000	0	24,000,000
Provider Assessment Fund 355	355	10,696,864	11,062,943	11,062,943
Human Services Operating Fund 360	360	138,217,052	130,852,725	131,019,681
Childrens Trust Fund 419	419	320,813	319,691	319,691
Soc Serv Prop Tax Relief 457	457	173,700,000	173,700,000	174,380,767
Total		356,979,530	316,587,261	341,434,984
380 Job Service North Dakota				
Job Service North Dakota Fund	362	890,670	603,516	606,483
Total		890,670	603,516	606,483
401 Office of the Insurance Commissioner				
Unsatisfied Judgement Fund 209	209	29,703	25,808	26,610
Insurance Reg. Trust Fund 239	239	9,314,159	9,389,424	9,470,996
Insurance Tax Distrib. Fund 240	240	18,818,030	18,818,030	18,818,030
Total		28,161,892	28,233,262	28,315,636
405 Industrial Commission				
Industrial Commission Fund 305	305	11,681,361	1,172,594	1,218,725
Public Finance Authority	900	804,425	8,837,646	22,921,231
Total		12,485,786	10,010,240	24,139,956
408 Public Service Commission				
PSC Valuation Revolving Fund 248	248	125,000	125,000	125,000
State Rail Fund 277	277	900,000	900,000	900,000
Rail Safety Fund 449	449	589,018	583,729	599,686
PSC Program Fund	510	0	0	550,000
Total		1,614,018	1,608,729	2,174,686
412 Aeronautics Commission				
Aeronautics Comm. Spec Fund 324	324	27,896,082	27,896,082	29,908,807
Total		27,896,082	27,896,082	29,908,807
413 Department of Financial Institutions				
Financial Inst Regulatory Fund 242	242	8,684,567	8,684,567	9,167,283
Total		8,684,567	8,684,567	9,167,283
414 Securities Department				
Investor Education & Technology	244	170,000	170,000	170,000
Securities Special Fund	580	2,587,119	2,587,119	2,655,725

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Total		2,757,119	2,757,119	2,825,725
471 Bank of North Dakota				
Bank of North Dakota	998	64,357,799	64,357,799	66,961,079
Total		64,357,799	64,357,799	66,961,079
473 ND Housing Finance Agency				
Housing Finance Agency-Fees	473	14,525,291	13,573,322	14,893,739
Total		14,525,291	13,573,322	14,893,739
475 ND Mill and Elevator Association				
Mill and Elevator Fund	475	76,994,824	76,994,182	88,599,394
Total		76,994,824	76,994,182	88,599,394
485 Workforce Safety and Insurance				
Workmens Compensation Fund 213	213	60,887,842	60,887,842	73,460,852
Total		60,887,842	60,887,842	73,460,852
504 Highway Patrol				
MC Electronic Permit Trans. Fund	276	1,530,741	1,305,099	1,519,557
Highway Tax Distribution Fund - 400	400	7,232,214	7,457,856	8,429,312
Total		8,762,955	8,762,955	9,948,869
530 Department of Corrections and Rehabilitation				
Probation Violation Transp - 321	321	137,618	30,487	30,487
Penitentiary Industries - 365	365	13,769,267	13,769,267	17,346,448
Crime Victims Gift Fund - 372	372	135,618	135,618	135,618
Dept of Corrections Oper - 379	379	9,417,716	9,516,848	9,665,336
Total		23,460,219	23,452,220	27,177,889
540 Office of the Adjutant General				
Disaster Relief Fund 352	352	2,500,000	1,800,052	1,801,601
Radio Communications Fund 373	373	2,443,441	3,878,859	3,893,602
Emergency Management Fund 375	375	1,459,521	459,521	459,521
State Hazardous Chemical Fund 378	378	668,374	1,503,090	1,516,111
National Guard Fund 383	383	1,017,142	757,674	769,499
Veterans Cemetery Fund 433	433	801,906	880,254	900,702
Total		8,890,384	9,279,450	9,341,036

601 Department of Commerce

SCHEDULE OF SPECIAL FUNDS

REQUEST AND RECOMMENDATION

Biennium: 2021-2023

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Economic Dev. Fund 330	330	1,522,398	1,502,247	1,529,800
Intergovernmental Assist. Fund 342	342	7,018,479	7,018,479	6,321,366
Unmanned Aircraft Systems Fund 394	394	1,000,000	1,020,150	2,020,150
Department of Tourism Fund 443	443	542,000	542,000	542,000
Total		10,082,877	10,082,876	10,413,316
602 Department of Agriculture				
Ag Products Utilization Fund	224	1,760,417	1,760,417	1,760,417
Agriculture Department Fund 308	308	2,128,095	1,580,259	1,587,045
Game and Fish Funds	309	614,430	624,136	624,136
Environment & Rangeland Prot 376	376	6,605,799	6,964,001	7,046,124
Environmental Impact Mitigation Fund	487	5,000,000	4,900,000	4,900,000
Total		16,108,741	15,828,813	15,917,722
627 Upper Great Plains Transportation Institute				
Transportation Institute Fund 352	352	6,232,684	6,232,684	6,253,752
Total		6,232,684	6,232,684	6,253,752
628 Branch Research Centers				
Central Grasslands Expr. Station	323	1,431,093	1,431,093	1,431,092
Hettinger Expr. Station Fund	332	2,834,954	2,834,954	2,845,913
Langdon Expr. Station Fund	333	1,398,852	1,398,852	1,402,022
North Central Expr. Station Fund	335	3,109,399	3,109,399	3,134,866
Williston Expr. Station Fund	336	2,428,531	2,428,531	2,439,589
Carrington Expr. Station Fund	337	5,917,676	5,917,676	5,975,242
Dickinson Exper. Station Fund	359	3,479,882	3,479,882	3,487,752
Total		20,600,387	20,600,387	20,716,476
630 NDSU Extension Service				
Extension Division Fund 357	357	19,862,376	19,862,376	20,220,351
Total		19,862,376	19,862,376	20,220,351
638 Northern Crops Institute				
Northern Crops Institute Fund 243	243	1,896,217	1,896,217	1,924,224
Total		1,896,217	1,896,217	1,924,224
640 NDSU Main Research Center				
Ag Research Fund 338	338	1,000,000	1,000,000	1,000,000
Main Experiment Station Fund 358	358	49,683,567	49,670,898	50,080,297
Total		50,683,567	50,670,898	51,080,297

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2021-2023

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
649 Agronomy Seed Farm				
Agronomy Seed Farm Fund 226	226	1,565,975	1,565,975	1,582,478
Total		1,565,975	1,565,975	1,582,478
670 ND Horse Racing Commission				
Horse Racing Operating Funds 334	334	165,965	165,965	166,739
Total		165,965	165,965	166,739
701 Historical Society				
Historical Society Fund - 377	377	0	0	588,071
Total		0	0	588,071
709 Council on the Arts				
Arts & Humanities Fund - 399	399	63,515	10,000	10,000
Total		63,515	10,000	10,000
720 Game and Fish Department				
Non-Game Wildlife Fund 216	216	100,000	100,000	100,000
Game & Fish Department Fund 222	222	41,291,224	40,225,998	41,943,914
Aquatic Nuisance Species Fund 466	466	1,500,000	1,500,000	1,510,457
Habitat and Depredation Fund 488	488	5,538,777	6,604,002	6,626,410
Total		48,430,001	48,430,000	50,180,781
750 Parks and Recreation Department				
State Capital Bonding Fund	011	0	0	30,485,000
Snowmobile Fund - 261	261	400,000	122,402	125,163
Parks & Recreation Fund - 398	398	12,258,851	12,259,926	21,506,393
Trail Tax Transfer Fund - 441	441	400,000	676,523	679,322
Total		13,058,851	13,058,851	52,795,878
770 Water Commission				
Water Development Trust Fund 267	267	14,219,653	0	0
NAWS Operations Fund 381	381	1,491,743	2,234,078	2,239,575
Water Commission Fund 397	397	812,419,411	678,932,245	665,724,299
Total		828,130,807	681,166,323	667,963,874
801 Department of Transportation				
State Capital Bonding Fund	011	0	0	302,400,000
Highway Fund - 200	200	545,297,798	548,216,277	565,516,265

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION****Biennium: 2021-2023**

Agency/Fund Source	Fund No	2019-2021 Legislative Base	2021-2023 Request	2021-2023 Recommendation
Motor Vehicle Operating - 201	201	24,480,098	25,496,691	25,728,408
Motorcycle Safety Fund - 205	205	580,600	580,600	580,600
Dealer Enforcement Fund	217	196,800	326,511	335,608
Special Road Fund - 230	230	1,400,150	1,400,150	1,400,150
State Rail Fund - 277	277	6,500,000	6,500,000	6,500,000
Fleet Services Fund - 700	700	71,075,483	67,010,700	67,174,657
Total		649,530,929	649,530,929	969,635,688
Total All Agencies		5,080,023,883	4,903,534,118	5,782,487,325

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 2021-23 budget covers the period July 1, 2021 to June 30, 2023.

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 continuing appropriation 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	Stephanie M. Gullickson	Brady Larson
108	Secretary of State	Stephanie M. Gullickson	Chris J. Kadrmas
110	Office of Management and Budget	Becky Deichert	Adam Mathiak
112	Information Technology	Larry Martin	Levi Kinnischtzke
117	Office of the State Auditor	Stephanie A. Johnson	Sheila M. Sandness
120	Office of the State Treasurer	Stephanie A. Johnson	Adam Mathiak
125	Office of the Attorney General	Becky Deichert	Levi Kinnischtzke
127	Office of State Tax Commissioner	Stephanie A. Johnson	Adam Mathiak
140	Office of Administrative Hearings	Larry Martin	Brady Larson
150	Legislative Assembly	Larry Martin	Sheila M. Sandness
160	Legislative Council	Larry Martin	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	Becky Deichert	Adam Mathiak
192	Public Employees Retirement System	Becky Deichert	Levi Kinnischtzke
195	Ethics Commission	Stephanie A. Johnson	Brady Larson
201	Department of Public Instruction	Becky Deichert	Sheila M. Sandness
215	ND University System	Renae Bloms	Alex Cronquist
226	Department of Trust Lands	Renae Bloms	Adam Mathiak
227	Bismarck State College	Renae Bloms	Alex Cronquist
228	Lake Region State College	Renae Bloms	Alex Cronquist
229	Williston State College	Renae Bloms	Alex Cronquist
230	University of North Dakota	Renae Bloms	Alex Cronquist
232	UND Medical Center	Renae Bloms	Alex Cronquist
235	North Dakota State University	Renae Bloms	Alex Cronquist
238	ND State College of Science	Renae Bloms	Alex Cronquist
239	Dickinson State University	Renae Bloms	Alex Cronquist
240	Mayville State University	Renae Bloms	Alex Cronquist
241	Minot State University	Renae Bloms	Alex Cronquist
242	Valley City State University	Renae Bloms	Alex Cronquist
243	Dakota College at Bottineau	Renae Bloms	Alex Cronquist
244	ND Forest Service	Renae Bloms	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	Stephanie M. Gullickson	Sheila M. Sandness
303	Department of Environmental Quality	Stephanie M. Gullickson	Sheila M. Sandness
313	Veterans Home	Stephanie A. Johnson	Levi Kinnischtzke
316	Indian Affairs Commission	Larry Martin	Chris J. Kadrmas
321	Department of Veterans Affairs	Stephanie A. Johnson	Levi Kinnischtzke
325	Department of Human Services	Stephanie M. Gullickson	Brady Larson
360	Protection and Advocacy	Larry Martin	Adam Mathiak
380	Job Service North Dakota	Larry Martin	Levi Kinnischtzke
401	Office of the Insurance Commissioner	Larry Martin	Alex Cronquist
405	Industrial Commission	Renae Bloms	Adam Mathiak

MANAGEMENT AND FISCAL ANALYSTS

Budget No.	Agency	OMB Analyst	Leg Council Analyst
406	Department of Labor and Human Rights	Larry Martin	Levi Kinnischtzke
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	Renae Bloms	Adam Mathiak
473	ND Housing Finance Agency	Renae Bloms	Adam Mathiak
475	ND Mill and Elevator Association	Renae Bloms	Adam Mathiak
485	Workforce Safety and Insurance	Stephanie M. Gullickson	Levi Kinnischtzke
504	Highway Patrol	Larry Martin	Brady Larson
530	Department of Corrections and Rehabilitation	Larry Martin	Alex Cronquist
540	Office of the Adjutant General	Becky Deichert	Alex Cronquist
601	Department of Commerce	Renae Bloms	Levi Kinnischtzke
602	Department of Agriculture	Larry Martin	Levi Kinnischtzke
627	Upper Great Plains Transportation Institute	Stephanie A. Johnson	Alex Cronquist
628	Branch Research Centers	Stephanie A. Johnson	Alex Cronquist
630	NDSU Extension Service	Stephanie A. Johnson	Alex Cronquist
638	Northern Crops Institute	Stephanie A. Johnson	Alex Cronquist
640	NDSU Main Research Center	Stephanie A. Johnson	Alex Cronquist
649	Agronomy Seed Farm	Stephanie A. Johnson	Alex Cronquist
665	ND State Fair	Stephanie A. Johnson	Sheila M. Sandness
670	ND Horse Racing Commission	Stephanie A. Johnson	Chris J. Kadrmas
701	Historical Society	Larry Martin	Chris J. Kadrmas
709	Council on the Arts	Larry Martin	Brady Larson
720	Game and Fish Department	Renae Bloms	Chris J. Kadrmas
750	Parks and Recreation Department	Stephanie M. Gullickson	Chris J. Kadrmas
770	Water Commission	Stephanie A. Johnson	Chris J. Kadrmas
801	Department of Transportation	Stephanie A. Johnson	Chris J. Kadrmas