

State of North Dakota
Executive Budget
2019-2021 Biennium

EMPOWER PEOPLE

IMPROVE LIVES

INSPIRE SUCCESS

Canola Field in Bloom, N of Devils Lake by Andy Wakeford



Governor Doug Burgum
Joe Morrissette, Director
Office of Management and Budget

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July 1, 2017

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Executive Director

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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	212
		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
		NDSU Main Research Center	640	Workforce Safety and Insurance	485
Fair, North Dakota State	665	ND State College of Science	238		
Financial Institutions, Dept of	413	ND State University	235		
Forest Service, ND	244	Northern Crops Institute	638		
Game and Fish Department	720	Parks & Recreation, Dept of	750		
Governor, Office of the	101	Protection and Advocacy Project	360		
		Public Employees Retirement System	192		
Health, ND Dept of	301	Public Instruction, Dept of	201		
Highway Patrol	504	Public Service Commission	408		
Historical Society, State	701				
Housing Finance Agency, ND	473				
Human Services, Dept of	325				



— State of —
North Dakota
Office of the Governor

Doug Burgum
Governor

2019-2021 EXECUTIVE BUDGET ADDRESS

The Honorable Doug Burgum

Governor of North Dakota

December 5, 2018

Good morning. It is my honor to be here today to present the Executive Budget for the 2019-2021 biennium.

Let me begin by welcoming the members of the 66th Legislative Assembly, Justices of the Supreme Court, Lieutenant Governor Brent Sanford, elected officials, cabinet leaders, state team members, First Lady Kathryn Helgaas Burgum and fellow North Dakotans.

As we speak, in Washington, D.C., leaders and citizens are gathered to celebrate the life of President George H.W. Bush, a dedicated public servant, decorated World War II Navy pilot and true American statesman. In honor of his life and legacy, I ask that we join together in a moment of silence. [Pause] Thank you.

We are especially grateful for, and humbled by, the front-line members of Team North Dakota who dedicate themselves to delivering on our administration's purpose: to Empower People, Improve Lives and Inspire Success.

Serving the citizens of North Dakota is an honor for all of us. We are grateful for our committed legislators, who return here to the important work of creating laws and setting budgets.

And we extend gratitude to the leadership and analysts in the Office of Management and Budget, cabinet leaders and team, Governor's

Office policy team and all state agencies for their efforts in preparing this budget.

This budget also expresses our gratitude for those who make North Dakota a great place to live: educators, first responders and law enforcement, public servants, business leaders, health care providers, farmers and ranchers, energy workers, our youth – and especially our veterans and active duty military service members, including those North Dakota National Guard members who are currently deployed around the world defending our freedoms. I would ask that any active or retired military personnel please stand and be recognized. [Applause]

Our budget includes several proposals that reflect the gratitude we have for our military service members:

- First, to honor their service, promote workforce participation in North Dakota after retirement, and to improve our competitiveness for federal military investments, we propose a 100 percent state income tax exemption on military retirement pay for members of the U.S. Armed Forces, National Guard, and Reserve.
- Second, we recommend fully funding our National Guard Tuition Assistance Program. Our Guard members are investing in the protection of our state and nation, and we will invest in them.
- Finally, we are proposing \$15 million be dedicated to expanding our National Guard training range at Camp Grafton South. This investment will create long-term savings by keeping our troops training in-state, generate revenue by bringing in out-of-state service members, and ensure readiness for all soldiers who stand in harm's way for us.

STRUCTURALLY BALANCED, SPENDING RESPONSIBLY

From 2009 to 2014, our gross domestic product outpaced the rest of the nation as we grew at an unprecedented rate of 13 percent per year. From 2014 to 2016 we saw a significant decline in GDP, but in 2017 North Dakota's GDP returned to growth.

The collapse of commodity prices in both energy and agriculture last biennium meant making hard choices. Working together with the Legislature, we reduced the general fund budget by an unprecedented \$1.7 billion. This did not come easily. Team members absorbed the work of others and went without pay increases. Programs ran lean. We got by, using

one-time funding sources and transfers to balance revenues with expenditures.

We recognize volatility creates challenges for our budget. Typically, over 40 percent of our general fund comes from sales taxes. When the commodity markets dropped, we found economic activity that drives sales tax revenue also dropped, reinforcing the need to budget conservatively.

Thankfully, prior legislative bodies had the foresight to set aside substantial rainy-day savings to help us through periods of extreme volatility of our tax revenues. The Budget Stabilization Fund was most recently utilized in the 2015-2017 biennium, and it was drained at the beginning of the current biennium.

This executive budget is more transparent in the use of oil revenues to fund ongoing expenses. In past budgets, oil-derived revenue has been transferred into the general fund without fully recognizing its source. Bypassing these transfers will provide a clearer picture.

We propose using \$1 billion in oil tax revenues to directly support general fund expenditures. This amount represents 20 percent of general fund revenues, which is a lower amount and percentage than the 2015-17 biennium, when over \$1.1 billion in oil revenue was used. The \$1 billion of general fund oil tax revenue is a conservative and sustainable amount; when prices crashed during the 2015-17 biennium, the state still collected \$2.9 billion in oil tax revenue. For the upcoming biennium, this recommended oil tax revenue for the general fund represents approximately one-fifth of forecasted oil tax revenues.

Working as one, we engaged in reinventing our budgeting approach to include a comprehensive strategy review process. Under this new framework, strategy drove budget, versus budget driving strategy.

Beginning last spring we conducted 57 strategy reviews with institutions and agencies, and from this foundation we have prepared a strategic budget that delivers for the people of North Dakota.

Taking a critical look at prioritizing state expenditures, we called for base budget reductions of 5 to 10 percent, depending on agency size. We also asked agencies to reduce FTE levels by 5 percent. Agencies were

asked to identify work they could stop doing, to free up people and financial resources that could be reinvested in priorities.

These are difficult tradeoffs. But the ideas generated in these sessions identified more than \$107 million in general fund savings, and \$101 million was strategically prioritized for new and ongoing initiatives.

This budget balances ongoing revenues and expenses and builds our reserves, while strategically investing in our economy, our workforce and the well-being of our people.

The budget promotes responsible stewardship of our financial resources, encourages innovation and invests strategically – all without raising taxes.

This biennium, we must return to matching ongoing spending with ongoing revenues to achieve structural balance in the general fund.

By law, we must have a balanced budget. However, ongoing revenues have not always covered ongoing expenses. In this budget, we are intentional about ensuring that ongoing expenses match our ongoing revenues. The last two bienniums had substantial general fund revenue shortfalls that were covered by transfers.

This imbalance between our ongoing general fund revenues and expenses negatively affects our state's bond rating, which can have secondary effects on the many local political subdivisions that bond.

North Dakotans balance their checking accounts – so too should state government.

The Executive Budget proposes \$14.3 billion in overall revenues and expenditures. This includes \$4.6 billion in ongoing general fund revenue and \$300 million of Legacy Fund earnings. Legacy earnings by law must be deposited in the general fund. Not a single dollar of Legacy Fund principal is spent in this budget.

Additionally, \$3.7 billion in federal funds and \$5.6 billion in special funds make up the remainder of our overall funding sources.

Overall, expenditures of \$3.2 billion will support Team North Dakota through salary and benefit investments, \$2.6 billion will fund operating expenses, and nearly half – \$7 billion – will be distributed through formulas and grants to areas such as K-12 education, Medicaid and essential infrastructure, directly benefiting citizens and political subdivisions. The remaining \$1.5 billion allows for significant and game-changing, long-term investments in capital assets.

In sum, nearly 70 percent of our total budget goes to support health and human services and education. Within the general fund, these services make up nearly 80 percent of the recommended appropriation.

Most of the \$330 million recommended increase in ongoing general fund expenditures is related to education and health and human services. \$135 million of the increase is driven by the cost-to-continue in caring for our most vulnerable citizens. \$104 million is a direct result of increased per-pupil payments and an increase in the number of K-12 students we serve.

And \$78 million of the increase in ongoing expenditures is the general fund portion of the overall \$180 million in proposed salary and benefit increases.

Our goal was to fund our priorities in a responsible way, replenish reserves and spend less than our ongoing revenues. Again, we have done that in this budget, without raising taxes.

BUILDING RESERVES AND SOLVENCY

Fiscal responsibility means more than just balancing the checkbook. Given our revenues remain largely dependent on commodity prices we cannot control, we absolutely must replenish reserves.

Thanks to the wisdom of prior legislative action to create a framework for savings, any amount in excess of \$65 million in the general fund ending balance is automatically deposited into the Budget Stabilization Fund. The new revenue forecast projects the Budget Stabilization Fund will receive an additional \$312 million at the end of this biennium. This budget transfers \$315 million from the Strategic Investment and Improvements Fund (SIIF), filling the rainy-day fund to the maximum allowed, which is 15 percent of the proposed general fund spending.

As we just saw last biennium, extreme revenue volatility consumed our entire rainy-day fund.

A fully replenished rainy-day fund is essential for risk management. And it is a safeguard for our citizens who rely on us for essential services.

We have made a solemn contract with every retired state team member and all future retirees who participate in our state pension. And today, we face an unfunded pension liability estimated at over \$1 billion.

To guarantee that our pension fund can continue to cover its future obligations to retired team members who paid into it for years, we propose an infusion of \$265 million from SIIF into the pension fund. This significant addition of principal now will earn returns over the coming decades, enabling positive progress to close our \$1 billion unfunded liability gap.

With this transfer and the adoption of corresponding policies recommended by the interim Employee Benefits Programs Committee, the pension can achieve solvency and be fully funded in only 18 years.

The current insolvency in our pension fund has a negative effect not only on the state's financial position, but also on the financial position of all political subdivisions that participate in the NDPERS retirement plan. Bond ratings are negatively affected, and the cost of borrowing is increased at all levels of government.

If we fail to act now, future action will cost far more. The longer we wait, the more expensive it will get. We are at an ideal moment in time, with revenue forecasts positive, and spending restrained, to make a historic investment now in shoring up the pension to save North Dakota taxpayers hundreds of millions of dollars in the future.

North Dakotans deserve both a structurally balanced budget and a government responsive to their needs, prioritizing innovation and reinvention.

INFORMATION TECHNOLOGY AND REALIGNMENT

Last session the Legislature set the framework for redesigning social and human services to better serve citizens. Our proposed budget delivers on the goals of that framework and sustains the permanent

property tax relief it provides. We propose moving from 47 independent delivery areas to no more than 19 collaborative areas. We will make this move while preserving all access points to services.

We also propose funding county social services at a level of \$182 million, an increase of \$22 million. This additional funding will focus on increasing access to child and family services, particularly in behavioral health. Combined with specific policy recommendations, this funding will come with greater flexibility to specialize services, thereby increasing efficiency.

The state must incorporate innovative technologies to better serve our citizens. We must do a better job of safeguarding citizens' personal information and deploying new technology to enhance citizen experience and government performance. In this, we propose two changes to our information technology approaches.

First, with IT unification, we recommend aligning 145 FTEs from 17 cabinet agencies into one shared IT service, while maintaining their physical presence within the agencies, reducing redundancy and streamlining operations through standardization.

Cyber threats to our state's financial assets and citizens' data are growing daily. Attempted disruptions from hackers, organized criminal activity like ransomware and persistent attacks from foreign nation states are the new status quo for states, university systems and large municipalities.

It is nearly impossible and full of risk for the over 400 organizations that touch our statewide network to each separately be responsible for their own cybersecurity. We will centralize our approach to cybersecurity to be more coordinated, intelligent and effective in managing identities and protecting data. This approach will take us from 22 percent of the executive branch managed under central cyber defense to 78 percent. Getting there will require an investment of \$16.4 million. Even one breach or financial attack could cost us far more. In today's world, this is a necessary and essential investment.

Across every department, we explored realigning functions and improving services. A few more examples:

- The Office of Management and Budget proposes a statewide litigation pool to provide efficiency and coordination and reduce duplication in funding for unforeseen legal costs.
- The Suicide Prevention Program, currently housed in the Health Department, will transfer to the Department of Human Services, where it will complement the existing Behavioral Health Division.
- To better support tribal social services, we propose \$2.9 million of general funds to expand access to supports for caregivers of children in the care of tribal social services. This proposal will ensure families of children on tribal lands have access to the same supports received by families with children who live in other parts of the state, creating a consistent policy statewide.

INVESTING IN TEAM MEMBERS

This budget authorizes 15,673 FTEs, which includes higher education. We will spend \$3.2 billion on compensation and benefits. In the current biennium, the state invested \$45 million to cover the full cost of the increase in health care insurance for all team members. We are proposing a \$180 million investment increase in compensation and benefits for team members for the upcoming biennium.

Of the increase, \$112 million is proposed for salaries. This recommended increase in compensation also authorizes performance-based increases for high-performing team members. Agency and institution salary budgets are increased by 4 percent for the first year of the biennium and an additional 2 percent for the second year.

Agencies that can identify long-term salary savings equal to 2 percent will be authorized to provide an additional 2 percent for salary increases in the second year, bringing the total authorized salary increase to 4 percent each year.

For health insurance, the state is covering a 12.7 percent increase in health insurance premiums at a cost of \$59 million.

We also propose new health insurance options for team members. Option 1 continues the existing main plan with no changes to deductibles or coinsurance, which will require an employee contribution of \$28 per month. Option 2 is a new state-paid health insurance plan that, as a non-

grandfathered plan, offers expanded benefits. Option 3 is the existing high-deductible plan with new incentives for participation.

Finally, we propose increasing both state and team member contributions to the retirement fund by 1 percent, or roughly \$9 million. This match increase will also contribute to the long-term solvency of our pension plan.

Altogether, this represents a \$180 million increase in the total compensation package, investing in Team ND. These investments are essential for us to attract and retain the talent we need to deliver the services North Dakotans expect.

WORKFORCE AND EDUCATION

Building workforce is the key pillar of the Main Street Initiative. We have met with 45 communities across the state as part of the Main Street Initiative, and there is growing awareness that economic development is no longer just about job creation; it is about building healthy, vibrant communities that can attract and retain the families to fill their workforce needs.

We revitalized the 32-member Workforce Development Council and commissioned a statewide survey to identify obstacles to filling the estimated 30,000 jobs open across North Dakota. Workforce shortages are the number one gating factor to economic growth in North Dakota. A number of the Council's recommendations are included in our budget.

We propose investing \$30 million in a competitive grant for career academies, requiring a 1-to-1 match from the private sector or political subdivisions. According to the North Dakota Workforce Survey, over 70 percent of available jobs in North Dakota require an associate degree or less. Career academies can help move North Dakota youth into the workforce and lower the cost of college.

With an enrollment of nearly 1,400 students, the Bismarck Career Academy is a successful example of providing quality education in high-wage, high-demand technical careers that align with post-secondary education. We need more career academies across our state.

We also recommend investing an additional \$2 million into workforce development initiatives, including \$950,000 to refocus the Operation Intern program to support local businesses throughout the state.

The budget dedicates \$750,000 to address the nursing shortage by providing matching grant funds for rural health facilities seeking to add rural health care education in their local communities.

Another \$250,000 will be allocated for grants to support giving students early exposure to North Dakota careers.

Finally, we propose \$3 million in marketing to address the talent attraction and retention challenges throughout the state. With around 7,500 high school graduates a year in North Dakota and more than 30,000 open jobs, we must both retain and attract workers by promoting our high quality of life.

Workforce and education go hand in hand as we prepare today's students for tomorrow's economy. Forty-six percent of our general fund budget goes to K-12 education and higher education, underscoring our state's commitment to its students and our collective future.

At the K-12 level, our budget increases the per-student payments by 2 percent each year, to a record \$10,036 for the 2020-21 school year.

Our recommendation also begins to transition, over the next five years, the roughly half of our districts that are not yet on the statewide funding formula. Some schools continue to receive transition subsidy payments based on the amounts they received in 2012-2013, creating substantial disparities between districts.

School aid spending increases in our budget by \$115.5 million and does so more sustainably, with \$103.5 million coming from the general fund.

It's time to move closer to on-time funding for our K-12 schools. We recommend a blended approach, paying districts for the first half of the year using the prior year's enrollment and the remainder of the year on their certified fall enrollment. This timing change retains more support than full year on-time funding for districts with declining enrollment, while

providing much needed funds to those districts with growing enrollment sooner.

In support of our strategic initiative to transform education, our budget appropriates up to \$10 million to create the Teacher Incentives for Leadership in Education (TILE). To ensure the state intentionally invests in district initiatives aligned with student-centric instruction, a targeted pool of funds will be designated to support locally driven innovation and teacher leadership.

Leadership incentives should not be confused with merit pay, which is based off past performance and is often heavily reliant on standardized test results. TILE dollars must be invested in professional development or used to provide project-based incentives for current teachers, providing career track opportunities for teacher leaders. We will fund the TILE with unspent school aid money appropriated for the current 17-19 biennium, up to \$10 million.

For North Dakota to remain competitive and reach its fullest potential, we need robust and innovative institutions of higher education.

As we invest in higher education and research, our budget recommends an increase of over \$94 million to support increased staff compensation, Challenge Fund investment, targeted capital projects, online course development and competitive research opportunities. With private sector support, this increased investment will infuse a total of \$220 million into higher education and research in North Dakota.

The North Dakota Higher Education Challenge Fund was created in 2013 to ignite a philanthropic spirit to support North Dakota's public colleges and universities, primarily with scholarships. And it worked. Keeping with a 2-to-1 match, investing \$40 million of Legacy Fund earnings into the Challenge Fund will enable a total influx of \$120 million into our higher education system.

We also propose using \$20 million in Legacy Fund earnings to invest in the Research ND grant program, which requires a 1-to-1 private sector match. The funds may be used to conduct research, commercialize new technologies, develop new products and improve existing products and processes.

In this budget, we also recommend investing \$29 million in the top two priority capital building projects identified by the North Dakota University System. This strategic investment will drive both renovations of existing historic facilities and create match opportunities for new construction.

Finally, we propose creating a \$5 million Online Curriculum Development Grant program. This money will be provided to the University System to distribute as a competitive grant program available to campuses. Now more than ever, North Dakota institutions are competing for students with institutions across the nation and around the world. To stay competitive, we need to invest in high-quality online curriculum development along with traditional approaches.

HEALTH CARE AND HUMAN SERVICES

Great schools, a strong economy and vibrant communities all rely on healthy individuals to sustain them.

North Dakota has challenges in access, quality and costs of health care. As part of our investment in the health care system, we propose a 1 percent inflationary increase in provider reimbursement in each year of the biennium.

Our state also has a behavioral health crisis, which carries significant human costs and tremendous negative economic impacts.

By sharing her lived experience, First Lady Kathryn is helping to eliminate the shame and stigma of the disease of addiction and she is inspiring others to celebrate the power and hope of recovery. Please join me in thanking her for her courage and leadership. [Applause]

The Department of Human Services and Department of Corrections and Rehabilitation have been integral in working to address the behavioral health needs of North Dakotans. In this budget, we put significant resources behind evidence-based and cost-effective programs and propose additional general fund spending of \$19.1 million across the entire continuum of care:

- We've targeted \$2.6 million to amend our current Medicaid program to provide community-based supports for those with behavioral health conditions. This investment will provide supports for housing, employment, education and peer support – taking a

comprehensive approach to addressing the behavioral health needs in our state.

- Behavioral health crisis services also would receive \$4.3 million, helping to eliminate regional gaps in access and improve the quality of crisis response services statewide. These services improve outcomes and create savings by avoiding expensive emergency and psychiatric inpatient care.
- We have made significant progress in the current biennium by moving \$7 million upstream to improve access to effective, community-based behavioral health services through the Free Through Recovery program. To continue building on that progress, our budget recommends an additional \$4.5 million from the general fund to expand access to this program, extending it beyond the criminal justice system to other individuals in our communities.
- We also propose investing an additional \$3.1 million to expand access to the substance use disorder voucher services and supports.
- To help move people out of the criminal justice system and into the workforce, we propose an additional \$2.6 million for expanding treatment and programming in the Department of Corrections and Rehabilitation.

At the same time, we will continue funding for Medicaid Expansion while streamlining the administration and reducing the fee schedule to match traditional Medicaid rates. The changes to administration and reimbursement will free up over \$20 million in general funds to reinvest in access to behavioral health services.

We also need to invest in home and community-based services for older adults and persons with physical disabilities. Our budget recommends more than \$6 million in additional funding for several initiatives that will promote care close to home.

As we expand access to community-based services, we're also committed to improving the quality of our institutional services. These act as a safety net for at-risk individuals from across our state.

Now is the time to build a new Behavioral Health State Hospital and Clinic in Jamestown with \$35 million from Legacy Fund earnings. This

will allow us to eventually repurpose the existing State Hospital as a minimum-custody correctional facility for men.

In turn, we will relocate women's prison services from New England to the Missouri River Correctional Center south of Bismarck. Together, these changes will allow for consolidation of facilities and more efficient operations.

INFRASTRUCTURE INVESTMENTS

North Dakota is doubly blessed with abundant natural resources of our strong agriculture and energy sectors, enabling our economic growth. This budget dedicates nearly \$200 million for continued research in agriculture, oil and gas, and lignite, all key drivers of our economy.

We are so fortunate in North Dakota to have the capital resources to invest in the infrastructure necessary for a prosperous future.

For critical infrastructure, we have included investments totaling nearly \$1.5 billion, including:

- \$815 million for roads, \$464 million for one "bucket" of essential water projects under the State Water Commission, and \$22 million for airport infrastructure.

This total also includes \$174 million for technology investments, the critical infrastructure of the 21st century. These 24 IT projects, supporting 19 agencies, will improve public safety, citizen-government interactions and voting integrity.

Affordable housing availability is a challenge in many parts of our state, and we recommend investing \$20 million in the Housing Incentive Fund. This will support construction of affordable, multi-family housing, aiding our ability to develop and retain our workforce and build healthy, vibrant communities.

As announced last week, we've recommended \$3 million for infrastructure at Grand Sky, the nation's only UAS business park.

Finally, in recognition of our number one trading partner and neighbor to the north, we propose investing \$5 million in the namesake of our state, the International Peace Garden. These funds are contingent on a

1-to-1 match from other sources, including philanthropy and/or the Province of Manitoba or the Canadian government.

BUILDING A LEGACY

We are also extremely grateful that the voters of North Dakota and their representatives in the Legislative Assembly had the wisdom and foresight to create the Legacy Fund, whose earnings will enable and catalyze large-dollar projects that have state or nationwide impact and produce lasting value for our citizens.

In addition to the exciting Legacy projects already discussed, we propose three additional Legacy projects that will generate a tremendous return on investment for the people of North Dakota.

First, we have announced our recommendation for \$30 million to build out a statewide infrastructure network for unmanned aircraft systems, or UAS. This tracking network would serve as an air traffic control system for UAS flying beyond visual line of sight. This investment will ensure that North Dakota retains its first-mover advantage as America's proving ground for UAS while also supporting commercial operations including automated farming and precision agriculture.

Additionally, we propose \$55 million for an infrastructure revolving loan fund that political subdivisions can use to fund important improvements and new projects that promote smart and efficient infrastructure in our communities, plus \$25 million in additional investment in the school construction revolving loan fund. Together, these investments can be leveraged to drive \$535 million in construction.

Finally, when we think about legacy, it is hard to imagine any individual who embodies the North Dakota spirit more than President Theodore Roosevelt. To honor his life and legacy, we propose investing \$50 million of Legacy Fund earnings in the Theodore Roosevelt Presidential Library and Museum and leveraging this investment with a 2-to-1 private match.

It is truly an incredible opportunity for North Dakota that such a presidential library does not already exist. Theodore Roosevelt is the only president to have been awarded a Medal of Honor for his military service. He wrote more books – 42 – than any other president. And his 150,000 letters and documents surpass the writings of the prolific Thomas Jefferson.

And what a better place for a TR Presidential Library, than in synergy with our state's only National Park. Theodore Roosevelt National Park is the only park, out of 60 National Parks, that is named after a person. And it was Theodore Roosevelt's deep love of hunting and the outdoors that shaped our nation's conservation ethic, our nation's first wildlife sanctuaries, and our National Park system.

Envisioned as a state-of-the-art tourist and educational center that will serve as a diversified economic driver for western North Dakota, the library will honor a man whose legendary character, beliefs and drive were shaped by the land and people of North Dakota, and who went on to shape our nation and its role in the world.

Complimenting his profile which is literally etched in stone at Mount Rushmore, the library and museum will educate and inspire students and visitors to learn more about one of this nation's most vivid, dynamic and inspiring leaders, and his relevance to today's modern world.

Separately, funding for the important ongoing digitization process at the Theodore Roosevelt Center at Dickinson State University is included in DSU's budget.

Built in partnership with the National Park Service and private sector philanthropy, the Theodore Roosevelt Presidential Library and Museum will inspire the world to dare greatly, think boldly, live passionately and care deeply.

What an incredible gift this would be to our nation, and what an incredible gift to future generations of North Dakotans.

Thank you for giving your full consideration to each of these Legacy projects. We should strive to set the bar high in this first class of Legacy projects, and dream of what they can mean to the future of state.

LOOKING AHEAD

Together, we stand at the cusp of a new era.

The budget process in North Dakota state government from the 1930s until about 2006 was a reflection of scarcity. North Dakota was the only state in the nation to shrink in population over those 75 years, and this left an indelible mark on our psyche.

Following 75 years of shrinking, we had a decade of explosive levels of growth, followed by historic bust and now some growth again.

We have entered a world of abundance. The world is not going to run out of food or energy. Technology, combined with free markets and the irrepressible human spirit of ingenuity, continue to solve the world's biggest challenges and transform our world.

With leadership everywhere, working as one, being citizen-focused and bringing a growth mindset to our work, we can truly make a difference in the lives of those we serve.

And with gratitude, humility, curiosity and courage, North Dakota can play a significant role in shaping the affairs of this planet.

As the 66th Legislative Assembly takes this strategic budget proposal forward, please know that OMB, the Governor's Office and agency leaders stand ready to work together with you toward our shared purpose – to Empower People, Improve Lives and Inspire Success – in every county and every corner of our state.

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

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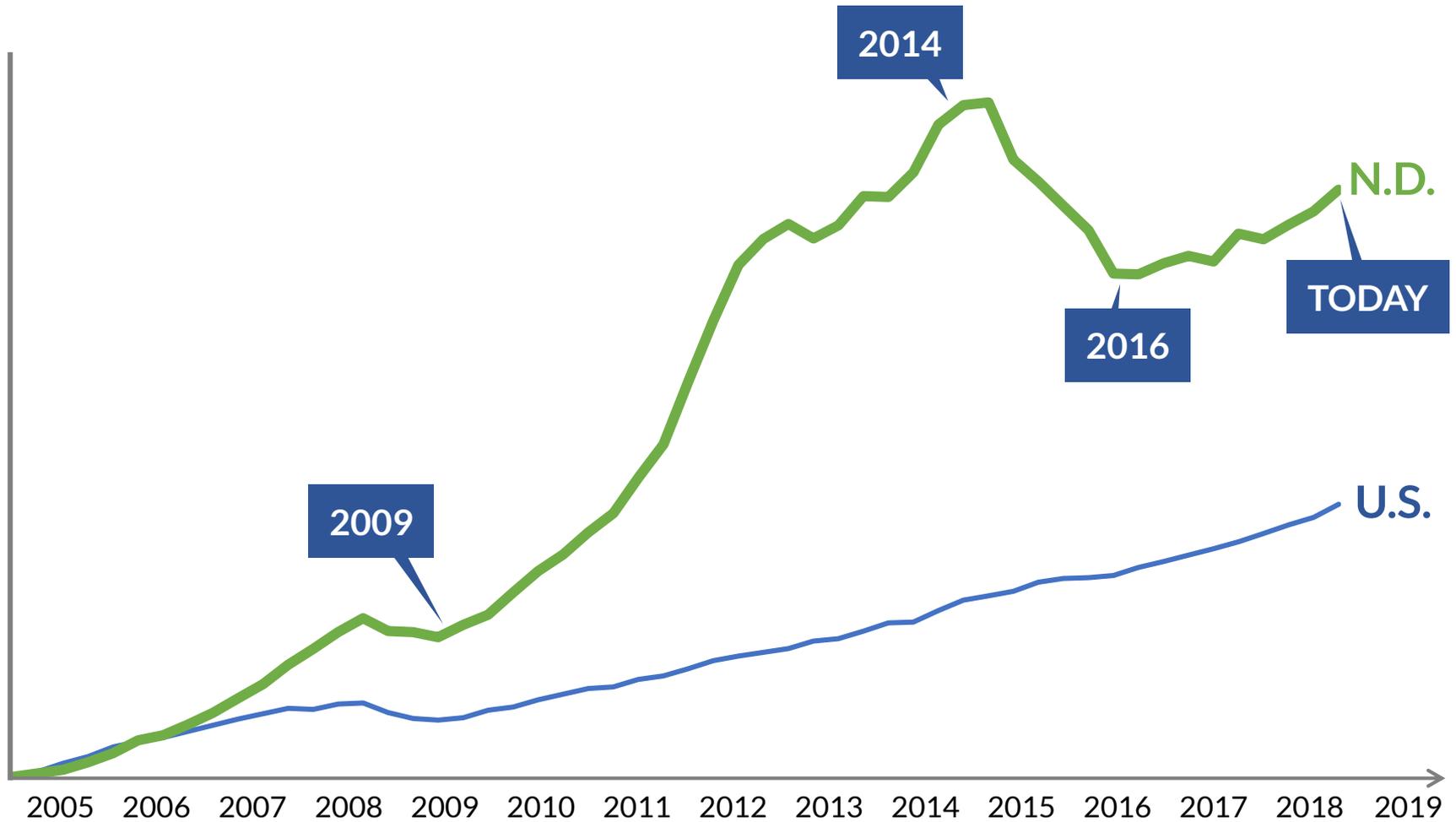


EXECUTIVE BUDGET ADDRESS

Governor Doug Burgum

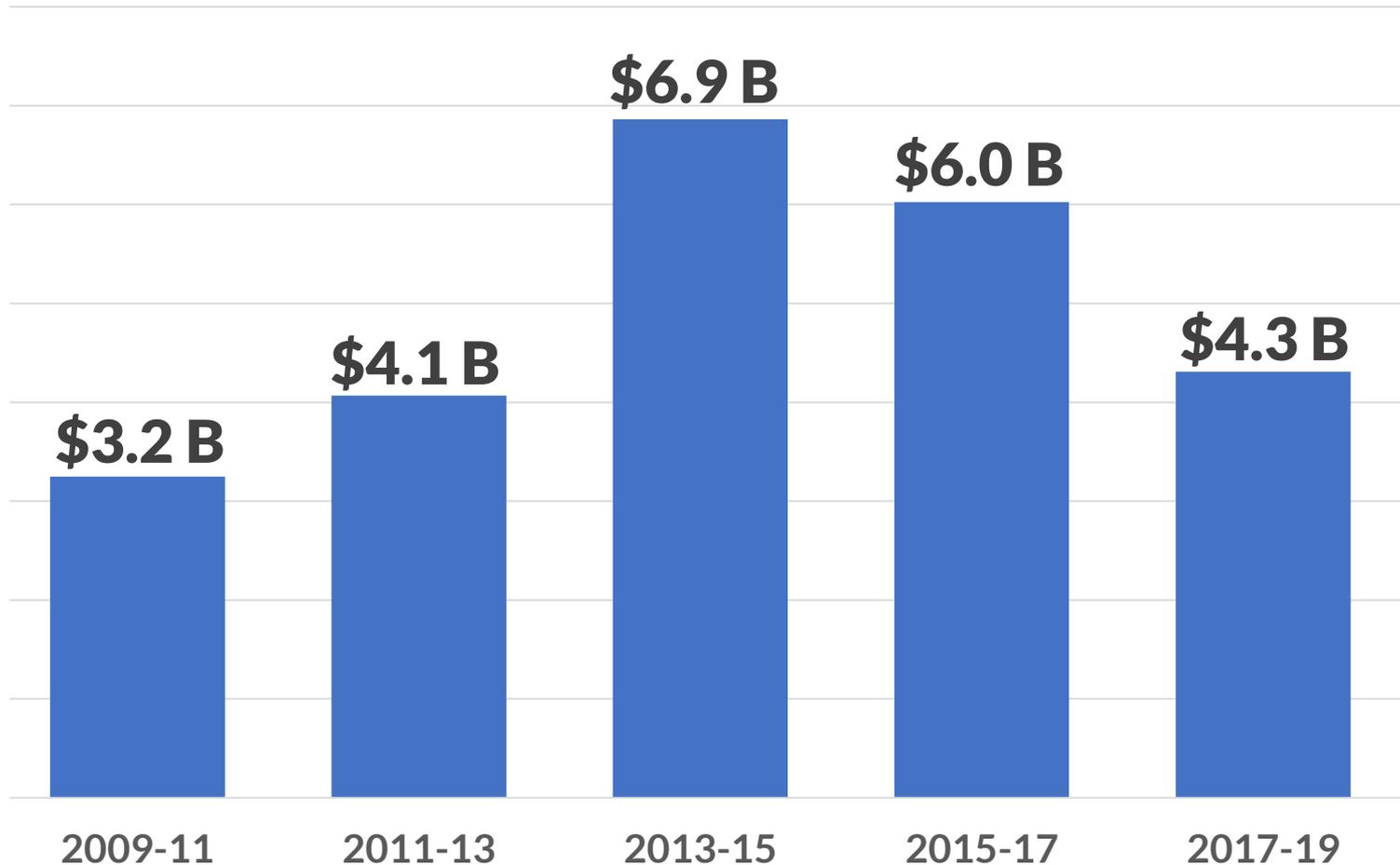
December 5, 2018

RETURNING TO POSITIVE GDP GROWTH

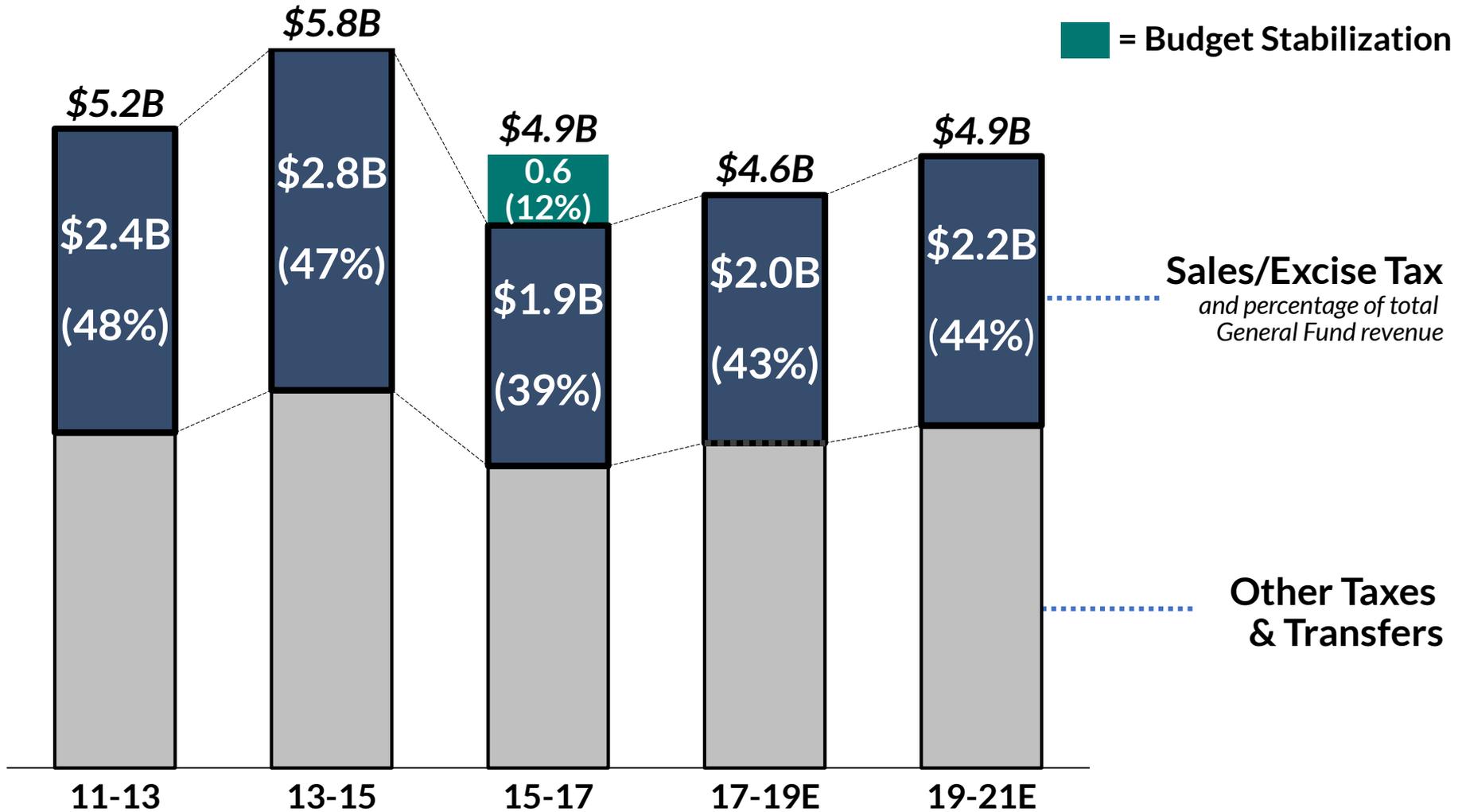


Gross Domestic Product Cumulative Growth (%) since 2005

GENERAL FUND APPROPRIATIONS REDUCED BY \$1.7 BILLION LAST BIENNIUM

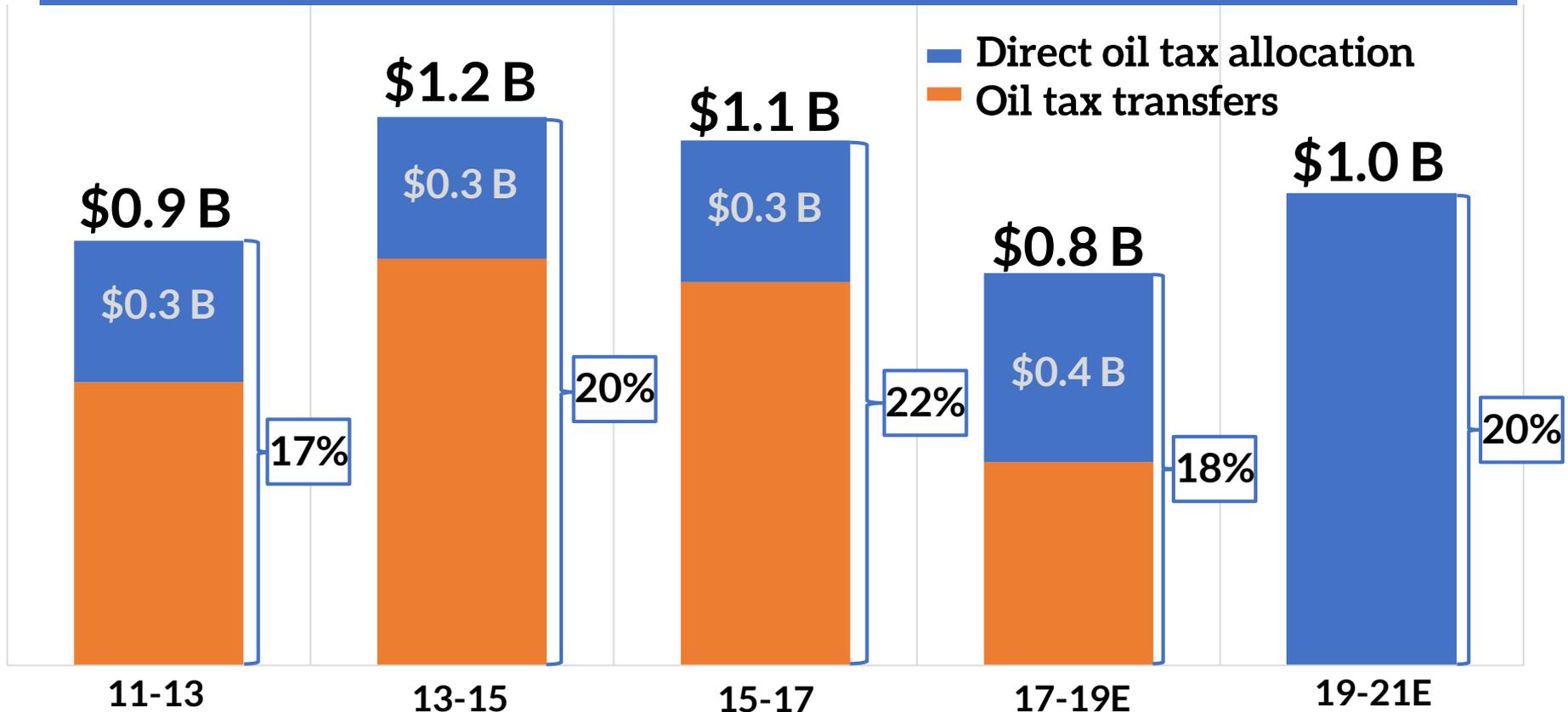


REVENUE VOLATILITY



**Variability of Sales/Excise Tax Revenue
in General Fund Revenue**

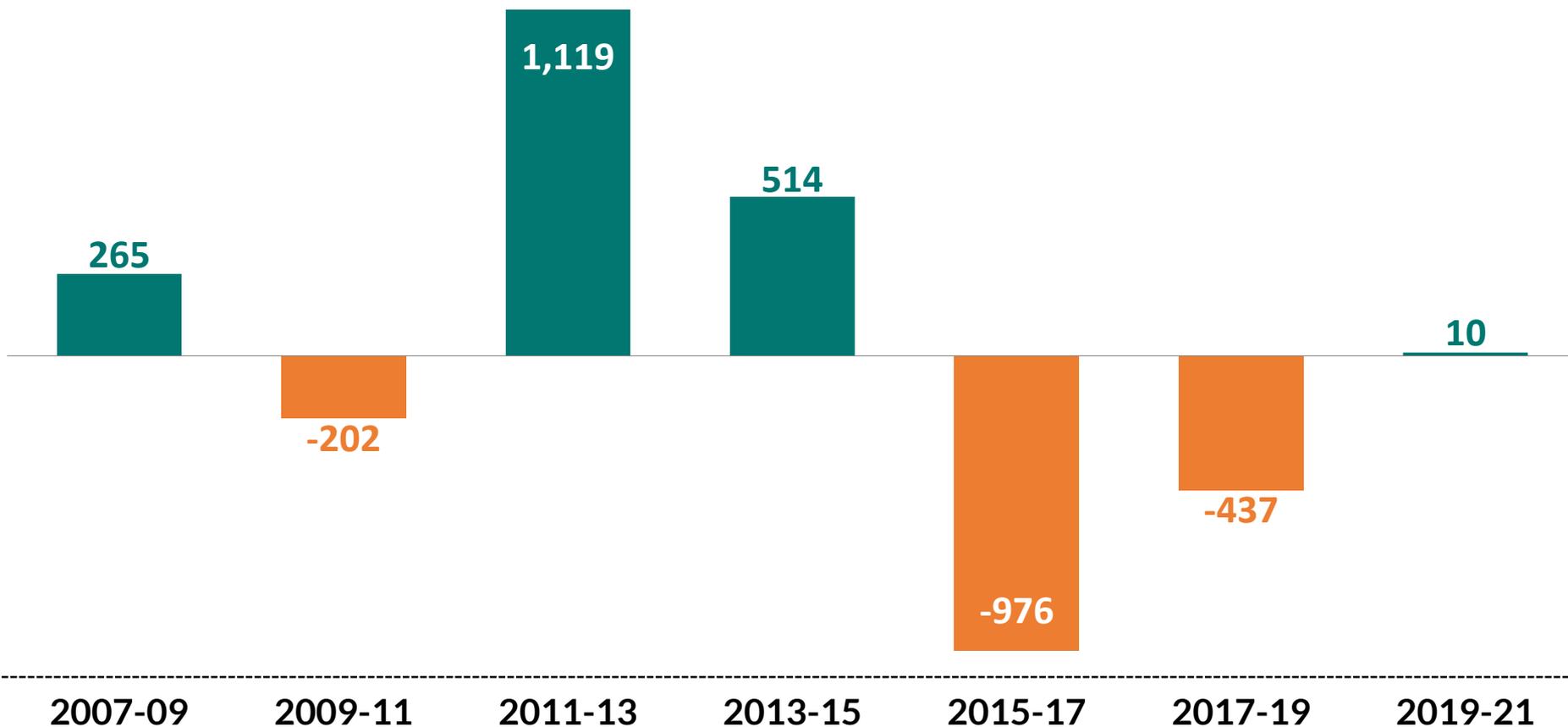
ADDING TRANSPARENCY TO GENERAL FUND OIL TAX REVENUES



Oil tax revenue and related transfers to the General Fund

percentages represent portion of overall General Fund revenue

BALANCING THE CHECKING ACCOUNT



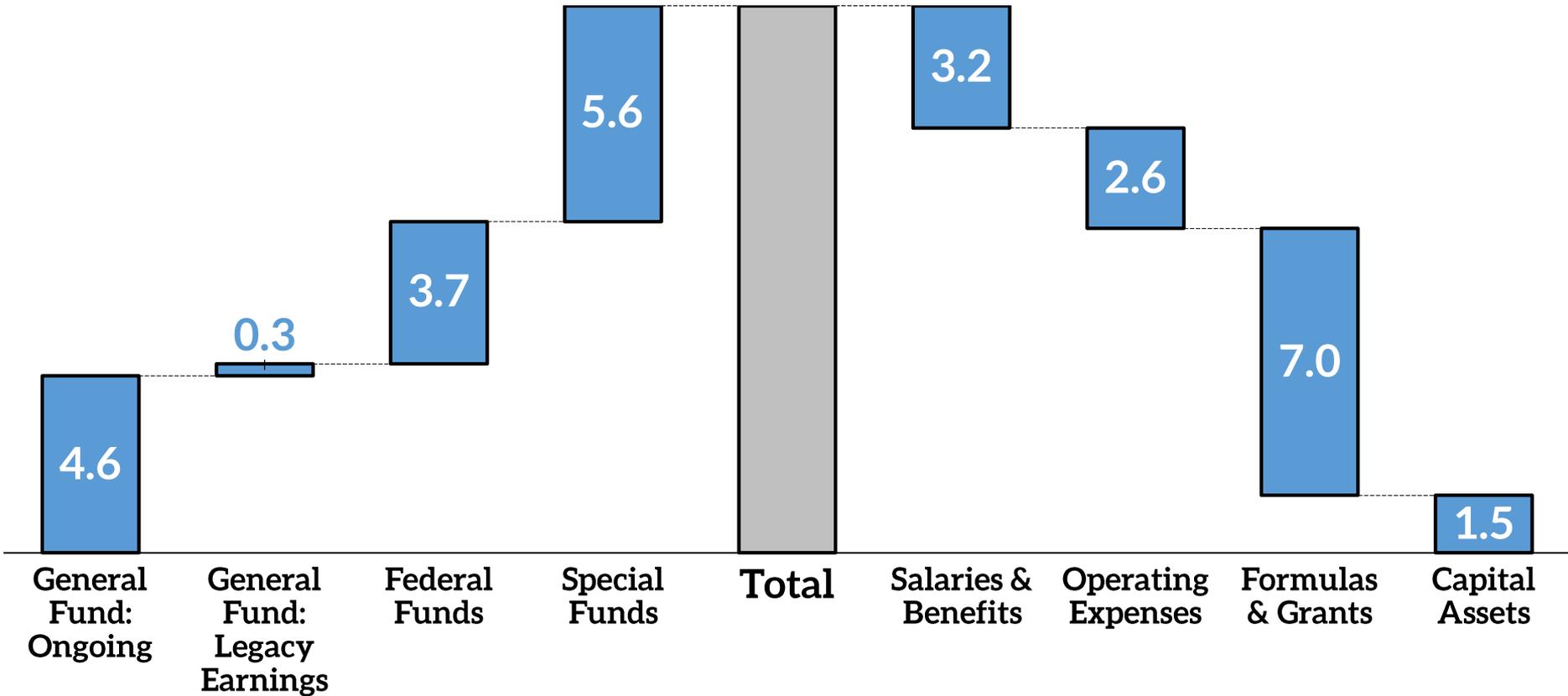
Ongoing Revenues Less Ongoing Expenses
(\$ Millions)

TOTAL 2019-21 EXECUTIVE BUDGET RECOMMENDATION

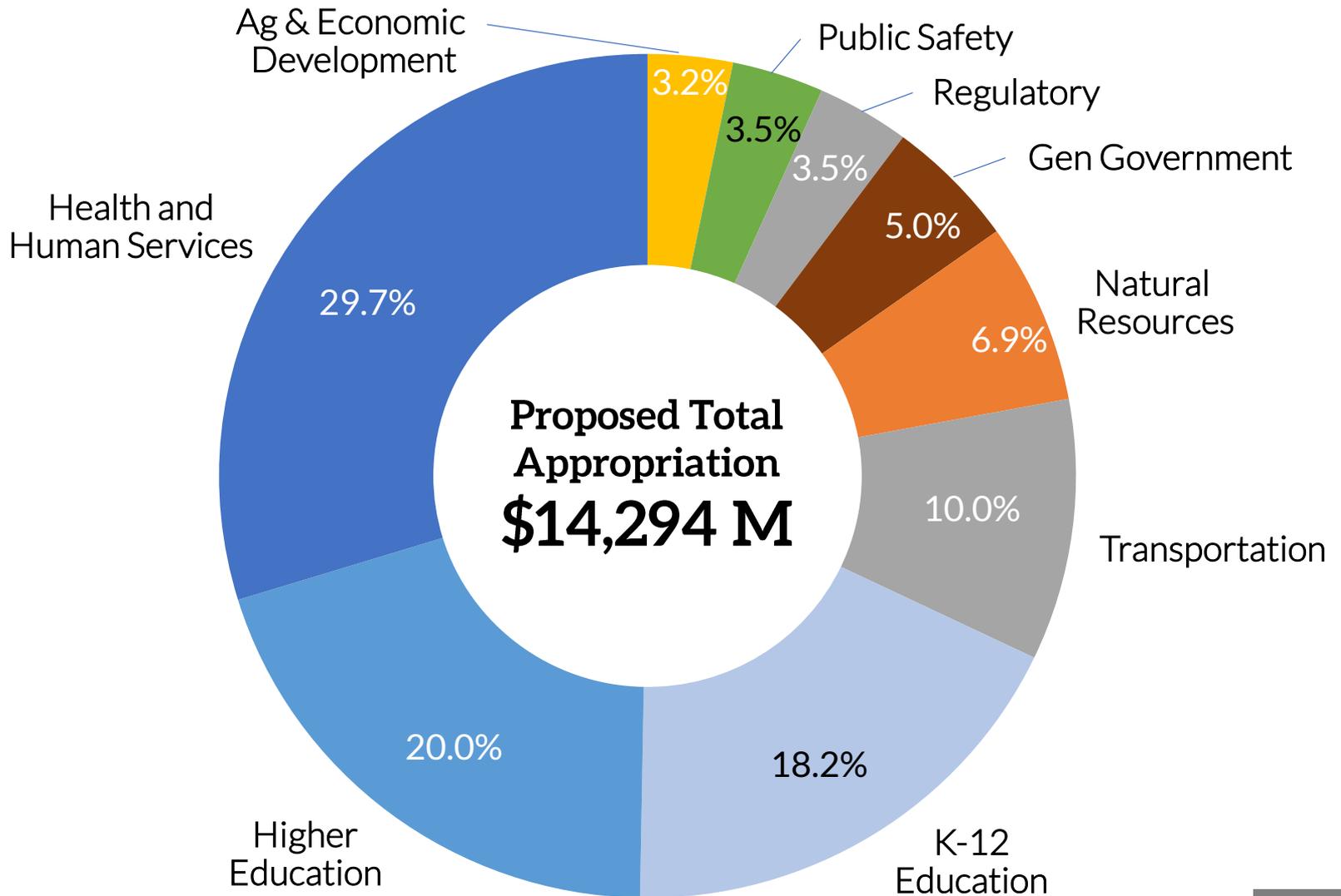
SOURCES OF FUNDING

\$14.3 B

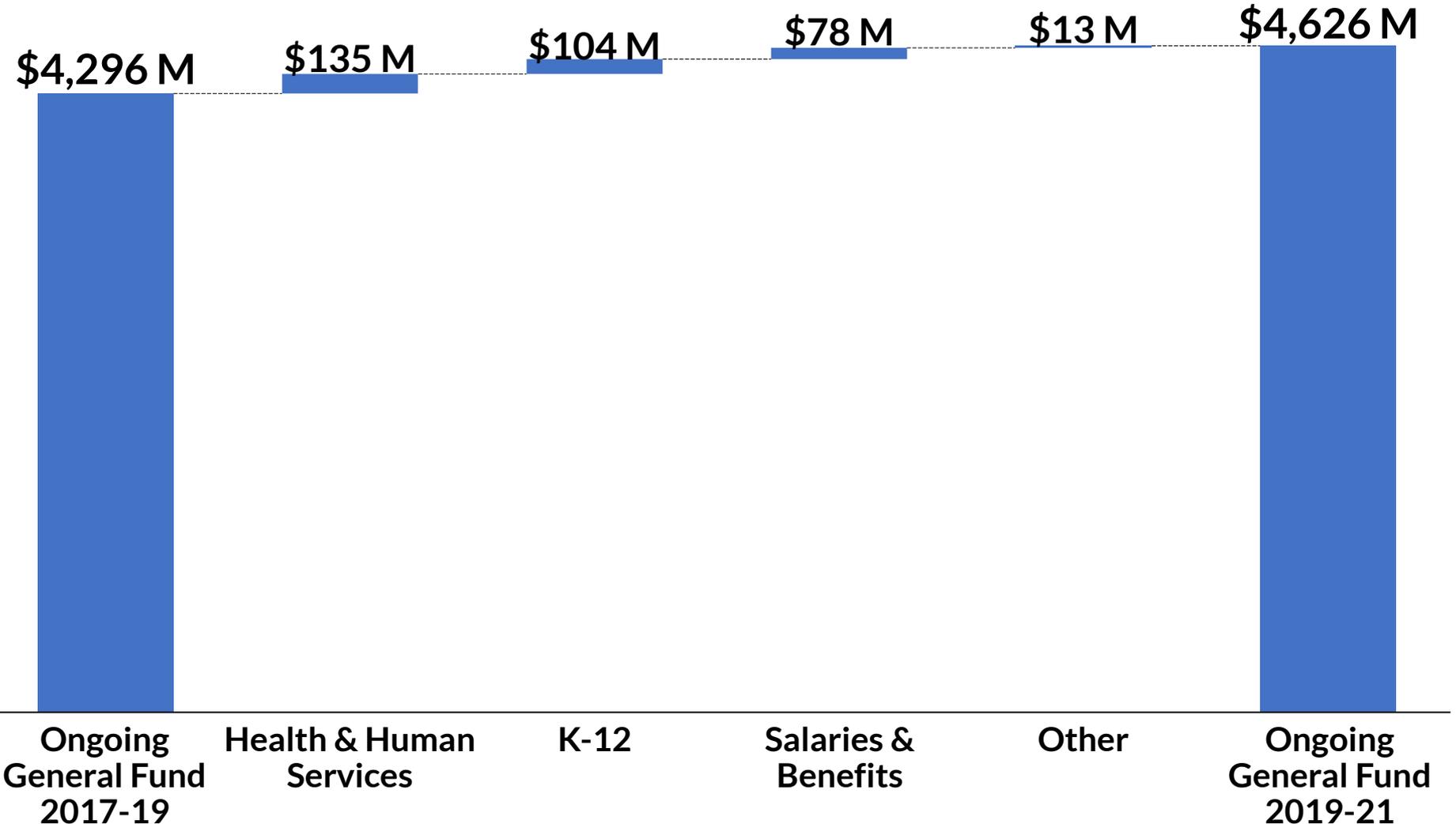
EXPENDITURES BY TYPE



TOTAL 2019-21 APPROPRIATIONS

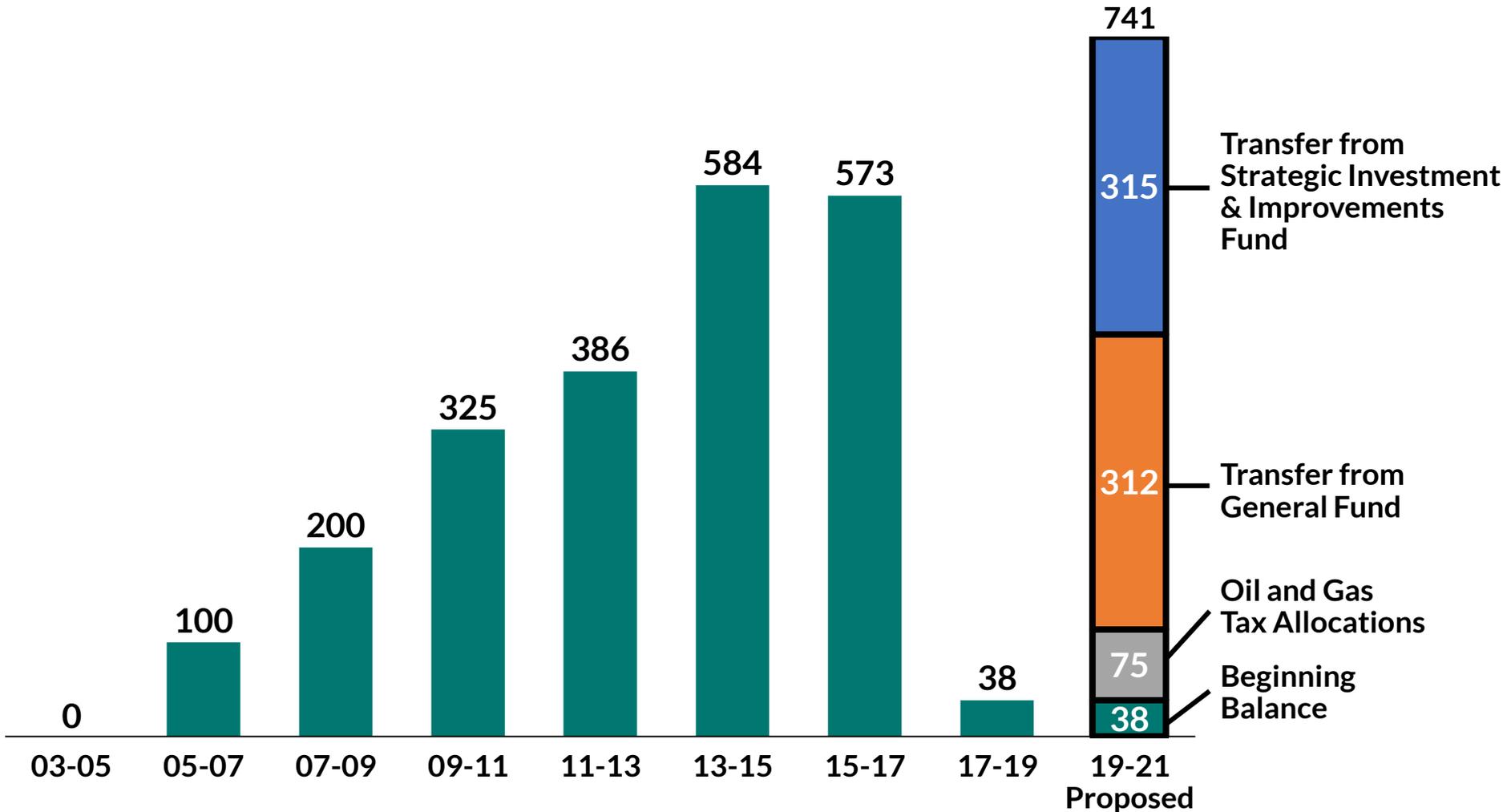


AREAS OF INCREASED ONGOING GENERAL FUND APPROPRIATION



2019-21 Changes in Ongoing General Fund spending

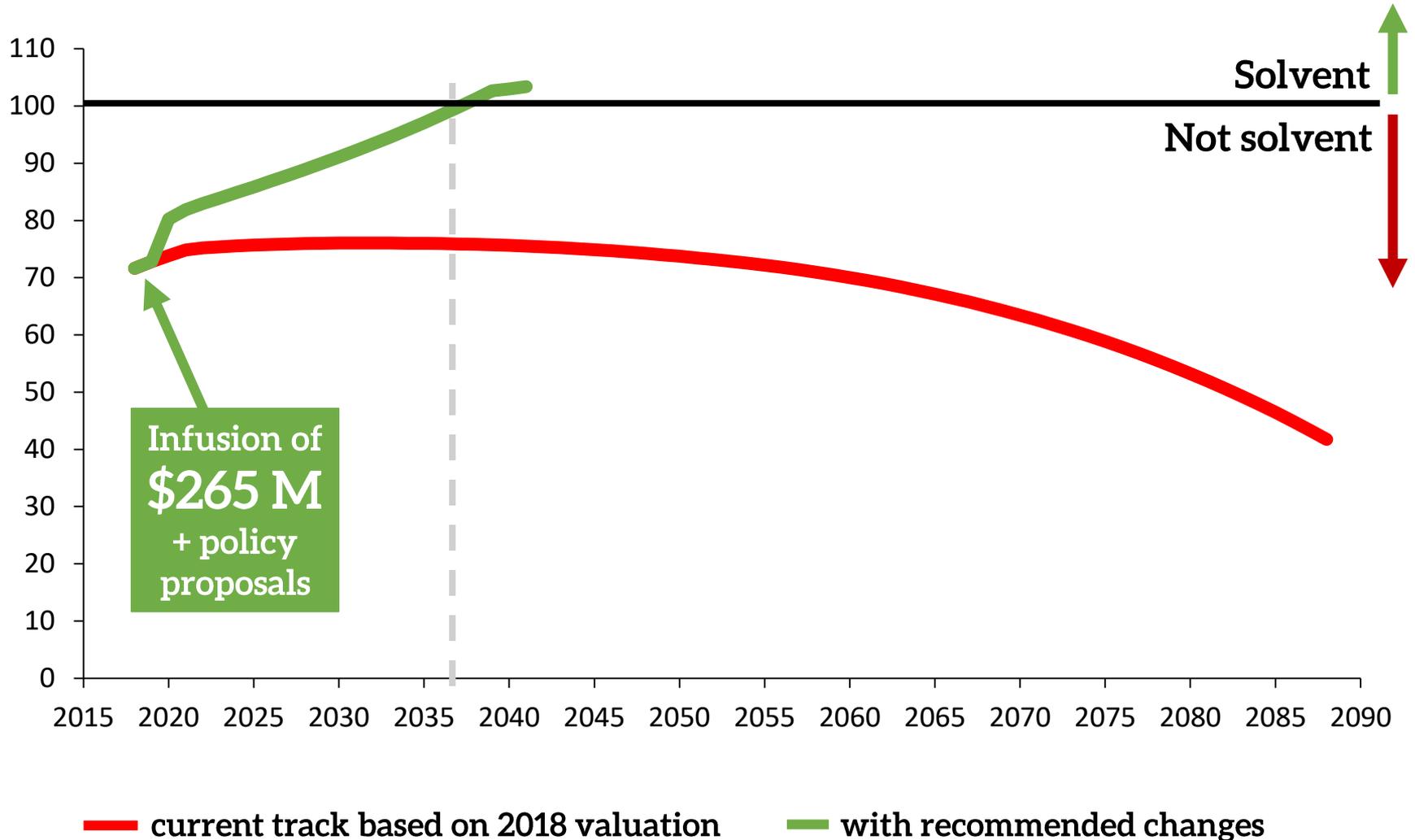
REPLENISHING RAINY DAY SAVINGS



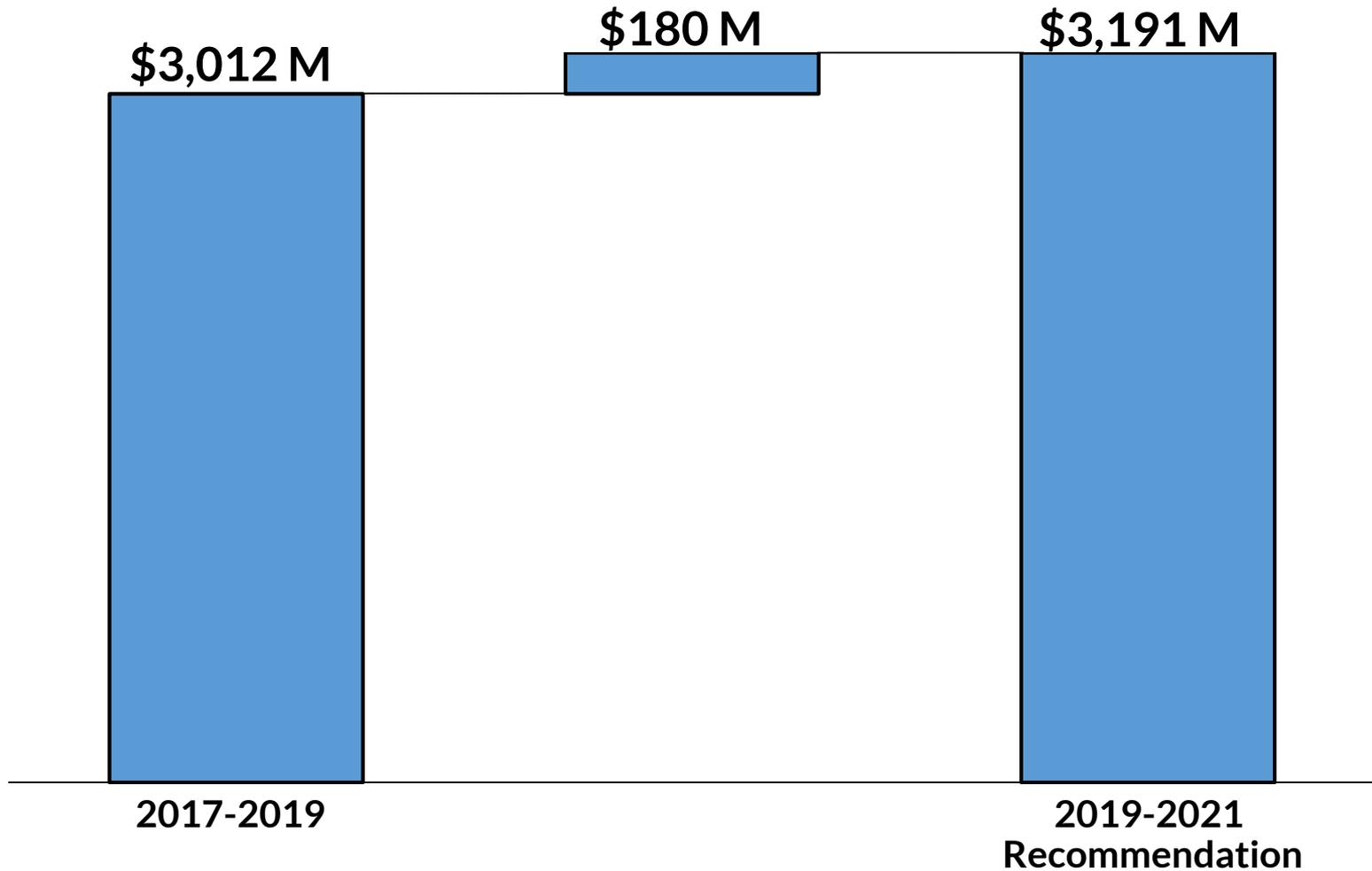
Budget Stabilization Fund

Balance at the beginning of the biennium (\$ millions)

\$1 BILLION IN UNFUNDED PENSION LIABILITIES DEMANDS ACTION

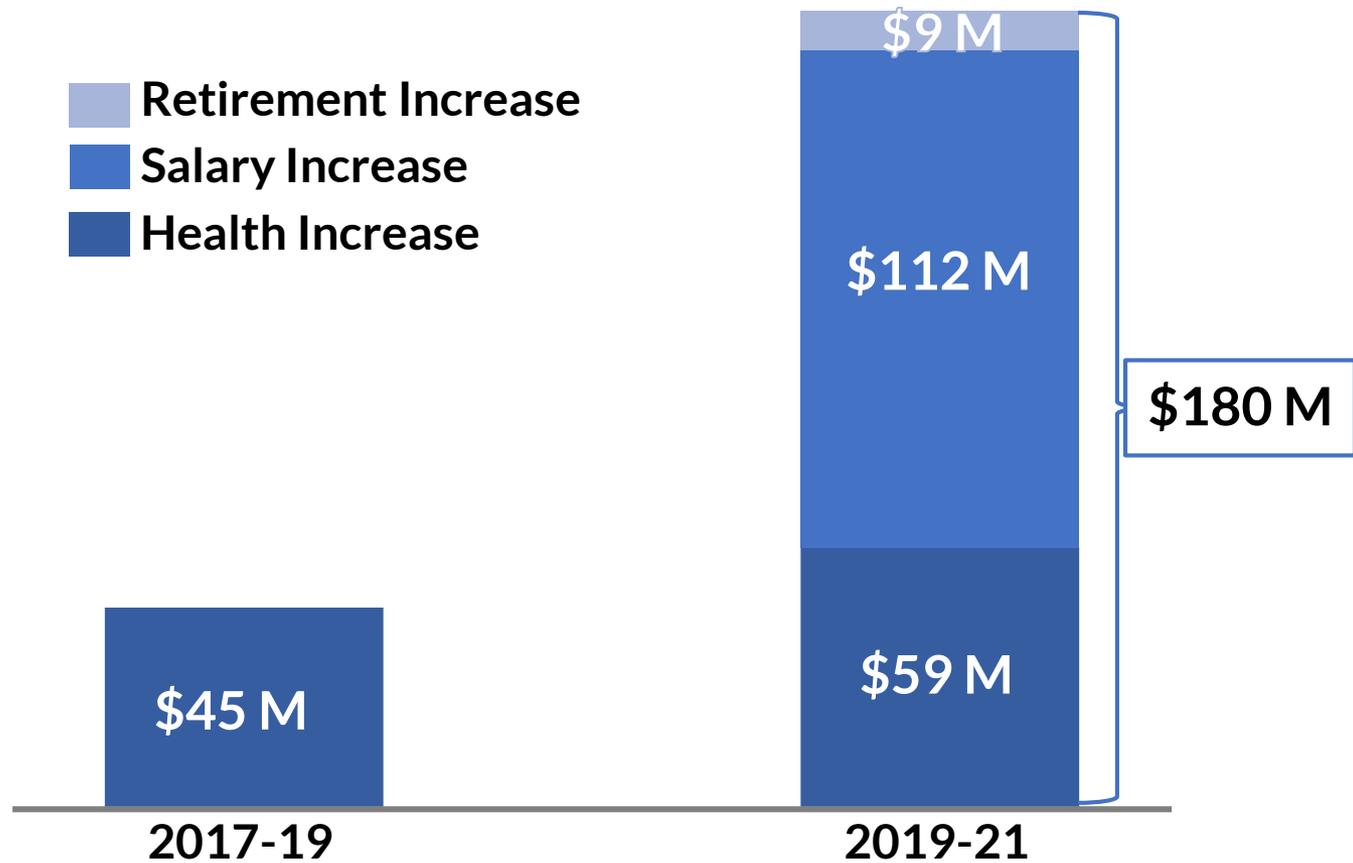


COMPENSATION GROWTH FOR TEAM ND



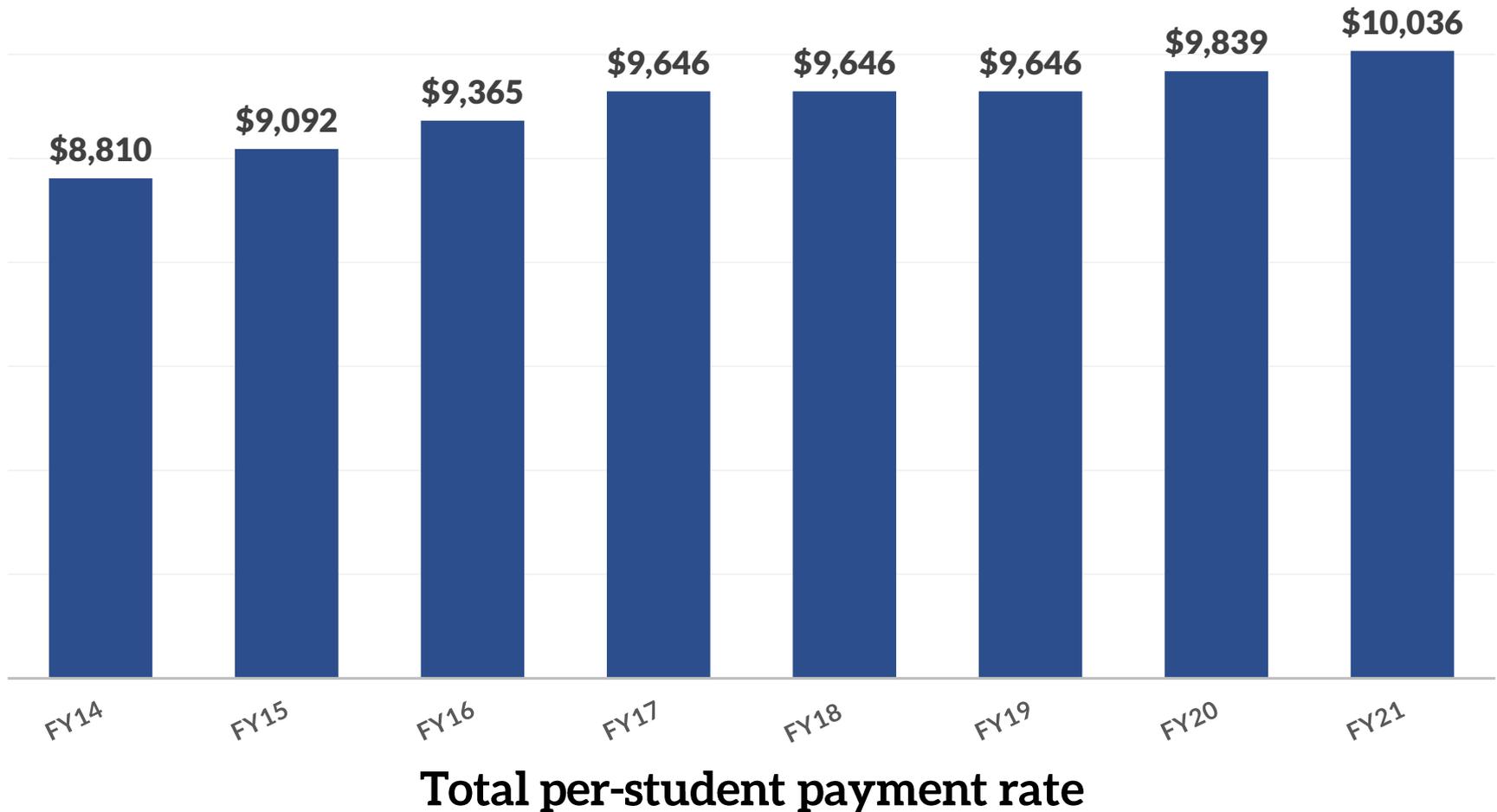
Salaries & Benefits for State Team Members

STATE TEAM MEMBER COMPENSATION

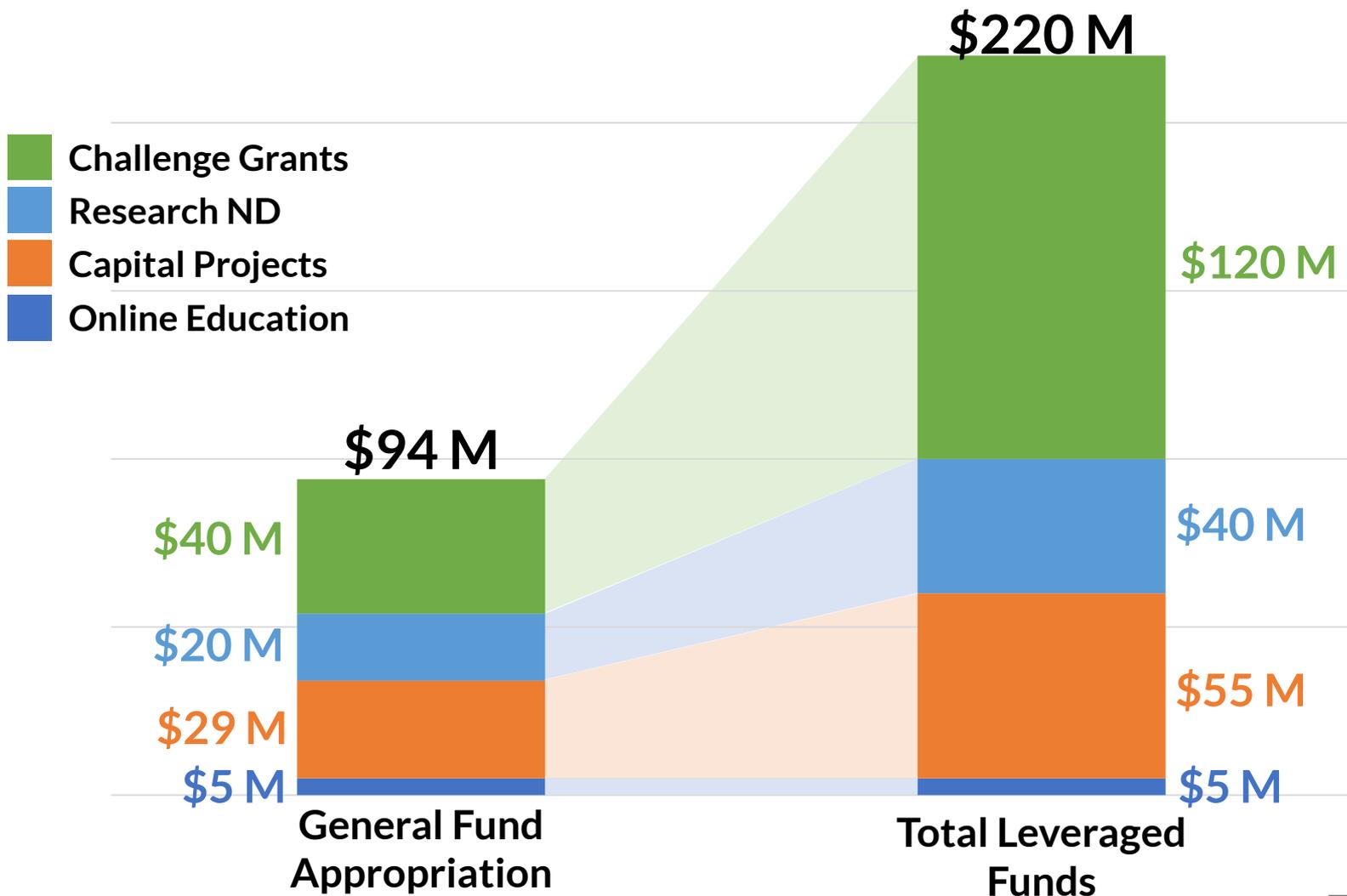


Compensation Increases

INCREASING INVESTMENT IN STUDENTS AND TEACHERS



AMPLIFY PUBLIC INVESTMENT WITH PRIVATE PARTNERSHIP



INVESTING IN BEHAVIORAL HEALTH

Behavioral Health Supports

Medicaid Community-Based Supports	\$2.6 M
Behavioral Health Crisis Services	\$4.3 M
Free Through Recovery Expansion	\$4.5 M
SUD Voucher Expansion	\$3.1 M
DOCR Treatment Increase	\$2.6 M
Other Investments	\$1.9 M
ADDITIONAL GENERAL FUND	\$19.1 M

INVESTING IN PRIORITY INFRASTRUCTURE

Infrastructure Projects

Roads	\$815 M
Water	\$464 M
Airports & UAS	\$25 M
Agency technology & systems	\$174 M
Housing Incentive Fund	\$20 M
International Peace Garden	\$5 M
TOTAL	\$1,503 M

LEGACY PROJECTS

Project	Investment	Leveraged
National Guard Camp Grafton Range Expansion	\$15 M	\$30 M
Higher Education Challenge Grants	\$40 M	\$120 M
Behavioral Health State Hospital and Clinic	\$35 M	\$35 M
Career Academy Incentives	\$30 M	\$60 M
Research ND	\$20 M	\$40 M
UAS Infrastructure Statewide Network	\$30 M	\$30 M +
Infrastructure Revolving Loan Fund	\$55 M	\$370 M
K-12 School Construction Loan Fund Expansion	\$25 M	\$165 M
Theodore Roosevelt Presidential Library	\$50 M	\$150 M
TOTAL	\$300 M	\$1,000 M +

**COMPARISON OF 2017-2019 LEGISLATIVE APPROPRIATION AND
2019-2021 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2019-2021

Category/Agency	2017-2019		2019-2021		2019-2021	
	Legislative Appropriation		Agency Budget Request		Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Executive Branch						
101 Office of the Governor	4,007,758	4,007,758	3,872,370	3,872,370	4,350,663	4,350,663
108 Secretary of State	5,808,732	9,046,887	5,227,859	7,737,284	5,654,824	20,887,865
110 Office of Management and Budget	31,220,260	42,454,347	27,616,489	36,107,163	33,884,743	51,861,188
112 Information Technology	20,532,334	245,099,322	18,479,100	167,503,767	24,682,752	305,057,059
117 Office of the State Auditor	9,498,608	12,910,095	8,548,747	11,854,068	9,820,758	13,740,511
120 Office of the State Treasurer	1,747,399	1,747,399	1,660,029	1,660,029	1,748,039	1,748,039
125 Office of the Attorney General	44,795,840	93,010,160	40,184,345	71,464,937	44,210,826	81,336,067
127 Office of State Tax Commissioner	51,264,499	51,389,499	48,564,068	48,689,068	54,443,793	54,568,793
140 Office of Administrative Hearings	0	2,918,634	0	2,772,702	0	2,850,420
188 Commission on Legal Counsel for Indigents	17,983,876	20,930,623	16,185,488	18,009,248	19,077,599	21,011,259
190 Retirement and Investment Office	0	5,340,054	0	4,806,047	0	5,981,230
192 Public Employees Retirement System	0	9,258,390	0	8,332,551	0	9,242,229
Total	186,859,306	498,113,168	170,338,495	382,809,234	197,873,997	572,635,323
Legislative and Judicial Branches						
150 Legislative Assembly	14,159,170	14,159,170	15,957,552	15,957,552	15,957,552	15,957,552
160 Legislative Council	11,891,138	11,961,138	12,513,175	12,583,175	13,039,003	13,109,003
180 Judicial Branch	102,257,770	105,579,609	105,205,714	107,293,662	109,236,476	111,419,158
Total	128,308,078	131,699,917	133,676,441	135,834,389	138,233,031	140,485,713
Elementary, Secondary & Other Education						
201 Department of Public Instruction	1,435,601,984	2,333,149,049	1,432,977,511	2,338,352,214	1,547,496,484	2,484,985,876
226 Department of Trust Lands	0	238,481,273	0	7,110,704	0	8,674,631
250 State Library	5,618,301	7,865,861	5,337,386	7,551,478	5,807,726	8,179,195
252 School for Deaf/Res Ctr for Deaf and HoH	7,488,526	10,686,970	6,739,674	9,069,784	7,367,258	10,068,066
253 ND Vision Services/School for the Blind	4,394,146	5,608,893	4,174,439	5,199,724	4,744,859	6,076,483
270 Career and Technical Education	29,556,283	41,649,949	28,372,368	42,494,740	70,630,514	82,775,887
Total	1,482,659,240	2,637,441,995	1,477,601,378	2,409,778,644	1,636,046,841	2,600,760,138
Higher Education						
215 ND University System	103,909,530	130,321,636	101,113,048	126,508,176	141,769,613	170,893,952
227 Bismarck State College	30,724,971	103,716,969	31,104,984	100,519,161	29,691,827	99,405,386
228 Lake Region State College	12,751,580	36,862,672	12,897,302	37,891,811	12,371,772	37,393,215
229 Williston State College	8,395,347	28,250,945	9,901,737	33,507,547	9,621,716	33,268,527
230 University of North Dakota	134,896,566	954,767,016	147,025,713	890,940,842	139,350,537	1,000,847,900
232 UND Medical Center	57,811,281	211,889,901	65,518,637	225,585,023	62,733,749	222,483,782
235 North Dakota State University	129,126,235	818,512,564	133,335,881	750,934,309	127,242,425	878,943,164
238 ND State College of Science	35,241,463	92,847,076	36,525,241	96,459,490	34,923,120	125,198,517

**COMPARISON OF 2017-2019 LEGISLATIVE APPROPRIATION AND
2019-2021 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2019-2021

Category/Agency	2017-2019		2019-2021		2019-2021	
	Legislative Appropriation		Agency Budget Request		Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
239 Dickinson State University	26,091,469	55,829,296	18,465,369	48,696,282	18,338,442	48,979,929
240 Mayville State University	14,306,518	44,613,666	16,246,441	47,454,245	15,702,282	47,349,342
241 Minot State University	39,916,756	104,259,672	39,721,167	103,023,634	38,146,932	101,810,192
242 Valley City State University	20,516,098	71,486,755	21,009,824	46,948,443	20,223,150	50,115,236
243 Dakota College at Bottineau	7,682,539	17,311,712	7,728,117	21,402,787	7,397,888	23,668,009
244 ND Forest Service	4,426,427	15,077,175	4,609,258	15,336,026	4,472,649	15,138,049
Total	625,796,780	2,685,747,055	645,202,719	2,545,207,776	661,986,102	2,855,495,200

Health and Human Services

301 ND Department of Health	43,474,460	201,494,418	41,399,120	152,930,043	37,195,042	159,829,866
303 Department of Environmental Quality	0	0	9,323,977	47,623,390	12,092,093	57,973,196
313 Veterans Home	5,951,439	24,692,032	5,356,295	22,136,709	6,550,312	24,667,877
316 Indian Affairs Commission	1,112,111	1,112,111	1,056,505	1,056,505	1,110,151	1,110,151
321 Department of Veterans Affairs	1,155,162	3,246,733	1,079,734	2,154,043	1,412,755	2,500,879
325 Department of Human Services	1,339,231,350	3,913,112,132	1,435,360,167	3,619,652,973	1,521,570,487	3,930,965,941
360 Protection and Advocacy	2,958,999	6,447,600	2,811,049	6,503,057	3,360,799	7,397,075
380 Job Service North Dakota	545,793	55,444,949	423,503	63,955,111	431,263	66,828,119
Total	1,394,429,314	4,205,549,975	1,496,810,350	3,916,011,831	1,583,722,902	4,251,273,104

Regulatory

401 Office of the Insurance Commissioner	0	25,793,430	0	22,833,560	0	25,587,964
405 Industrial Commission	25,408,987	47,702,193	22,868,089	35,414,841	27,240,220	45,255,167
406 Department of Labor and Human Rights	2,303,986	2,743,902	2,188,787	2,669,468	2,659,622	2,899,749
408 Public Service Commission	6,630,762	19,051,778	5,967,686	17,713,435	6,734,836	19,250,001
412 Aeronautics Commission	900,000	10,885,412	855,000	9,612,488	855,000	31,707,524
413 Department of Financial Institutions	0	8,409,912	0	7,568,921	0	8,978,343
414 Securities Department	2,184,714	2,354,714	2,075,478	2,236,978	2,555,343	2,725,343
471 Bank of North Dakota	0	59,299,204	0	53,369,236	80,000,000	144,825,329
473 ND Housing Finance Agency	0	44,530,239	0	44,856,297	0	67,528,525
475 ND Mill and Elevator Association	0	68,213,519	0	61,392,167	0	77,226,931
485 Workforce Safety and Insurance	0	72,481,659	0	57,125,755	0	69,357,551
Total	37,428,449	361,465,962	33,955,040	314,793,146	120,045,021	495,342,427

Public Safety

504 Highway Patrol	42,527,428	60,866,706	38,274,685	52,175,550	44,716,838	61,260,353
530 Department of Corrections and Rehabilitation	214,336,704	253,600,864	193,250,209	233,438,278	233,998,059	280,334,655
540 Office of the Adjutant General	25,886,422	224,354,902	23,297,780	135,994,046	42,638,487	158,720,355
Total	282,750,554	538,822,472	254,822,674	421,607,874	321,353,384	500,315,363

**COMPARISON OF 2017-2019 LEGISLATIVE APPROPRIATION AND
2019-2021 AGENCY BUDGET REQUEST AND EXECUTIVE RECOMMENDATION**

Biennium: 2019-2021

Category/Agency	2017-2019		2019-2021		2019-2021	
	Legislative Appropriation		Agency Budget Request		Executive Recommendation	
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds
Agriculture and Economic Development						
601 Department of Commerce	31,342,680	100,228,338	27,308,411	81,964,237	136,120,548	200,568,196
602 Department of Agriculture	9,109,101	31,316,777	8,198,191	28,024,980	8,968,496	29,544,517
627 Upper Great Plains Transportation Institute	3,543,174	22,360,242	3,271,015	21,274,198	3,464,200	22,421,422
628 Branch Research Centers	17,155,257	38,936,948	15,431,606	33,685,127	16,795,558	37,602,800
630 NDSU Extension Service	25,648,320	52,295,009	23,069,988	47,052,008	26,328,788	54,215,772
638 Northern Crops Institute	1,886,891	3,642,721	1,792,546	3,460,585	1,905,767	3,803,620
640 NDSU Main Research Center	49,557,415	108,642,243	44,536,582	97,624,012	48,978,409	107,032,049
649 Agronomy Seed Farm	0	1,536,129	0	1,459,323	0	1,571,648
665 ND State Fair	515,665	515,665	489,882	489,882	570,000	570,000
670 ND Horse Racing Commission	379,621	542,178	360,640	515,069	403,842	570,209
Total	139,138,124	360,016,250	124,458,861	315,549,421	243,535,608	457,900,233
Natural Resources						
701 Historical Society	16,673,644	20,829,439	14,650,833	17,792,478	17,850,381	21,605,867
709 Council on the Arts	1,564,876	3,351,798	1,486,632	3,225,554	1,610,978	3,349,901
720 Game and Fish Department	0	83,976,222	0	74,906,547	0	84,226,170
750 Parks and Recreation Department	14,654,276	33,693,856	13,182,081	31,543,198	14,468,648	43,164,162
770 Water Commission	0	722,173,475	0	691,879,301	0	836,198,186
Total	32,892,796	864,024,790	29,319,546	819,347,078	33,930,007	988,544,286
Transportation						
801 Department of Transportation	0	1,270,504,868	0	1,274,884,013	0	1,431,071,206
Total	0	1,270,504,868	0	1,274,884,013	0	1,431,071,206
Total All Categories	4,310,262,641	13,553,386,452	4,366,185,504	12,535,823,406	4,936,726,893	14,293,822,993

Introduction

The budget for the State of North Dakota's general governmental operations is prepared on a modified accrual basis. Revenues are recorded when available and measurable, and expenditures are recorded when the services or goods are received and the related liabilities are incurred.

The Governor's message, statewide information, and budget detail have been consolidated in this single document. Additional detail for each agency request and recommendation, by reporting level and account code, is available online. Budget documents can be found on the Office of Management and Budget's web site at <https://www.nd.gov/omb/agency/financial/state-budget>.

How to Use the Executive Budget Document

The information in this document begins with the Governor's message. This message includes an overview of his philosophies and policies used to prepare the executive budget recommendations. The statewide information includes the following divisions:

- State Financial Structure
- Financial Summary
- General Fund Status
- Special Funds Status
- Authorized FTE
- Compensation
- Leases
- Capital Assets
- Technology

The budget detail is organized numerically, with like agencies grouped together into major categories. The numbering of the budgets follows these categories:

- 100s General Government
- 200s Education
- 300s Health and Human Services
- 400s Regulatory
- 500s Public Safety
- 600s Agriculture, Economic Development, Extension and Research
- 700s Natural Resources
- 800s Transportation

Following the sections containing each agency's budget, are schedules of optional requests, requested and recommended federal and special funding sources, a glossary, and a list of analysts assigned to each agency from the Office of Management and Budget (OMB) and Legislative Council. The optional adjustment requests are requests for additional funding or positions, prepared by agencies whose base budget request was restricted pursuant to the Governor's 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)

The approved state budget document is published at the conclusion of the legislative session and reflects changes made by the legislature to the Governor's proposed executive budget.

Budget Process

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

At the beginning of each even-numbered year (2018), the Office of Management and Budget's Fiscal Management Division releases instructions and guidelines for state agencies to use in preparing budget requests for the upcoming biennium (July 1, 2019 – June 30, 2021).

After budget instructions are provided to agencies, OMB budget staff visit their assigned agencies. This provides an opportunity for the budget staff to learn about the agency's programs, functions, and budgetary needs. It is also an opportunity for agencies to ask questions or clarify how budget requests should be presented.

In April, preliminary information on buildings and infrastructure is due from agencies. This information is entered into the building and infrastructure formulas, then recalculated and returned to the agencies to use in budget preparation.

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

From July to October, budget meetings are held on agency budget requests. After the budget meeting, the budget analyst completes the recommendation for each agency. This is done in discussion with the director of the Office of Management and Budget and the Governor and his policy advisors.

In November, the executive revenue forecast is completed and recommendations are finalized. Documentation and publications are prepared and printed.

During the first week of December, the Governor presents the budget recommendations to the legislature. Following the Governor, Fiscal Management

staff present budget details for each agency and review with legislators how to use the budget publications and budget computer system.

In January of each odd-numbered year (2019), the legislature convenes for a maximum of 80 days. During this time, hearings on all appropriation requests are held by the legislative appropriation committees. Prior to adjourning, the legislature passes, and the Governor signs, the appropriation measures for the state of North Dakota.

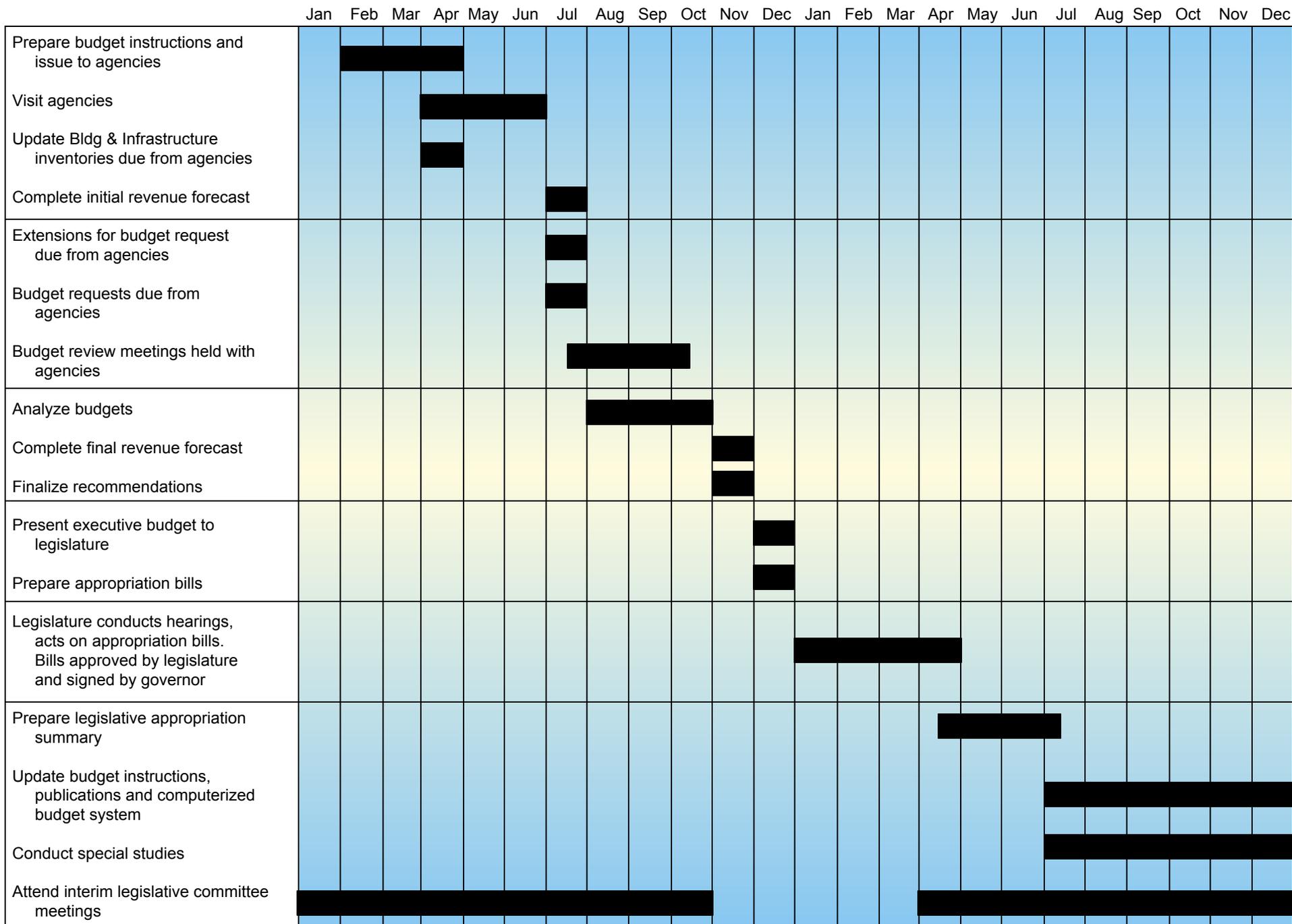
Following the legislative session, the Fiscal Management staff prepares and distributes a publication summarizing the state budget for the upcoming biennium.

Amending the Budget

Once passed, the budget can be amended in one of four ways:

1. The legislature can be called into special session to adopt amendments to the budget.
2. If estimated revenues in a specific fund are insufficient to meet all legislative appropriations from the fund, the Governor can cut budgets of the departments that receive monies from that fund on a uniform percentage basis.
3. The Emergency Commission is authorized by statute to allow agencies to accept additional federal and special funds not anticipated during the budget process, and transfer funds between appropriated line items.
4. The legislature can include provisions in statute to modify appropriations should certain circumstances exist.

Budget Process Timeline



Budgetary Policies

Purpose of Budgetary Policies

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

Financial Planning Policies

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

- **Budget stabilization fund** – Pursuant to North Dakota Century Code (NDCC) Section 54-27.2-01, the budget stabilization fund is to maintain a balance of no more than 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, considered as a one-time revenue source, is available to fund one-time expenditures of the next budget period.

Revenue Policies

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

2. Revenue Forecasting Process

- a. **Timeline** – Forecasts for the general fund and oil and gas tax revenues will be prepared as determined necessary by the Governor and the Office of Management and Budget, or as requested by the legislative branch. At a minimum, forecasts will be prepared three times per biennium, in July/August and October/November of each even numbered year and in February/March of odd numbered years.
 - b. **General Fund** – The Office of Management and Budget, in cooperation with the state Tax Department, the Advisory Council on Revenue Forecasting and a contracted economic forecasting firm, will develop a general fund revenue forecast. The forecast will provide an updated forecast for the remainder of the current biennial budget period and 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.

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

Budget Development Policies

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

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

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

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

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

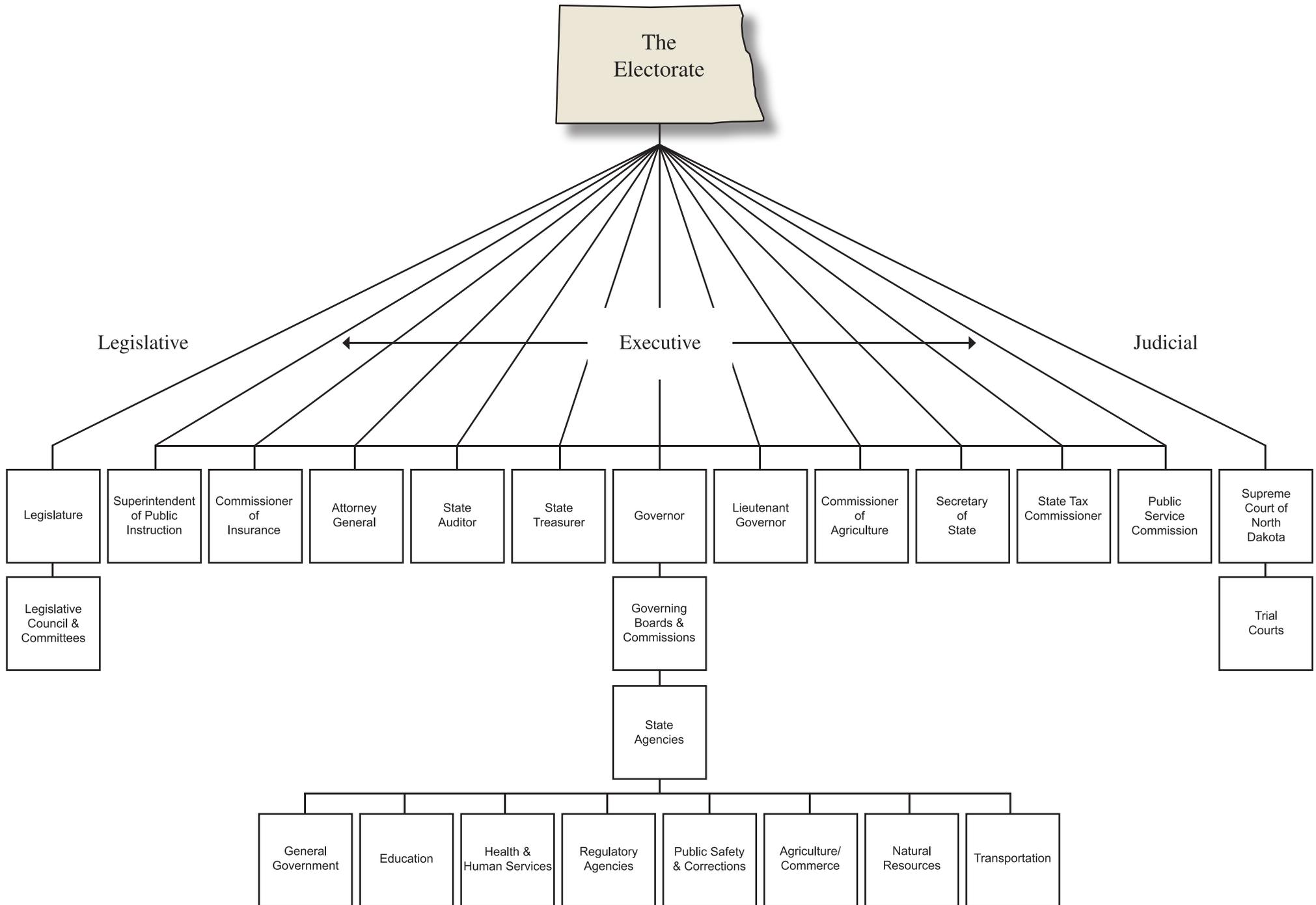
Capital Budgeting Policies

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

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

7. **Use of Debt Financing** – The use of debt financing will be considered by the Office of Management and Budget when beneficial to the state to spread the payment for a capital project over the useful life of the facility, when the facility will generate revenues that can be dedicated to repayment of debt incurred to construct the facility, or when necessary to balance current revenues and current obligations of the state.
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 Formula** – The Office of Management and Budget will use a building and infrastructure renewal formula to calculate an estimate of the amount that should be spent to adequately maintain buildings and infrastructure. The building formula, applied to only those buildings that will be five years old or older at the mid-year of the biennium, is: *building replacement value x 2%*. The infrastructure formula is: *infrastructure renewal % x replacement value*. The infrastructure renewal percentage is the straight line depreciation percentage over the item's estimated useful life.
14. **Extraordinary Repairs as Pool** – The building and infrastructure renewal formula is not meant to reflect actual repair needs, but is used to generate a pool of dollars that can be used to address planned extraordinary repairs and unplanned emergency repairs as they arise during the biennium.
15. **Facility and Infrastructure Inventory** – The Office of Management and Budget will maintain an inventory of all state facilities and infrastructure, which will be used in calculating extraordinary repairs formula amounts for use in the executive budget process.

STATE OF NORTH DAKOTA ORGANIZATIONAL CHART



Demographics

North Dakota's current population is approximately 757,000 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 2004, with an estimated population of about 645,000 residents. Since then, North Dakota's population has grown every year, with a total increase of more than 110,000 residents.

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

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

North Dakotans enjoy a high quality of life. Infant mortality rates are low 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. 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 2015, per capita personal income was \$55,950, which is higher than the national per capita income.

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 2017 was about \$52.50 billion. At the same time, Texas had a state GDP of about \$1.600 trillion. The mining and oil extraction category contributed about 10.0 percent to the state GDP in North Dakota. In Texas, that percentage was about 7.0 percent.

Oil prices have rebounded significantly from the 2016 lows when North Dakota producers were receiving prices below \$25 per barrel. The transportation discount

for North Dakota crude has been reduced due to added pipeline capacity. The result is North Dakota producers have seen significant price increases, from an average of around \$40 per barrel at the start of the 2017-19 biennium to near \$70 per barrel during the spring and summer of 2018. Although prices have edged down in recent weeks, the long-term outlook remains strong for oil globally as well as here in North Dakota. North Dakota transportation discounts are expected to increase over the next biennium as pipelines reach capacity.

A significant constraint for the growth of the oil industry in North Dakota is the tight labor market. Unemployment is low in North Dakota, but also low in surrounding states and across the country. Thousands of jobs remain unfilled in North Dakota and it is difficult to recruit workers to move to North Dakota as they can find a job almost anywhere based on the current state of the national economic expansion.

The North Dakota agricultural industry contributed about \$2.90 billion to the state GDP in 2017 and remains a critically important component of the state's economy. The agricultural economy faces challenges in terms of low commodity prices and high input costs. Raising interest rates and ongoing trade disruptions add to the uncertainty facing the industry in the near term.

Fiscal Policies

The basis for the operating policies of the State of North Dakota are the North Dakota Century Code and Constitution. The Office of Management and Budget publishes its Fiscal and Administrative Policies as a guide for state agencies and institutions in order to achieve basic uniformity in the application of appropriation expenditures and management principles.

The Fiscal and Administrative Policies manual contains detailed procedures regarding:

- Payroll and miscellaneous fiscal policies
- Expenditure and revenue policies
- Purchasing policies
- Travel policies
- Fixed assets policies

The policy manual is available at <https://www.nd.gov/omb/agency/financial/fiscal-policies>.

Financial Organization

The budget is a financial planning document. It is organized according to the State of North Dakota's organizational, accounting and coding structures. Revenues are organized by type and source. Expenditures are organized by agency (business unit), account codes, classifications and positions.

Fund Structure

A fund is an accounting entity with assets, liabilities, equities, revenues, and expenditures, held separately in the budget for specific activities or to accomplish defined objectives. Most funds must be legislatively appropriated in order to be utilized by agencies, while certain funds are authorized on an ongoing basis.

Appropriated Funds

The State of North Dakota's appropriated funds are arranged by the fund's source of revenue and fall into three main categories: general, special, and federal.

The state's *General Fund* provides for basic governmental services and receives funding from general tax dollars, such as income, sales and oil and gas production.

Special funds are dedicated funds usually earmarked for specific purposes. Certain special funds can be accessed by multiple state agencies, while others are available to only one agency. More than 200 special funds exist throughout state government.

Federal funds are used to account for the funding received from the federal government in the annual appropriation process.

The Financial Summary section contains an analysis of projections of how each fund will be impacted during the upcoming biennium. Presentation of special fund status statements is limited to the special funds with the largest statewide impact. The "Federal/Special Funds" section of this publication describes in detail all the special funds expected to be received in the 2019-21 biennium. A summary, by state agency and institution, of each fund for which the legislature has provided special fund appropriation authority is available at <https://www.nd.gov/omb/agency/financial/state-budget>.

Non-Appropriated Funds (Continuing Appropriations)

Continuing appropriations are legislatively-authorized funds within which revenues received can be expended for the purposes defined by statute on an ongoing basis. These funds are separate from the normal state budgeting and appropriation process and are not included within the executive budget. A summary, by state agency and institution, of each fund for which the legislature has provided continuing appropriation authority is available at <https://www.nd.gov/omb/agency/financial/state-budget>.

General Fund Revenues and Economic Outlook

2017-19

Original Legislative Revenue Forecast

The 2017-19 biennium began with a General Fund balance of \$65.0 million, after a \$32.2 million transfer to the Budget Stabilization Fund. The legislative revenue forecast provided for General Fund revenues of \$4.33 billion; the original biennial General Fund appropriation was \$4.31 billion, including \$14.6 million in one-time appropriations.

Revised Forecast

The November 2018 executive revenue forecast revises the original forecast for the 2017-19 biennium based on actual collections through October 2018 and new economic assumptions for the remainder of the biennium. The November 2018 executive forecast anticipates 2017-19 biennium revenues of \$4.62 billion, an increase of \$692.1 million. Based on the executive revenue forecast and authorized appropriation levels, the projected June 30, 2017 ending balance is \$377.2 million, before any transfers to the Budget Stabilization Fund.

Estimated Oil Prices and Production

The first year of the 2017-19 biennium saw North Dakota oil prices increase from \$39.39 per barrel in June 2017 to \$67.76 in July 2018 before dropping below \$65.00 in August and September. Oversupply of oil, lower global demand and deep discounting of North Dakota oil are expected to result in prices continuing to drop, ending the biennium at \$50.00 per barrel. At the same time, production has continued to increase throughout the biennium from 1.04 million barrels per day in July 2017 to a new all-time high of 1.33 million barrels per day in September 2018.

Oil extraction and gross production tax collections are projected to total \$4.53 billion during the 2017-19 biennium, allocated as reflected on the table at the end of this section.

2019-21

Executive Revenue Forecast

Comparing the 2019-21 biennium executive forecast to the 2017-19 November revised forecast:

- Sales and use tax collections are expected to grow by \$161.7 million, a growth rate of 0.5 percent in FY 2020 and 4.6 percent in FY 2021, reflecting a positive outlook for personal income and consumer spending in North Dakota.
- Motor vehicle excise tax collections are expected to increase by \$10.3 million, which is a growth rate of 0.3 percent and 2.3 percent in FY 2020 and FY 2021, respectively.
- Individual income tax collections are expected to increase by \$46.4 million, or 6.0 percent, even after the effect of the Governor's proposed income tax credit for automation and tax exemptions for military retiree pay. Automation credits are expected to decrease individual income tax collections by \$3.8 million and military retiree pay exemptions are expected to total \$3.0 million for the 2019-21 biennium.

- Corporate income tax collections are anticipated to decrease by \$63.1 million, a decrease of 40.5 percent. Corporations will continue to carry forward losses realized during the oil downturn. In addition, a 'sales only' apportionment factor will be fully phased in during the 2019-21 biennium. Also included in the reduction is an estimated \$1.3 million for automation credits. Federal tax changes in the 2017 Tax Cut and Jobs Act will also reduce some corporate liabilities.
- \$182.3 million is available in the Tax Relief Fund for a transfer to the Social Services Fund in the 2019-21 biennium.
- Allocations from oil and gas tax revenue collections, which were \$400.0 million in the 2017-19 biennium are budgeted at \$1.00 billion for the 2019-21 biennium.
- Transfers of interest earnings from the Legacy Fund is budgeted at \$300.0 million for the 2019-21 biennium, the same as the 2017-19 biennium.

Based on the executive revenue forecast and recommended appropriation levels, the projected June 30, 2019 ending balance is \$63.7 million.

Estimated Oil Prices and Production

Oil prices are anticipated to remain low but stable in the 2019-21 biennium. The forecast assumes prices starting at \$46.00 in August and increase slightly to \$50.00 by the end of the first year where they will stay for the remainder of the biennium. Production is anticipated to hold even at 1.34 million barrels per day for the first year and 1.35 million barrels per day for the second year of the biennium.

Oil extraction and gross production tax collections are projected to total \$4.63 billion during the 2019-21 biennium, allocated as shown on the table at the end of this section.

Federal Funds

Federal funds represent 26.0 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 2019-21 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 2019-21 biennium.

Special Funds

Special funds represent 39.0 percent of the recommended state budget. Special funds are best described as dedicated funds usually earmarked for specific

purposes. One example is the state gas tax, earmarked for Department of Transportation functions.

Agencies with significant amounts of dedicated funds include the Retirement and Investment Office, Public Employees Retirement System, and the Department of Trust Lands, which operate on interest from investments. The Bank of North Dakota and the North Dakota Mill and Elevator Association operate on their own profits.

Agencies like the Information Technology Department and the Central Services Division of the Office of Management and Budget charge agencies for services provided. The Game and Fish Department spends funds received from hunting and fishing license sales.

These special, dedicated funds are estimated by state agencies in their individual budget requests. The “Federal/Special Funds” section of this publication describes in detail the special funds expected to be received during the 2017-19 biennium.

In North Dakota, appropriation measures passed by the legislature do not distinguish between federal and special funds. They are totaled together and designated as “other” funds or estimated income.

Oil Tax Allocations

Oil taxes are allocated to counties, tribes, and various state funds. Estimated allocations for the 2017-19 and 2019-21 bienniums are reflected on the table below:

	<u>2017-19</u> <u>Biennium</u>	<u>2019-21</u> <u>Biennium</u>
Counties and Cities	\$ 666,544,287	\$ 653,679,959
Tribal Allocations	437,886,514	444,222,069
Legacy Fund	1,226,615,997	1,254,927,345
Foundation Aid Stabilization Fund	175,762,291	185,016,202
Common Schools Trust Fund	175,762,291	185,016,202
Resources Trust Fund	348,324,583	365,832,404
Renewable Energy Development Fund	3,000,000	3,000,000

	<u>2017-19</u> <u>Biennium</u>	<u>2019-21</u> <u>Biennium</u>
Energy Conservation Fund	200,000	1,200,000
Research Fund	10,000,000	10,000,000
Oil and Gas Impact Grant Fund	28,353,446	5,000,000
ND Outdoor Heritage Fund	10,799,177	30,219,313
Well Plugging and Site Reclamation Fund	8,399,588	14,806,073
General Fund	400,000,000	1,000,000,000
Tax Relief Fund	200,000,000	200,000,000
Budget Stabilization Fund	75,000,000	0
State Disaster Fund	0	0
Energy Impact Fund	4,000,000	0
Lignite Research Fund	3,000,000	3,000,000
Strategic Investment & Improvements Fund	<u>752,958,329</u>	<u>271,393,654</u>
Total Oil and Gas Taxes	\$4,526,606,503	\$4,627,313,221

Supplemental Appropriation

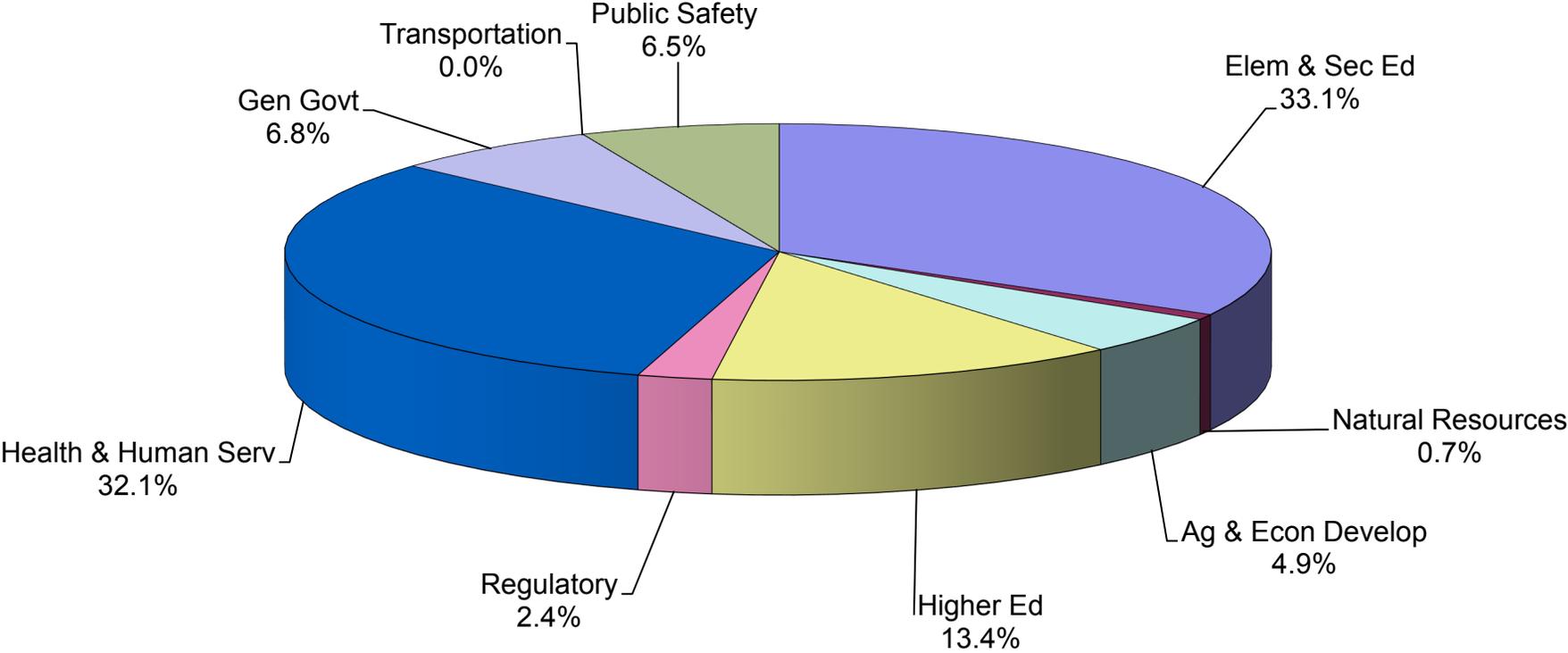
Supplemental appropriations have been recommended for various agencies as noted below. All supplemental appropriations are funded from the General Fund.

- The Office of Management and Budget to cover \$408,000 of unexpected costs relating to a judgment from the Comstock lawsuit.
- The Tax Department to cover a shortfall of \$1.2 million in Homestead Tax credits and \$150,000 in Disabled Veterans tax credits.
- The Industrial Commission for higher than anticipated litigation costs of \$500,000 relating to higher than anticipated litigation costs.
- The Adjutant General to repay anticipated Bank of North Dakota loans of \$488,822.0 million for the state share of disaster costs related to 2017 flooding; \$13.6 million related to costs associated with response to the DAPL protesters and \$1.6 million for the 2017 emergency hay operation.
- The State Historical Society to cover legal fees of \$280,000 in ongoing litigation related to the Heritage Center expansion.

**State of North Dakota
Recommended General Fund Appropriations by Function
for the 2019-21 Biennium**

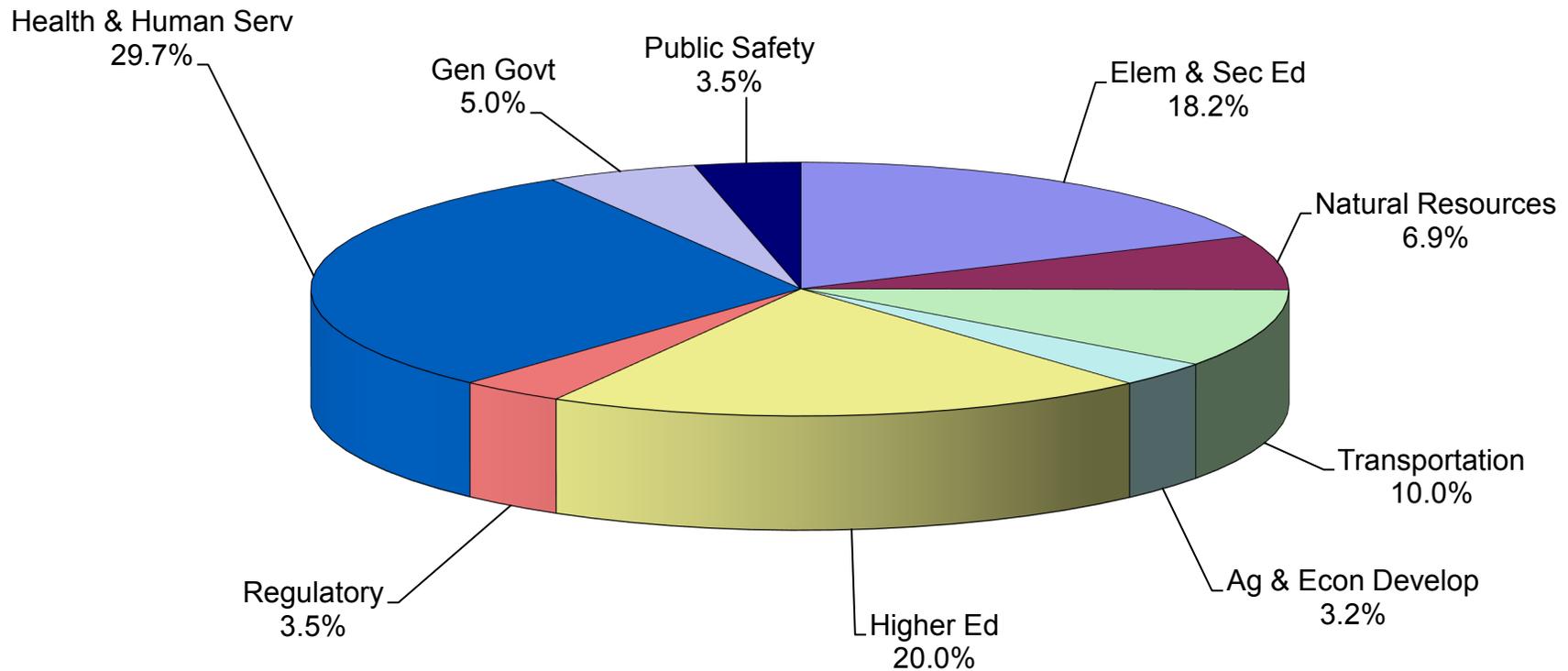
\$4.937 Billion *

*** \$4.626 Billion On-Going Expenditures
\$311.07 Million One-Time Expenditures**



State of North Dakota Recommended Total Fund Appropriations by Function for the 2019-21 Biennium

\$14.294 Billion

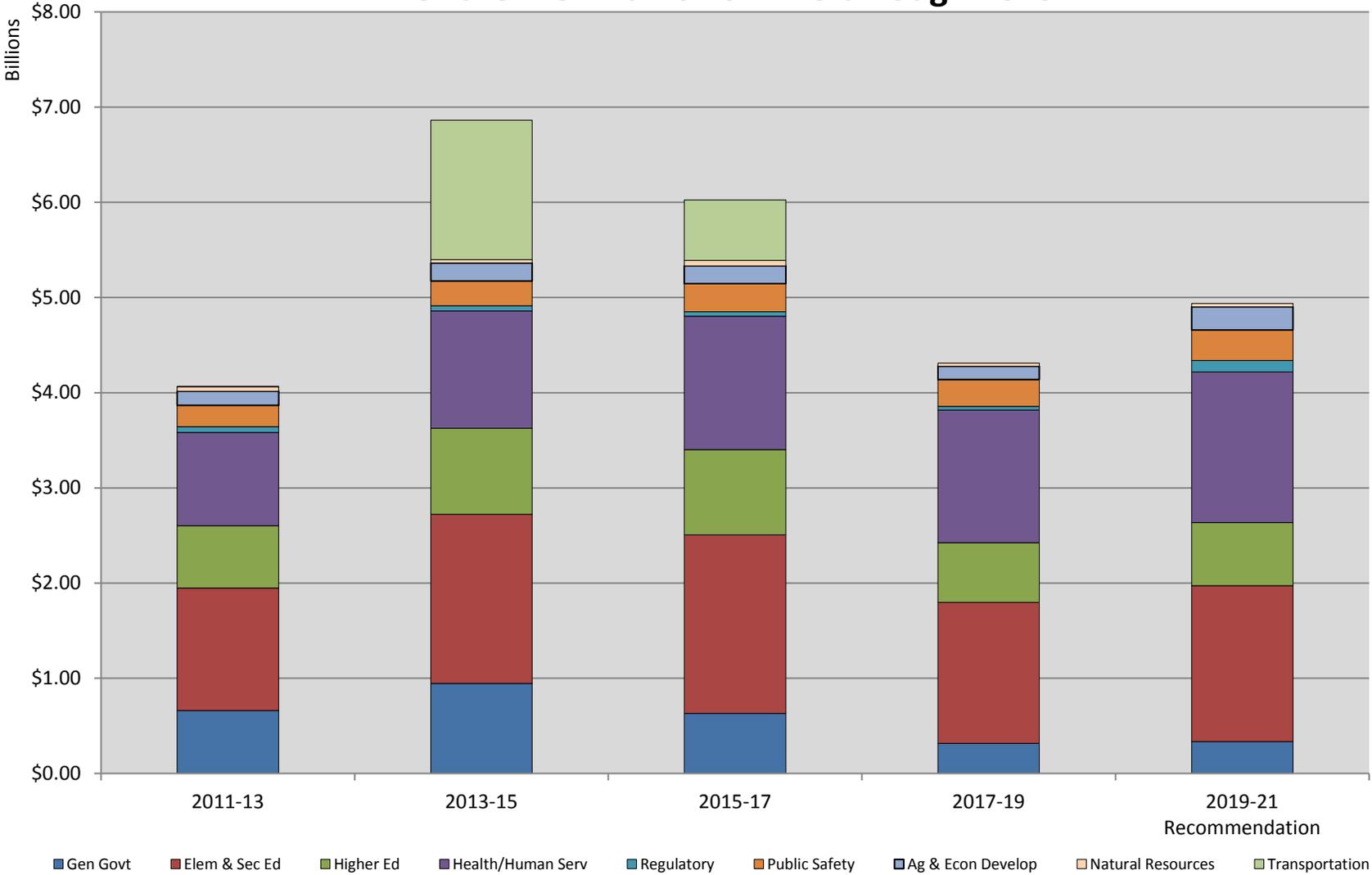


State of North Dakota
Comparison of General Fund Appropriation by Function
For the Bienniums 2011-13 through 2019-21

	2011-13		2013-15		2015-17		2017-19		Recommendation 2019-21	
General Government	\$659,994,764	16.2%	\$945,308,413	13.8%	\$629,904,600	10.5%	\$315,167,384	7.3%	\$336,107,028	6.8%
Elementary and Secondary Education	1,287,742,317	31.7%	1,777,375,701	25.9%	1,875,898,743	31.1%	1,482,659,240	34.4%	1,636,046,841	33.1%
Higher Education	655,785,794	16.1%	902,629,915	13.2%	896,574,867	14.9%	625,796,780	14.5%	661,986,102	13.4%
Health and Human Services	977,697,676	24.0%	1,232,145,048	18.0%	1,400,402,280	23.2%	1,394,429,314	32.4%	1,583,722,902	32.1%
Regulatory	61,499,673	1.5%	55,511,072	0.8%	48,650,467	0.8%	37,428,449	0.9%	120,045,021	2.4%
Public Safety	223,362,748	5.5%	259,674,260	3.8%	295,076,923	4.9%	282,750,554	6.6%	321,353,384	6.5%
Agriculture and Economic Development	148,903,572	3.7%	188,904,694	2.8%	186,648,265	3.1%	139,138,124	3.2%	243,535,608	4.9%
Natural Resources	46,017,248	1.1%	37,018,251	0.5%	56,630,975	0.9%	32,892,796	0.8%	33,930,007	0.7%
Transportation	5,850,000	0.1%	1,464,020,000	21.3%	636,375,558	10.6%	-	0.0%	-	0.0%
TOTAL	\$4,066,853,792	100.0%	\$6,862,587,354	100.0%	\$6,026,162,678	100.0%	\$4,310,262,641	100.0%	\$4,936,726,893	100.0%

State of North Dakota

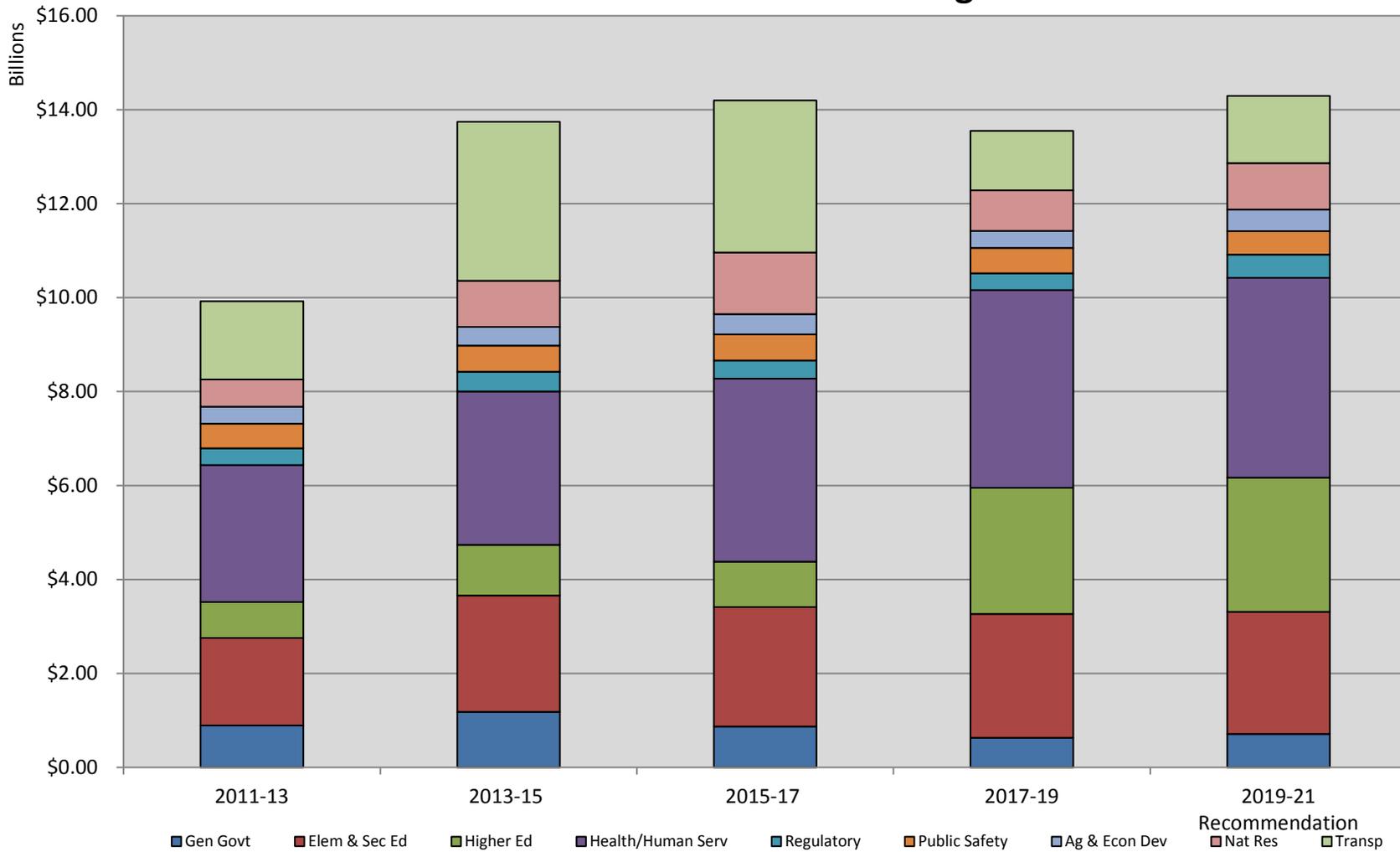
Comparison of General Fund Appropriations by Function For the Bienniums 2011-13 through 2019-21



State of North Dakota
Comparison of Total Funds Appropriations by Function
For the Bienniums 2009-11 through 2019-21

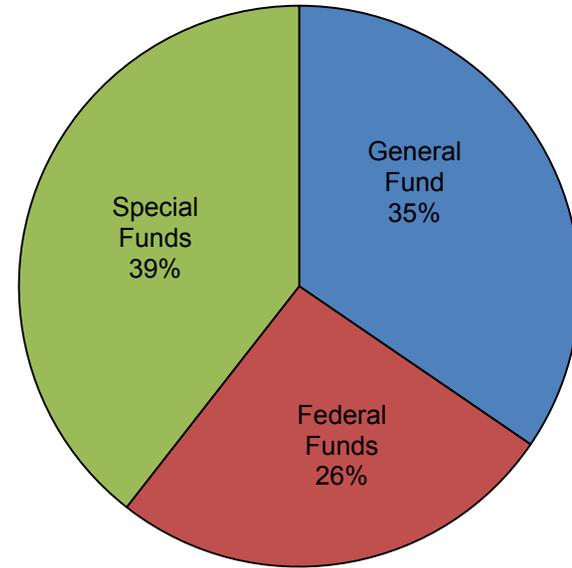
	2009-11		2011-13		2013-15		2015-17		2017-19		Recommendation 2019-21	
General Government	\$654,969,287	7.4%	\$890,906,476	9.0%	\$1,183,314,550	8.6%	\$869,877,389	6.1%	\$629,813,085	4.6%	\$713,121,036	5.0%
Elementary and Secondary Education	1,693,626,375	19.1%	1,865,235,525	18.8%	2,477,986,312	18.0%	2,547,225,542	17.9%	2,637,441,995	19.5%	2,600,760,138	18.2%
Higher Education	796,060,507	9.0%	764,603,553	7.7%	1,077,610,856	7.8%	961,584,277	6.8%	2,685,747,055	19.8%	2,855,495,200	20.0%
Health and Human Services	2,616,798,843	29.6%	2,913,548,892	29.4%	3,263,326,715	23.7%	3,896,093,235	27.4%	4,205,549,975	31.0%	4,251,273,104	29.7%
Regulatory	341,869,592	3.9%	360,769,894	3.6%	418,004,610	3.0%	388,192,041	2.7%	361,465,962	2.7%	495,342,427	3.5%
Public Safety	554,901,374	6.3%	519,098,601	5.2%	559,046,321	4.1%	554,654,697	3.9%	538,822,472	4.0%	500,315,363	3.5%
Agriculture and Economic Development	456,185,331	5.2%	367,213,963	3.7%	399,813,205	2.9%	429,056,283	3.0%	360,016,250	2.7%	457,900,233	3.2%
Natural Resources	485,247,968	5.5%	574,200,016	5.8%	980,360,307	7.1%	1,316,181,753	9.3%	864,024,790	6.4%	988,544,286	6.9%
Transportation	1,248,615,588	14.1%	1,668,904,459	16.8%	3,384,799,434	24.6%	3,237,531,577	22.8%	1,270,504,868	9.4%	1,431,071,206	10.0%
TOTAL	\$8,848,274,865	100.0%	\$9,924,481,379	100.0%	\$13,744,262,310	100.0%	\$14,200,396,794	100.0%	13,553,386,452	100.0%	\$14,293,822,993	100.0%

State of North Dakota Comparison of Total Funds Appropriations by Function For the Bienniums 2011-13 through 2019-21



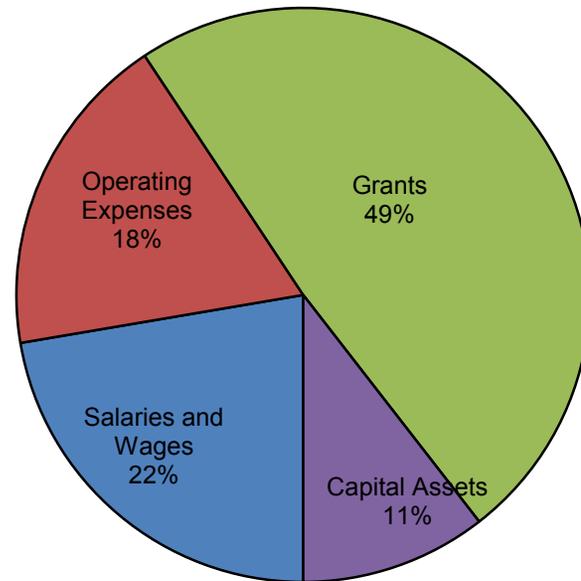
Recommended Funding Source - Total Funds

General Fund	\$4,936,726,893
Federal Funds	3,719,144,950
Special Funds	5,637,951,150
Total	<u><u>\$14,293,822,993</u></u>



Recommended Expenditures By Type - Total Funds

Salaries and Wages	\$3,191,235,134
Operating Expenses	2,623,481,300
Grants	6,976,186,103
Capital Assets	1,502,920,456
Total	<u><u>\$14,293,822,993</u></u>



General Fund Status Statement

	2015-17	2017-19		2019-21
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$729,529,389	\$30,890,381	\$65,000,000 ^{\2}	\$65,000,000
Revenue	\$4,949,205,413	\$4,329,815,889	\$4,621,871,872 ^{\3}	\$4,935,448,310 ^{\3}
Expenditures:				
Original Appropriations - One Time	(\$1,173,663,758)	(\$14,638,226)	(\$14,638,226)	(\$311,069,193)
Original Appropriations - Ongoing	(4,513,006,498)	(4,295,624,415)	(4,295,624,415)	(4,625,657,700)
Adjustments for Emergency Clauses	9,858,196			
Supplemental Appropriations	(617,010)		(18,206,089)	
Unspent Authority/Adjustments	97,846,781		18,758,077	
Total Expenditures	<u>(\$5,579,582,289)</u>	<u>(\$4,310,262,641)</u>	<u>(\$4,309,710,653)</u>	<u>(\$4,936,726,893)</u>
Ending Balance Before Transfers	\$99,152,513	\$50,443,629	\$377,161,219	\$63,721,417
Transfers and Adjustments:				
Transfer to Budget Stabilization Fund	(32,202,755)		(312,161,219) ^{\4}	
Adjustments and Cash Certifications	(1,949,758)			
Total Transfers and Adjustments	<u>(\$34,152,513)</u>	<u>\$0</u>	<u>(\$312,161,219)</u>	<u>\$0</u>
Ending Balance	\$65,000,000	\$50,443,629	\$65,000,000	\$63,721,417

^{\1} Final revenues and expenditures per state accounting system reports dated June 30, 2017.

^{\2} Actual July 1, 2017 balance, including both obligated and unobligated amounts.

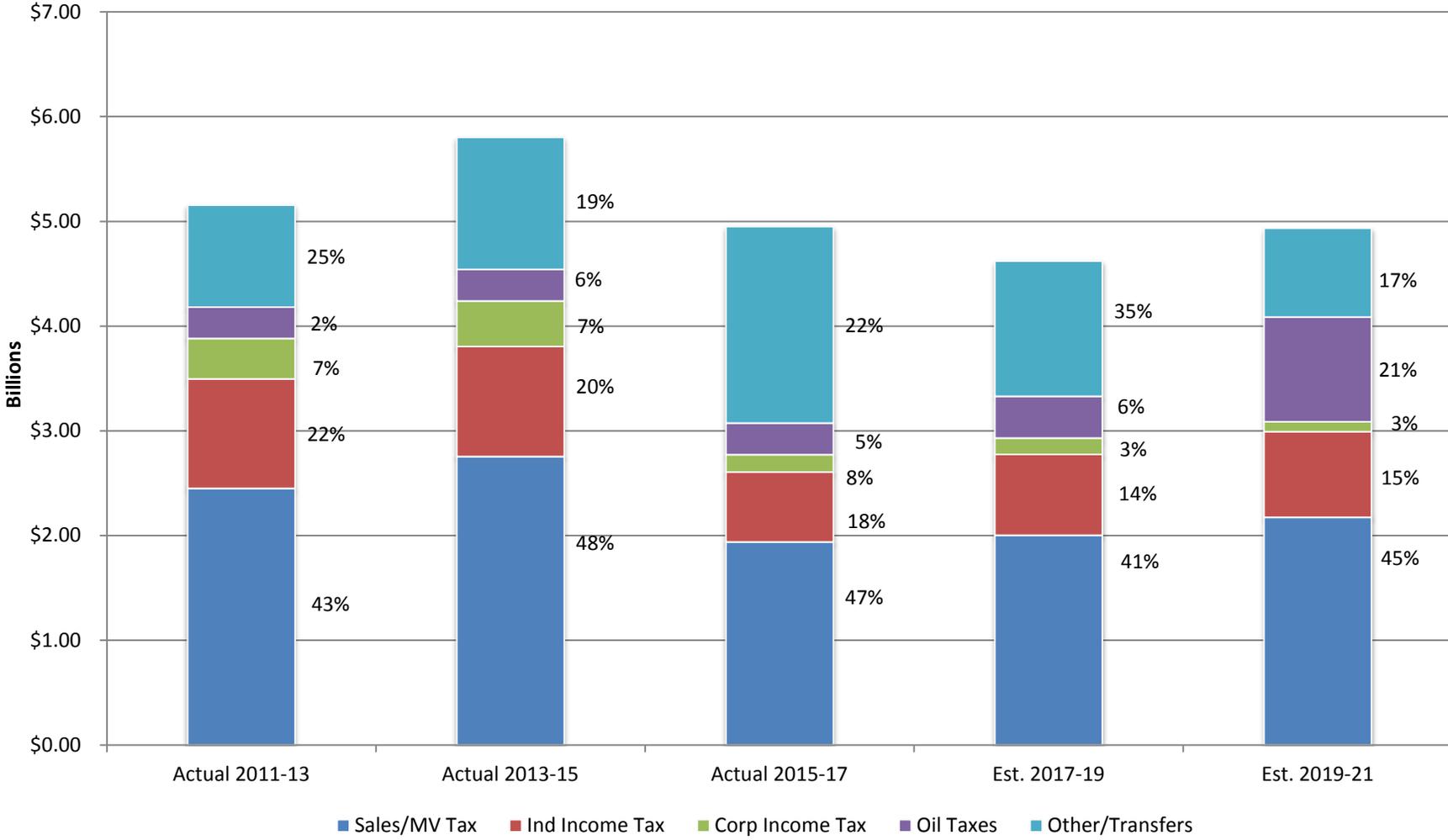
^{\3} Based on actual revenues through October 31, 2018, and estimated revenues for the remainder of the biennium using the November 2018 executive revenue forecast.

^{\4} Transfer based on recommended 2019-21 biennium General Fund appropriations and the statutory cap of 15.0 percent of appropriations, as defined in NDCC Section 54-27.2-01.

State of North Dakota
Comparison of General Fund Revenue by Major Source
For Bienniums 2011-13 through 2019-21

Revenue Source	Actual 2011-13	Actual 2013-15	Actual 2015-17	Revised Forecast 2017-19	Executive Forecast 2019-21
Tax Revenue:					
Sales and Use Taxes	\$2,196,977,793	\$2,478,246,782	\$1,717,867,835	\$1,766,360,206	\$1,928,091,000
Motor Vehicle Excise Tax	252,725,403	277,152,752	221,784,456	235,472,237	245,808,000
Individual Income Tax	1,046,161,236	1,050,062,577	666,659,666	772,867,125	819,259,000
Corporate Income Tax	385,814,247	435,243,053	166,806,392	155,789,170	92,697,000
Insurance Premium Tax	82,857,729	92,526,177	110,725,700	109,325,897	108,400,000
Financial Institutions Tax	11,236,510	(4,985,620)	1,309,357		
Oil and Gas Production Tax	133,834,000	146,071,108	127,164,784	212,147,128	531,970,994
Oil Extraction Tax	166,166,000	153,928,892	172,835,217	187,852,872	468,029,006
Gaming Tax	11,136,421	7,195,937	6,722,714	6,528,322	6,850,000
Cigarette and Tobacco Tax	53,723,649	60,262,693	56,398,692	52,054,549	48,281,000
Wholesale Liquor Tax	17,617,501	18,704,869	17,897,488	17,877,575	18,757,000
Coal Conversion Tax	38,399,414	40,767,149	43,669,236	41,937,227	38,032,000
Mineral Leasing Fees	43,052,074	41,348,389	29,039,291	31,930,066	32,000,000
Departmental Collections	76,994,265	83,270,753	83,175,546	83,429,676	90,882,286
Interest Income	13,671,280	38,103,283	15,547,723	8,277,250	38,000,000
Total Tax Revenue	<u>\$4,530,367,522</u>	<u>\$4,917,898,794</u>	<u>\$3,437,604,097</u>	<u>\$3,681,849,300</u>	<u>\$4,467,057,286</u>
Ongoing Transfers:					
Bank of North Dakota Profits			\$100,000,000	\$140,000,000	\$140,000,000
Legacy Fund				300,000,000	300,000,000
Tobacco Settlement Funds					
Transfers from State Mill Profits	\$9,448,922	\$6,817,200	9,051,496	19,872,762	13,400,000
Lottery	14,300,000	13,300,000	15,780,000	14,600,000	13,000,000
Gas Tax Administration	1,485,000	1,740,815	2,030,496	2,016,120	1,991,024
Total Ongoing Transfers	<u>\$25,233,922</u>	<u>\$21,858,015</u>	<u>\$126,861,992</u>	<u>\$476,488,882</u>	<u>\$468,391,024</u>
One-time Transfers:					
Strategic Investment & Improvement Fund	\$305,000,000	\$520,000,000	\$155,000,000	\$248,000,000	
Tax Relief Fund	295,000,000	341,790,000	\$657,000,000	183,000,000	
Budget Stabilization Fund			572,485,454		
Miscellaneous Transfers	253,116	250,698	253,870	32,533,690	
Total One-time Transfers	<u>\$600,253,116</u>	<u>\$862,040,698</u>	<u>\$1,384,739,324</u>	<u>\$463,533,690</u>	<u>\$0</u>
Total Revenues	<u>\$5,155,854,560</u>	<u>\$5,801,797,507</u>	<u>\$4,949,205,413</u>	<u>\$4,621,871,872</u>	<u>\$4,935,448,310</u>

State of North Dakota Comparison of General Fund Revenue by Major Source For Bienniums 2011-13 through 2019-21



Bonding Fund Status Statement

	2015-17	2017-19		2019-21
	Actual	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$3,419,583	\$3,393,670	\$3,640,412 ^{\1}	\$3,574,412
Revenue:				
Premiums	^{\2}	^{\2}	^{\2}	^{\2}
Investment Revenue	\$201,664	\$175,000	\$96,000	\$200,000
Claims Restitution	68,904	50,000	50,000	50,000
Other Revenue	3,410	7,000	3,000	7,000
Total Revenue	\$273,978	\$232,000	\$149,000	\$257,000
Expenditures:				
Claim Liabilities/Payments/Write-offs	\$20,287 ^{\3}	(\$155,000)	(\$152,000)	(\$150,000)
Claims Related Expenses	(6,845)	(35,000)	(4,000)	(35,000)
Investment Expense	(7,231)	(10,000)	(7,000)	(10,000)
Administration	(59,360)	(52,004)	(52,000)	(52,000)
Total Expenditures	(\$53,149)	(\$252,004)	(\$215,000)	(\$247,000)
Ending Balance	\$3,640,412 ^{\1}	\$3,373,666	\$3,574,412	\$3,584,412

^{\1} From June 30, 2017, 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

	2015-17	2017-19		2019-21
	Actual ¹	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$572,485,454	\$6,121,006	\$38,308,669 ¹²	\$740,509,028
Revenue:				
Retention of Earnings to Increase Balance	\$6,105,914			
Oil and Gas Tax Allocations		\$75,000,000	\$75,000,000	
Transfer from SIIF			\$315,039,140 ¹⁴	
Transfer from General Fund	32,202,755	0	312,161,219 ¹⁵	
Total Revenue	<u>\$38,308,669</u>	<u>\$75,000,000</u>	<u>\$702,200,359</u>	<u>\$0</u>
Transfers:				
Transfers to General Fund	(\$572,485,454) ¹³	\$0		
Ending Balance	<u>\$38,308,669</u>	<u>\$81,121,006</u>	<u>\$740,509,028</u>	<u>\$740,509,028</u>

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

² Actual July 1, 2017 balance.

³ Actual General Fund collections fell short of revenue projections in the 2015-17 biennium. As provided in Section 54-27.2-03, \$572,484,454 was transferred to the General Fund.

⁴ The Governor's executive recommendation includes a transfer from the strategic investment and improvements fund to bring the budget stabilization fund to its statutory cap.

⁵ Estimated transfer from the General Fund for the 2017-19 biennium based on appropriations recommended for the 2019-21 biennium. Because the transfers from the general fund and the strategic investment and improvements fund will result in the Budget Stabilization Fund reaching its statutory cap, all interest accruing on the budget stabilization fund will be deposited in the general fund during the 2019-21 biennium.

Notes:

The Budget Stabilization Fund is a statutory fund created in 1987. Section 54-27.2-02 provides that any end of biennium balance in the General Fund in excess of \$65.0 million be transferred to the Budget Stabilization Fund, subject to the provisions of Section 54-27.2-01.

Pursuant to Section 54-27.2-01, the fund is limited to no more than 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

	2015-17	2017-19		2019-21
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$5,903,878	\$2,059,083	\$5,089,876 ^{\2}	\$5,718,596
Revenue:				
Rent, Royalties and Bonuses	\$2,350,567	\$1,818,500	\$3,445,120	\$2,081,000
Governor's Residence Fundraising	500,000	500,000		
Investment Income	148,792	140,000		
Total Revenue	<u>\$2,999,359</u>	<u>\$2,458,500</u>	<u>\$3,445,120</u> ^{\3}	<u>\$2,081,000</u>
Expenditures/Transfers:				
Capitol Grounds Continuing Approp	(\$175,000) ^{\4}	(\$175,000) ^{\4}	(\$175,000) ^{\4}	(\$175,000) ^{\4}
Capitol Grounds Planning Meetings	(12,500)	(25,000)	(25,000)	(25,000)
Facilities Management Projects	(617,544)		(820,563)	
Facilities Management Extraordinary Repairs				(1,900,000)
Governor's Residence	(2,942,456)		(1,729,437)	
Administrative Expenses	(59,127)	(80,000)	(60,000)	(60,000)
Income Payments to Counties	(6,734)	(7,000)	(6,400)	(7,000)
Total Expenditures	<u>(\$3,813,361)</u>	<u>(\$287,000)</u>	<u>(\$2,816,400)</u>	<u>(\$2,167,000)</u>
Ending Balance	\$5,089,876	\$4,230,583	\$5,718,596	\$5,632,596

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2017.

\2 Actual July 1, 2017 balance.

\3 Based on actual revenues through October 31, 2018, and estimated revenues for the remainder of the biennium using the November 2018 executive revenue forecast.

\4 Section 48-10-02 provides a continuing appropriation to the Capitol Grounds Planning Commission to spend up to \$175,000 per biennium of income and interest of the Capitol Building Fund. The amount that may be spent may not exceed 50.0 percent of the unencumbered balance of the fund on the first day of the biennium.

Community Health Trust Fund Status Statement

	2015-17	2017-19		2019-21
	Actual ¹	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$429,184	\$602,257	\$602,257 ¹²	\$17,595,363
Revenue:				
Transfers from the Tobacco Settlement Trust	\$4,046,319	\$22,000,000	\$38,993,106 ¹⁵	\$3,580,000 ¹⁶
Total Revenue	\$4,046,319	\$22,000,000	\$38,993,106	\$3,580,000
Expenditures:				
Department of Human Services - Medical Services	\$0	(\$18,000,000)	(18,000,000) ¹⁴	\$0
Dental Loan Program	0			(324,000)
Behavioral Health Loan Repayment	0			(200,000)
Tobacco Prevention and Control	(3,413,271)	(3,200,000)	(3,200,000) ¹³	(3,200,000)
Women's Way Program	(336,024)	(329,500)	(329,500) ¹³	(329,500)
Behavioral Risk Factor State Survey (BRFSS)	(123,951)	(470,500)	(470,500) ¹³	(270,500)
Tobacco Prevention Grants (Local Public Health)	0	0	0	(6,500,000)
Total Expenditures	(\$3,873,246)	(\$22,000,000)	(\$22,000,000)	(\$10,824,000)
Ending Balance	\$602,257	\$602,257	\$17,595,363	\$10,351,363

¹ Final revenue and expenditures per state accounting system reports dated June 30, 2017.

¹² Actual July 1, 2017 balance.

¹³ Estimated expenditures for the 2017-19 biennium projected by the Health Department.

¹⁴ Estimated expenditures for the 2017-19 biennium projected by the Department of Human Services.

¹⁵ A settlement by the Attorney General resulted in additional revenue during the 2017-19 biennium.

¹⁶ 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. Monies in the fund must be transferred, within 30 days of deposit in the fund as follows:

- 10.0 percent to the Community Health Trust Fund
- 45.0 percent to the Common Schools Trust Fund
- 45.0 percent to the Water Development Trust Fund

In 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.

In November 2008, voters approved Measure No. 3, which creates a Tobacco Prevention and Control Trust Fund that will receive all tobacco settlement strategic contribution fund payments to the state. Strategic contribution fund payments are estimated by OMB at \$14.1 million per year through 2017. After 2017, no additional strategic contribution fund payments are anticipated.

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

Disaster Relief Fund Status Statement

	2015-17	2017-19		2019-21
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$75,867,942	\$37,292,597	\$36,687,549 ^{\2}	\$31,348,949
Revenue:				
Transfers from Oil and Gas Taxes	\$3,482,364 ^{\3}	\$0 ^{\4}	\$0 ^{\4}	\$0 ^{\4}
Interest Earnings	50,723	70,000	70,000	40,000
Miscellaneous Reimbursements	2,716,118	500,000	500,000	100,000
Total Revenue	<u>\$6,249,205</u>	<u>\$570,000</u>	<u>\$570,000</u>	<u>\$140,000</u>
Expenditures:				
2009 Flood Disaster	(\$247,214)	(\$191,143)	(\$57,462)	
2010 Flood	(269,007)	(1,114,037)	(1,199,702)	
April 2010 Ice Storm	(102,560)			
2011 Flood	(6,366,153)	(7,220,494)	(2,328,227)	(\$4,256,978)
2011 Ice Storm (2013 HB1016)	(925)			
Housing Rehab and Retention (2013 HB1016)	(1,088,468)			
Volunteer Response Coordination	(200,000)	(25,000)		
Road Grade Raising Projects	(2,562)	(100,000)	(18,620)	(81,380)
Disaster Coordination Contract	(34,810)			
Flood Control (2015 SB2020)	(34,000,000)			
Double Ditch Historic Sites	(384,497)	(1,615,503)	(1,425,737)	(300,000)
2013 Red River Valley Flood Disaster	(589,741)	(1,024,823)	(512,157)	(462,020)
2013 Snow Storm	(59,539)	(836,932)	(314,044)	(275,487)
2014 Summer Flooding	(84,122)	(164,665)	(52,651)	(124,201)
Infrastructure Repair (2015 SB2016)	(2,000,000)			
Total Expenditures	<u>(\$45,429,598)</u>	<u>(\$12,292,597)</u>	<u>(\$5,908,600) ^{\5}</u>	<u>(\$5,500,066)</u>
Ending Balance	<u>\$36,687,549</u>	<u>\$25,570,000</u>	<u>\$31,348,949</u>	<u>\$25,988,883</u>

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

^{\2} Actual July 1, 2017 balance.

^{\3} NDCC Section 57-51.1-07.5 states that \$22.0 million is to be transferred to the Disaster Relief Fund. Due to the decrease in oil revenues only \$3.5 million was transferred.

^{\4} 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.

^{\5} Based on actual expenditures through October 31, 2018.

Notes:

North Dakota Century Code Section 37-17.1-27 establishes the state Disaster Relief Fund. Money is available pursuant to legislative appropriation to defray expenses of state disasters, including providing funds required to match federal funds for expenses associated with presidential-declared disasters in the state. Expenditures from the fund also require approval by the Emergency Commission and Budget Section. Interest and other fund earnings must be deposited in the fund.

Fire and Tornado Fund Status Statement

	2015-17	2017-19		2019-21
	Actual	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$23,475,028	\$22,716,331	\$20,804,390 ^{\1}	\$21,084,390
Revenue:				
Premium Revenue	\$9,563,312	\$5,250,000	\$10,650,000 ^{\2}	\$6,000,000 ^{\2}
Investment Revenue (Loss)	2,808,867	5,000,000	2,660,000	5,000,000
Claims Recovery	1,142,438 ^{\3}	350,000 ^{\3}	400,000 ^{\3}	400,000 ^{\3}
Boiler Inspection Fee	899,201	700,000	550,000	700,000
Total Revenues	<u>\$14,413,818</u>	<u>\$11,300,000</u>	<u>\$14,260,000</u>	<u>\$12,100,000</u>
Expenditures:				
Insurance Claims	(\$8,289,348)	(\$4,500,000)	(\$5,170,000)	(\$5,170,000)
Claims Related Payments	(6,859,238)	(6,000,000)	(6,830,000)	(6,830,000)
Administration/Investment Expenses	(1,810,597)	(1,660,748)	(1,850,000)	(1,554,314)
Fire Marshal Inspection Fees	(125,273)	(100,000)	(130,000)	(130,000)
Total Expenditures	<u>(\$17,084,456)</u>	<u>(\$12,260,748)</u>	<u>(\$13,980,000)</u>	<u>(\$13,684,314)</u>
Ending Balance	\$20,804,390 ^{\1}	\$21,755,583	\$21,084,390	\$19,500,076

^{\1} From June 30, 2017, Comprehensive Annual Financial Report (CAFR).

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

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

Notes:

The state Fire and Tornado Fund originated in 1919. The fund is maintained to insure the state and its political subdivisions against loss to public buildings and fixtures. North Dakota Century Code Section 26.1-22-14 requires that if the Fire and Tornado Fund balance is less than \$12.0 million, the Insurance Commissioner must increase assessments.

Foundation Aid Stabilization Fund Status Statement

	2015-17 Actual ^{\1}	2017-19		2019-21 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$617,625,443	\$622,506,021	\$621,854,625 ^{\2}	\$418,539,916
Revenue:				
Oil Extraction Tax Allocations	\$120,282,475	\$130,926,961	\$175,762,291 ^{\3}	\$185,016,202 ^{\4}
Transfers:				
Transfer to State School Aid Program	(\$116,053,293)	(\$295,000,000)	(\$295,000,000) ^{\5}	(\$232,781,065)
Transfer to School Construction Loan Fund		(75,000,000)	(75,000,000) ^{\6}	
Transfer to DPI		(6,600,000)	(6,600,000) ^{\7}	
Transfer to CTE-Grants to School Districts		(2,477,000)	(2,477,000) ^{\8}	
Total Transfers	<u>(\$116,053,293)</u>	<u>(\$379,077,000)</u>	<u>(\$379,077,000)</u>	<u>(\$232,781,065)</u>
Ending Balance	<u>\$621,854,625</u>	<u>\$374,355,982</u>	<u>\$418,539,916</u>	<u>\$370,775,053</u>
15% to be Retained in Fund Balance	252,266,100 ^{\9}	269,168,800 ^{\9}	269,168,800 ^{\9}	214,831,704 ^{\9}
Ending Balance Available	\$369,588,525	\$105,187,182	\$149,371,116	\$155,943,349

^{\1} Final revenues and expenditures per state accounting system reports, dated June 30, 2017.

^{\2} Actual July 1, 2017 balance.

^{\3} Based on actual revenues through October 31, 2018, and estimated revenues for the remainder of the biennium using the November 2018 executive revenue forecast.

^{\4} Revenue estimates based on the November 2018 executive revenue forecast, which assumes oil prices of \$47.17 per barrel and 1,340,000 barrels of oil per day (BOPD) for FY 2020; and average price of \$50.00 per barrel and 1,350,000 BOPD for FY 2021.

^{\5} Section 6 of 2017 HB1013 appropriates \$110.0 million as on-going funding and \$185.0 million as one-time funding for state school aid.

^{\6} Section 13 of 2017 SB2272 provides for a one-time transfer to the school construction assistance revolving loan fund.

^{\7} Section 14 and 15 of 2017 SB2272 appropriates funding to the Department of Public Instruction; \$6.0 million is for rapid enrollment grants and \$500,000 is for English learner grants to school districts. Section 6 of 2017 HB1013 appropriates \$100,000 to the Department of Public Instruction for regional education associated merger grants.

^{\8} Section 4 of 2017 SB2019 appropriates one-time funding to Career and Technical Education for providing grants to school districts.

^{\9} 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. The amount listed for 2015-17 does not include the grants to school districts portion at Career and Technical Education as that section of law did not come into effect until July 1, 2017.

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

	2015-17	2017-19		2019-21
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$604,808	\$831,510	\$831,510 ^{\2}	\$67,158
Revenue:				
Investment Earnings	\$712	\$1,595	\$1,595	\$1,595
Principal and Interest Repayments	985,052	1,014,012	1,014,012	1,014,012
Total Revenue	<u>\$985,764</u>	<u>\$1,015,607</u>	<u>\$1,015,607</u>	<u>\$1,015,607</u>
Expenditures:				
Bed Layaway Program - DHS	(\$546,786)	(\$546,786)	(\$546,786)	\$0 ^{\3}
Increased Nursing Home per Bed Limit	(139,405)	(139,405)	(139,405)	0 ^{\3}
Increase Nursing Home Operating Margin		(1,000,000)	(1,000,000)	0 ^{\3}
Nurse Aid Registry	(72,871)	(93,768)	(93,768)	0 ^{\4}
Total Expenditures	<u>(\$759,062)</u>	<u>(\$1,779,959)</u>	<u>(\$1,779,959)</u>	<u>\$0</u>
Ending Balance	\$831,510	\$67,158	\$67,158	\$1,082,765

\1 Final revenue and expenditures per state accounting system reports dated June 30, 2017.

\2 Actual July 1, 2017 balance.

\3 These ongoing expenses were moved to the General Fund for the Department of Human Services budget in the executive recommendation.

\4 The Department of Health reduced these expenditures as part of their base budget request.

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

	2015-17	2017-19		2019-21
	Actual ¹	Legislative Appropriation	Revised Estimate ²	Executive Budget
Beginning Balance	\$0	\$0	\$0	\$0
Revenue:				
Motor Vehicle Fuel Tax	\$198,460,006	\$189,000,000	\$196,270,000	\$200,300,000
Special Fuel Taxes	175,145,391	181,700,000	186,400,000	186,600,000
Motor Vehicle Registration Fees	184,615,260	171,200,000	181,200,000	187,500,000
Total Revenues	<u>\$558,220,657</u>	<u>\$541,900,000</u> ³	<u>\$563,870,000</u> ³	<u>\$574,400,000</u> ³
Transfers:				
State Highway Fund Allocation	(\$331,204,414)	(\$321,487,096)	(\$334,738,494)	(\$341,363,988)
Counties Allocation	(119,038,981)	(115,400,000)	(120,000,000)	(122,500,000)
Cities Allocation	(67,364,809)	(65,500,000)	(68,100,000)	(69,600,000)
Townships Allocation	(14,588,123)	(14,100,000)	(14,700,000)	(15,000,000)
Transit Allocation	(8,104,513)	(7,900,000)	(8,200,000)	(8,400,000)
Highway Patrol	(6,687,330)	(6,912,904)	(6,912,904)	(6,936,012)
Motorboat Safety Account	(285,668)	(200,000)	(273,103)	(200,000)
State Snowmobile Fund	(179,648)	(200,000)	(175,499)	(200,000)
Hwy-Rail Grade Crossing Safety Projects	(550,000)		(570,000)	
Administrative Assistance to Transferees	(5,500,000)	(5,500,000)	(5,500,000)	(5,500,000)
Ethanol Production Incentive	(4,717,171)	(4,700,000)	(4,700,000)	(4,700,000)
Total Transfers	<u>(\$558,220,657)</u>	<u>(\$541,900,000)</u>	<u>(\$563,870,000)</u>	<u>(\$574,400,000)</u>
Ending Balance	\$0	\$0	\$0	\$0

\1 Final revenues and expenditures per Department of Transportation.

\2 Revenues and expenditures based on actual collections through October 31, 2018, and estimates for the remaining months of the 2017-19 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 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

	2015-17	2017-19		2019-21
	Actual	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$3,289,089,229	\$4,265,170,944	\$4,630,254,963	\$5,856,870,960
Revenue:				
Transfers from Oil and Gas Taxes	\$815,796,246	\$865,827,862	\$1,226,615,997 \1	\$1,254,927,345 \1
Realized Investment Earnings	273,064,100	200,000,000	300,000,000 \2	300,000,000 \2
Unrealized Investment Earnings	252,305,388			
Total Revenues	\$1,341,165,734	\$1,065,827,862	\$1,526,615,997	\$1,554,927,345
Expenditures:				
Transfer to General Fund		(\$200,000,000)	(\$300,000,000)	(\$300,000,000)
Legislative Appropriations	\$0	0	0	0 \3
Ending Balance\6	\$4,630,254,963	\$5,130,998,806 \4	\$5,856,870,960 \4	\$7,111,798,305 \4

\1 Revenue estimate based on actual collections through November 2018 and the November 2018 executive revenue forecast for oil price and production.

\2 Investment earnings estimated by Retirement and Investment Office assuming average balance of \$5.00 billion and average annual earnings of 2.0 percent for the 2017-19 biennium and actual realized earnings of \$242.9 million in the first year of the 2017-19 biennium. Estimated earnings for the 2019-21 biennium are based on an average balance of \$7.50 billion.

\3 Based on ND Constitution Article X, Section 26, no expenditures of principal or interest may be made from the fund until after June 30, 2017.

\4 The ending balance reflects only the oil revenue allocations and actual/estimated earnings of the fund and may not reflect additional activities in the fund. For complete financial statement information for the Legacy Fund refer to the Retirement and Investment Office website.

Notes:

House Concurrent Resolution No. 3054 was adopted by the 2009 legislature and approved by the voters in November 2010. This measure establishes the North Dakota Legacy Fund as a constitutional trust fund. Thirty percent of all revenue collected by the state from oil and gas production and extraction taxes is transferred to the fund. Interest and investment earnings are retained in the fund until June 30, 2017, after which time they will be transferred to the General Fund once each biennium. For the 2011-13 through 2015-17 bienniums, interest earnings will be added to the fund principal.

ND Outdoor Heritage Fund Status Statement

	2015-17	2017-19		2019-21
	Actual	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	(\$5,217,411) ^{\1}	\$9,718,699	\$7,996,508	\$0
Revenue:				
Oil and Gas Production Tax	\$19,958,440	\$10,871,198	\$10,799,177 ^{\2}	\$30,219,313 ^{\2}
Interest Income	20,511	8,800	45,000	45,000
Total Revenues	\$19,978,951	\$10,879,998	\$10,844,177	\$30,264,313
Expenditures/Commitments:				
Administrative Expenses	(\$88,544)	(\$150,000)	(\$150,000)	(\$200,000)
Grant Award Commitments	(7,569,592)	(20,448,697)	(19,341,694) ^{\3}	(30,064,313) ^{\3}
Grant Awards Withdrawn	893,104		651,009	
Total Expenditures and Commitments	(\$6,765,032)	(\$20,598,697)	(\$18,840,685)	(\$30,264,313)
Ending Balance	\$7,996,508	\$0	\$0	\$0

^{\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 \$40.0 million for the 2019-21 biennium. The current forecast for oil and gas taxes will result in approximately \$30.2 million being allocated to the fund during the 2019-21 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 and gravel extraction, oil and gas operations, or other energy facility or infrastructure

Resources Trust Fund Status Statement

	2015-17 Actual ^{\1}	2017-19		2019-21 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$576,346,704	\$307,748,310	\$306,411,028 ^{\2}	\$331,595,984
Revenue:				
Repayments and Reimbursements	\$14,930,912	\$12,400,000	\$12,324,400	\$13,568,805
Oil Extraction Tax Collections	240,564,950	261,853,920	351,524,583	370,032,404 ^{\5}
Transfer from the Infrastructure Revolving Loan Fund			8,440,473	2,500,000
Interest	3,051,071	2,700,000	1,745,500	1,992,000
Total Revenues	<u>\$258,546,933</u>	<u>\$276,953,920</u>	<u>\$374,034,956 ^{\3}</u>	<u>\$388,093,209</u>
Expenditures and Transfers:				
Water Commission Expenditures	(\$501,250,000)	(\$581,015,358)	(\$345,650,000) ^{\4}	(\$710,749,000)
Transfer to Renewable Energy Development Fund	(\$3,000,000)	(\$3,000,000)	(\$3,000,000)	(3,000,000)
Transfer to Energy Conservation Grant Fund	(\$1,200,000)	(\$200,000)	(\$200,000)	(1,200,000)
Transfer to Infrastructure Loan Fund	(\$23,032,609)			
Total Expenditures and Transfers	<u>(\$528,482,609)</u>	<u>(\$584,215,358)</u>	<u>(\$348,850,000)</u>	<u>(\$714,949,000)</u>
Ending Balance	\$306,411,028	\$486,872	\$331,595,984	\$4,740,193

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

\2 Actual July 1, 2017 balance.

\3 Actual revenues through November 31, 2018 plus estimated receipts for the remainder of the biennium, based on the November 2018 executive revenue forecast.

\4 Estimated agency expenditures for the 2017-19 biennium.

\5 Executive forecast assumes average price of \$47.17 per barrel and 1.34 million barrels of oil per day (BOPD) for the first year of the 2019-21 biennium and \$50.00 per barrel and 1.35 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

	2015-17	2017-19		2019-21
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$0	\$0	\$0	\$0
Revenue:				
Sales Tax Revenue	\$164,090,244	\$162,159,927	\$168,316,909	\$183,728,277
Motor Vehicle Excise Tax Revenue	21,114,226	20,964,141	22,438,209	23,423,106
Total Revenues	<u>\$185,204,470</u>	<u>\$183,124,068</u>	<u>\$190,755,118</u> ^{\2}	<u>\$207,151,383</u> ^{\3}
Expenditures:				
Distributions to Cities and Counties	<u>(\$185,204,470)</u>	<u>(\$183,124,068)</u>	<u>(\$190,755,118)</u>	<u>(\$207,151,383)</u>
Ending Balance	\$0	\$0	\$0	\$0

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2017.

\2 Based on actual revenues through October, 2018, and estimated receipts for the remainder of the biennium using the November 2016 executive revenue forecast.

\3 Estimated revenues based on the November 2018 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

	2015-17	2017-19		2019-21
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$793,726,995	\$346,750,641	\$372,661,563	\$751,625,898
Revenue:				
Mineral Royalties	\$131,456,702	167,525,625	187,955,181	\$210,000,000
Mineral Rents	1,267,720	400,000	454,439	550,000
Mineral Bonus	11,709,227	8,000,000	4,061,514	4,000,000
Oil and Gas Taxes	136,541,741	256,459,930	752,958,329 ^{\2}	271,393,654 ^{\2}
Political Sub Allocation Revenue			7,660,518	
Investment Income	8,368,722	8,577,380	20,788,098	40,000,000
Total Revenues	<u>\$289,344,112</u>	<u>\$440,962,935</u>	<u>\$973,878,079</u>	<u>\$525,943,654</u>
Expenditures:				
Transfer to General Fund	(\$155,000,000)	(\$248,000,000)	(\$248,000,000)	
Transfer to Budget Stabilization Fund			(315,039,140) ^{\3}	
Appropriations	(553,470,258)	(31,615,907)	(30,175,513)	(\$239,831,037) ^{\4}
Transfer to Pension Fund				(265,000,000) ^{\5}
Administrative Expenses	(1,939,286)	(2,040,000)	(1,699,091)	(2,400,000)
Total Expenditures and Transfers	<u>(\$710,409,544)</u>	<u>(\$281,655,907)</u>	<u>(\$594,913,744)</u>	<u>(\$507,231,037)</u>
Ending Balance	\$372,661,563	\$506,057,669	\$751,625,898	\$770,338,515
Less Assigned Fund Balance				
Potential Title Disputes	(\$229,325,049)	(\$142,325,049)	(\$229,325,049)	(\$229,325,049)
Guarantee Reserve Fund Balance	<u>(17,321,567)</u>	<u>(17,214,843)</u>	<u>(13,381,990)</u>	<u>(13,382,000)</u>
Unassigned Fund Balance	\$126,014,947	\$346,517,777	\$508,918,859	\$527,631,466

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

\2 Pursuant to House Bill 1451 (2011), a portion of oil and gas tax revenues is allocated to the Strategic Investment and Improvement Fund. Based on the most current forecast for oil and gas taxes and actual deposits through November 30, 2018, \$752.9 million is anticipated to be deposited into the Strategic Investment and Improvements Fund during the 2017-19 biennium; \$271.4 million during the 2019-21 biennium.

\3 The Governor's executive recommendation includes a transfer from the Strategic Investment and Improvement Fund to the Budget Stabilization Fund at the end of the 2017-19 biennium to bring the Budget Stabilization Fund to its statutory cap.

\4 2019-21 recommended appropriations and transfers include:

\$126.0 million Technology investments

\$33.6 million for Higher Education: NDSU Dunbar matching funds, VCSU renovations and online curriculum development grants

\$22.0 million to the Aeronautics Commission for airport infrastructure grants

\$20.0 million transfer to the housing incentive fund

\$9.6 million to the Department of Commerce: UAS Grand Sky, workforce initiatives, Innovate ND and census marketing

\$6.8 million to the Parks and Recreation Department and International Peace Garden for capital projects
\$6.4 million to the Office of Management and Budget for a litigation pool and a comprehensive real estate assessment
\$5.6 million to the Department of Human Services for capital projects
\$3.7 million to the Department of Corrections and Rehabilitation for equipment and facility assessments
\$1.4 million to Main Research for extraordinary repairs
\$1.2 million to the Department of Health for improvements to the microbiology lab
\$1.2 million to Highway Patrol for an addition to the indoor range
\$1.0 million to the Department of Environmental Quality relating to supremacy of federal programs
\$1.0 million for a transfer to the Preliminary Planning Fund
\$270,000 to the Department of Mineral Resources for rare earth and proppant sand research projects

15 The Governor's executive recommendation includes a transfer from the Strategic Investment and Improvement Fund to the pension fund to reduce the unfunded liability.

Notes:

The Strategic Investment and Improvement 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

	2015-17 Actual ^{\1}	2017-19		2019-21 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$657,000,000	\$300,000,000	\$300,000,000 ^{\2}	\$182,300,000
Revenue:				
Allocation of Oil Tax Revenue	300,000,000	200,000,000	200,000,000	200,000,000
Total Revenue	<u>\$300,000,000</u>	<u>\$200,000,000</u>	<u>\$200,000,000</u>	<u>\$200,000,000</u>
Expenditures:				
Transfer to the Social Services Fund		(134,700,000) ^{\3}	(134,700,000) ^{\3}	(182,300,000) ^{\4}
Transfer to the General Fund	(657,000,000)	(183,000,000)	(183,000,000)	
Total Expenditures	<u>(\$657,000,000)</u>	<u>(\$317,700,000)</u>	<u>(\$317,700,000)</u>	<u>(\$182,300,000)</u>
Ending Balance	\$300,000,000	\$182,300,000	\$182,300,000	\$200,000,000

\1 Final revenues and expenditures per state accounting system reports dated June 30, 2017.

\2 Actual July 1, 2017 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 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.

Tobacco Prevention and Control Trust Fund Status Statement

	2015-17	2017-19		2019-21
	Actual ¹¹	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$49,341,421	\$57,417,844	\$58,216,127 ¹²	\$8,468,773
Revenue:				
Tobacco Settlement Revenues	\$22,907,729	\$0	\$0	\$0
Investment Income	1,728,202	365,000	910,000 ¹³	250,000
Total Revenue	<u>\$24,635,931</u>	<u>\$365,000</u>	<u>\$910,000</u>	<u>\$250,000</u>
Expenditures:				
Tobacco Center - Appropriated Expenditures	(\$15,761,225)	\$0 ¹⁴	\$0 ¹⁴	\$0
<i>Department of Health:</i>				
Local Public Health Units		(2,000,000)	(2,000,000)	
Cancer Programs		(644,804)	(644,804)	
Stroke and Cardiac Care		(756,418)	(756,418)	
Physician Loan Repayment		(480,000)	(480,000)	
Behavioral Health Loan Repayment		(243,640)	(243,640)	
Tobacco Program Grant		(8,453,333)	(8,453,333)	
Domestic Violence Grant		(300,000)	(300,000)	
<i>Department of Human Services:</i>				
Medicaid Expansion		(13,300,000)	(13,300,000)	
Medicaid Cost and Caseload		(22,175,000)	(22,175,000)	
Increased Funding for Basic Care		(450,000)	(450,000)	
Tobacco Prevention Related Activities		(75,000)	(75,000)	
Behavioral Health		(1,779,159)	(1,779,159)	
Total Expenditures	<u>(\$15,761,225)</u>	<u>(\$50,657,354)</u>	<u>(\$50,657,354)</u>	<u>\$0</u>
Ending Balance	\$58,216,127	\$7,125,490	\$8,468,773	\$8,718,773

¹¹ Final revenue and expenditures per state accounting system reports dated June 30, 2017.

¹² Actual July 1, 2017 balance.

¹³ Estimated revenues based on actuals through October 31, 2018.

¹⁴ NDCC 23-42 is repealed, which dissolves the Tobacco Prevention and Control agency. Funding provided to Department of Health: \$12,878,195 and DHS: \$37,779,159.

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 repeals 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

	2015-17	2017-19		2019-21
	Actual ¹	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$0	\$0	\$0 ²	\$0
Revenue:				
Fiscal Year 1 Payments	\$20,466,444	\$20,100,000	\$15,365,747 ³	\$18,000,000 ⁴
Fiscal Year 2 Payments	20,196,747	20,100,000	18,000,000 ⁴	18,000,000 ⁴
Additional Payment			37,730,809 ⁵	
Total Revenue	<u>\$40,663,191</u>	<u>\$40,200,000</u>	<u>\$71,096,556</u>	<u>\$36,000,000</u>
Transfers:				
Attorney General	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
Transfer to Community Health Trust Fund	(4,046,319)	(22,000,000)	(38,993,106)	(3,580,000)
Transfer to Water Development Trust Fund	(18,208,436)	(18,000,000)	(31,903,450)	(16,110,000)
Transfer to Common Schools Trust Fund	(18,208,436)	(18,000,000)	(31,903,450)	(16,110,000)
Total Expenditures and Transfers	<u>(\$40,663,191)</u>	<u>(\$40,200,000)</u>	<u>(\$71,096,556)</u>	<u>(\$36,000,000)</u>
Ending Balance	\$0	\$0	\$0	\$0

¹ Final revenues and expenditures per state accounting system reports dated June 30, 2017.

² Actual July 1, 2017 balance.

³ Actual revenues received during fiscal year 2018.

⁴ Estimated revenues reflect lower anticipated payments due to the settlement payment received in April 2018.

⁵ Additional payment received per an agreement to settle prior year payments that had been withheld. In April 2018 the state received a tobacco settlement payment of \$37.7 million from an escrow account related to the settlement of the ongoing dispute between the states and major tobacco companies over enforcement of the 1998 Tobacco Master Settlement Agreement.

Notes:

North Dakota Century Code Section 54-27-25, enacted in 1999, establishes the Tobacco Settlement Trust Fund. The fund is to be used for the deposit of tobacco settlement dollars obtained by the state under the master settlement agreement and consent agreement adopted by the east central judicial district court. All moneys received by the state pursuant to the judgment and for enforcement of the judgment, except amounts relating to the Strategic Contribution Fund, must be deposited in the Tobacco Settlement Trust Fund. Strategic Contribution Fund moneys received by the state are deposited directly into the Tobacco Prevention and Control Trust Fund. The principal of the Tobacco Settlement Trust Fund must be allocated as follows:

10.0 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.

Tuition Apportionment Fund Status Statement

	2015-17	2017-19		2019-21
	Actual ^{\1}	Legislative Appropriation	Revised Estimate	Executive Budget
Beginning Balance	\$2,070,162	\$1,458,771	\$1,745,970 ^{\2}	\$185,749
Revenue:				
Fines for Violation of State Laws	\$12,456,452	\$13,000,000	\$11,439,779 ^{\3}	\$13,000,000
Transfer from DPI Operating Fund		4,282,905 ^{\5}	4,282,905	
Transfers from Common Schools	206,134,000	288,264,000	288,264,000 ^{\4}	366,362,000 ^{\4}
Total Revenue	<u>\$218,590,452</u>	<u>\$305,546,905</u>	<u>\$303,986,684</u>	<u>\$379,362,000</u>
Expenditures:				
Tuition Fund Distributions to Schools	(\$218,914,644)	(\$305,546,905)	(\$305,546,905)	(\$379,362,000)
Ending Balance	<u>\$1,745,970</u>	<u>\$1,458,771</u>	<u>\$185,749</u>	<u>\$185,749</u>

\1 Final revenues and expenditures per state accounting system reports, dated June 30, 2017.

\2 Actual July 1, 2017 balance.

\3 Actual revenues through October 31, 2018 and estimated revenues for the remainder of the biennium.

\4 Common Schools Trust Fund distribution estimates provided by Department of Trust Lands.

\5 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.

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

	2015-17 Actual ¹	2017-19		2019-21 Executive Budget
		Legislative Appropriation	Revised Estimate	
Beginning Balance	\$26,929,728	\$32,538,164	\$29,099,770 ²	\$58,165,142
Revenue:				
Transfers from the Tobacco Settlement Trust Additional Payment	\$18,208,436	\$18,000,000	\$14,924,586 ³ 16,978,864 ³	\$16,110,000 ⁵
Expenditures:				
Bank of North Dakota Loan Repayment	(\$7,404,974)	(\$7,500,000)		
Water Commission Expenditures	(8,633,420)	(34,949,628)	(\$2,838,078) ⁴	(\$72,792,076)
Ending Balance	\$29,099,770	\$8,088,536	\$58,165,142	\$1,483,066

¹ Final revenues and expenditures per state accounting system reports.

² Actual July 1, 2017 balance.

³ Actual revenues received during fiscal year 2018 and estimated revenues for fiscal year 2019 based on average of fiscal year 2015 and 2016 actual amounts. In addition, in April 2018 the state received a tobacco settlement payment of \$37.7 million from an escrow account related to the settlement of the ongoing dispute between the states and major tobacco companies over enforcement of the 1998 Tobacco Master Settlement Agreement, of which \$16.98 million has been allocated to the Water Development Trust Fund for the 2017-19 biennium.

⁴ Estimated expenditures for the 2017-19 biennium, as projected by the State Water Commission.

⁵ Estimated revenues reflect lower anticipated payments due to the settlement payment received in April 2018.

Notes:

The Water Development Trust Fund was established by the Legislative Assembly in 1999, upon enactment of North Dakota Century Code Section 54-27-25. North Dakota Century Code Section 54-27-25 established the Tobacco Settlement Trust Fund, in which is deposited state proceeds received pursuant to the tobacco master settlement agreement. Monies in the Tobacco Settlement Trust Fund are allocated 45.0 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 are to be used for the long-term water development and management needs of the state.

In November 2008, voters approved Measure No. 3, which created a Tobacco Prevention and Control Trust Fund to receive all tobacco settlement strategic contribution fund moneys received by the state. Provisions of the measure were in effect prior to receipt of the 2009 strategic contribution fund payment in April 2009, resulting in a reduction of Water Development Trust Fund revenue for the 2007-09 and subsequent bienniums due to amounts deposited in the Tobacco Prevention and Control Trust Fund that would have otherwise been deposited in the Water Development Trust Fund.

The initiated measure also established that if the Tobacco Prevention and Control Trust Fund does not have adequate money to fund a comprehensive statewide tobacco prevention and control program, money will be transferred from the Water Development Trust Fund to the Tobacco Prevention and Control Trust Fund in an amount determined necessary by the Tobacco Prevention and Control Executive Committee. The 2009 Legislative Assembly clarified that any money deposited in the Water Development Trust Fund may only be spent if legislatively appropriated.

Comparison of 2015-2017 and 2017-2019 Legislatively Authorized FTE and 2019-2021 Executive Recommendation

Biennium: 2019-2021

Department	Notes	2015-2017 Legislatively Authorized FTE	2017-2019 Legislatively Authorized FTE	Increase (Decrease)	2019-2021 Executive Recommendation
Executive Branch					
101 Office of the Governor		18.00	18.00	0.00	18.00
108 Secretary of State		34.00	32.00	0.00	32.00
110 Office of Management and Budget		122.50	117.00	(9.00)	108.00
112 Information Technology		350.30	344.30	115.20	459.50
117 Office of the State Auditor		59.80	56.00	0.00	56.00
120 Office of the State Treasurer		8.00	7.00	0.00	7.00
125 Office of the Attorney General		250.00	237.00	0.00	237.00
127 Office of State Tax Commissioner		136.00	133.00	(10.00)	123.00
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	19.00	1.00	20.00
192 Public Employees Retirement System		34.50	34.50	(1.00)	33.50
Legislative and Judicial Branches					
160 Legislative Council		37.00	36.00	0.00	36.00
180 Judicial Branch		391.00	355.50	7.50	363.00
Elementary, Secondary & Other Education					
201 Department of Public Instruction		99.75	91.75	(3.00)	88.75
226 Department of Trust Lands		33.00	31.00	(3.00)	28.00
250 State Library		29.75	28.75	(1.00)	27.75
252 School for Deaf/Res Ctr for Deaf and HoH		45.61	45.61	(2.00)	43.61
253 ND Vision Services/School for the Blind		30.00	28.50	(0.60)	27.90
270 Career and Technical Education		26.50	24.50	29.30	53.80
Higher Education					
215 ND University System		104.39	149.40	(0.50)	148.90
227 Bismarck State College		133.53	358.35	(34.42)	323.93
228 Lake Region State College		50.19	129.61	(11.51)	118.10
229 Williston State College		49.96	100.75	(0.27)	100.48
230 University of North Dakota		630.20	2,218.07	(85.90)	2,132.17
232 UND Medical Center		184.58	435.75	49.57	485.32
235 North Dakota State University		537.10	1,895.66	(25.50)	1,870.16
238 ND State College of Science		168.30	345.04	(34.31)	310.73
239 Dickinson State University		120.26	168.90	44.36	213.26
240 Mayville State University		66.23	210.53	(1.26)	209.27
241 Minot State University		204.10	441.65	(34.07)	407.58
242 Valley City State University		105.59	202.75	(22.07)	180.68
243 Dakota College at Bottineau		46.96	84.30	(2.01)	82.29
244 ND Forest Service		28.96	27.00	0.00	27.00

Comparison of 2015-2017 and 2017-2019 Legislatively Authorized FTE and 2019-2021 Executive Recommendation

Biennium: 2019-2021

Department	Notes	2015-2017 Legislatively Authorized FTE	2017-2019 Legislatively Authorized FTE	Increase (Decrease)	2019-2021 Executive Recommendation
Health and Human Services					
301 ND Department of Health		210.00	211.50	(12.00)	199.50
303 Department of Environmental Quality		155.00	152.50	8.00	160.50
313 Veterans Home		120.72	120.72	0.00	120.72
316 Indian Affairs Commission		5.00	4.00	0.00	4.00
321 Department of Veterans Affairs		9.00	7.00	0.00	7.00
325 Department of Human Services		2,211.08	2,162.23	(91.50)	2,070.73
360 Protection and Advocacy		27.50	27.50	1.00	28.50
380 Job Service North Dakota		237.76	181.61	(25.00)	156.61
Regulatory					
401 Office of the Insurance Commissioner		49.50	46.00	(2.00)	44.00
405 Industrial Commission		121.75	110.25	0.00	110.25
406 Department of Labor and Human Rights		15.00	14.00	0.00	14.00
408 Public Service Commission		46.00	45.00	(1.00)	44.00
412 Aeronautics Commission		7.00	7.00	0.00	7.00
413 Department of Financial Institutions		30.00	30.00	1.00	31.00
414 Securities Department		9.00	9.00	1.00	10.00
471 Bank of North Dakota		181.50	181.50	0.00	181.50
473 ND Housing Finance Agency		44.00	44.00	0.00	44.00
475 ND Mill and Elevator Association		147.00	153.00	4.00	157.00
485 Workforce Safety and Insurance		260.14	260.14	(12.00)	248.14
Public Safety					
504 Highway Patrol		215.00	204.00	(7.00)	197.00
530 Department of Corrections and Rehabilitation		835.29	845.29	93.30	938.59
540 Office of the Adjutant General		234.00	234.00	(10.00)	224.00
Agriculture and Economic Development					
601 Department of Commerce		69.40	66.40	(5.60)	60.80
602 Department of Agriculture		77.00	73.00	(2.00)	71.00
627 Upper Great Plains Transportation Institute		54.98	43.88	0.00	43.88
628 Branch Research Centers		113.94	109.81	0.00	109.81
630 NDSU Extension Service		265.98	242.51	0.00	242.51
638 Northern Crops Institute		12.00	12.80	0.00	12.80
640 NDSU Main Research Center		361.12	340.05	0.00	340.05
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 2015-2017 and 2017-2019 Legislatively Authorized FTE and 2019-2021 Executive Recommendation

Biennium: 2019-2021

Department	Notes	2015-2017 Legislatively Authorized FTE	2017-2019 Legislatively Authorized FTE	Increase (Decrease)	2019-2021 Executive Recommendation
Natural Resources					
701 Historical Society		78.00	75.00	0.00	75.00
709 Council on the Arts		5.00	5.00	0.00	5.00
720 Game and Fish Department		163.00	163.00	(3.00)	160.00
750 Parks and Recreation Department		66.00	62.50	(1.00)	61.50
770 Water Commission		97.00	93.00	(3.00)	90.00
Transportation					
801 Department of Transportation		1,080.50	1,047.00	(67.00)	980.00
Total FTE		11,820.22	15,841.36	(168.29)	15,673.07

Compensation Package

The total compensation package provides an additional \$179.8 million for state employee compensation.

Salaries

The recommended increase in compensation provides authority for performance-based increases for high-performing state employees. Agency and institution salary budgets are increased by 4.0 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 equal to 2.0 percent, an additional 2.0 percent is authorized for salary increases in the second year, bringing the total salary increase authorization to 4.0 percent and 4.0 percent. 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 three options available for state employees:

1. The existing high deductible health plan with state funded contributions to a Health Savings Account (HSA). For participants with a family plan, the monthly state contribution to the HSA will be \$181 per month. In addition, in order to incentivize participation in the high deductible plan during the 2019-21 biennium, the state will offer a \$500 annual contribution to the employee's HSA in January 2020 and January 2021.
2. A new state paid health insurance plan that, as a non-grandfathered plan, offers expanded benefits not covered under the main plan. The new plan includes

higher deductibles and coinsurance than the current main plan but provides for a fully state paid premium of \$1,398 per month.

3. The existing main plan with no changes to deductibles or coinsurance. The premium for this plan will be \$1,427 per month and will require an employee contribution to the premium of approximately \$28 per month.

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 to the tune of \$1.00 billion. The state must take steps to make good on this commitment. The Governor supports bill drafts recommended by the interim Employee Benefits Programs Committee to reduce the unfunded liability through eliminating the retiree health insurance credit benefit and reducing the retirement benefits multiplier for newly hired state employees. The executive budget includes funding to support a third bill draft recommended by the Employee Benefits Programs Committee to increase the state and the employee retirement contributions by 1.0 percent each, beginning January 1, 2020. In addition, to ensure the state commitment to fully fund the defined benefit retirement plan, the executive budget includes a one-time \$265.0 million transfer from the Strategic Investment and Improvements fund to the Public Employees Retirement plan fund to address the unfunded liability.

The combined effect of these changes is to move the actuarial projections for the defined benefit plan from never achieving full funding under the current framework to completely eliminating the unfunded liability by 2036.

COMPENSATION PACKAGE ADJUSTMENTS

Biennium: 2019-2021

	Department	Salary Package	Health Incr	Ret Incr	Total	Funding Sources		
						General	Federal	Special
101	Office of the Governor	163,098	64,246	19,634	246,978	246,978	0	0
108	Secretary of State	192,496	120,934	24,616	338,046	317,977	0	20,069
110	Office of Management and Budget	765,262	393,022	96,792	1,255,076	1,035,987	0	219,089
112	Information Technology	4,364,556	1,787,476	540,914	6,692,946	722,275	3,180	5,967,491
117	Office of the State Auditor	508,936	219,183	66,346	794,465	587,411	85,893	121,161
120	Office of the State Treasurer	54,456	26,450	7,104	88,010	88,010	0	0
125	Office of the Attorney General	2,021,804	908,852	186,058	3,116,714	2,336,857	67,749	712,108
127	Office of State Tax Commissioner	904,179	479,935	118,035	1,502,149	1,502,149	0	0
140	Office of Administrative Hearings	52,020	18,893	6,806	77,719	0	0	77,719
160	Legislative Council	346,827	132,272	46,729	525,828	525,828	0	0
180	Judicial Branch	2,425,426	1,383,130	316,941	4,125,497	4,030,764	68,734	25,999
188	Commission on Legal Counsel for Indigents	310,914	154,680	40,534	506,128	492,216	0	13,912
190	Retirement and Investment Office	202,668	75,579	26,734	304,981	0	0	304,981
192	Public Employees Retirement System	254,465	136,047	33,426	423,938	0	0	423,938
201	Dept of Public Instruction	746,887	351,436	91,436	1,189,759	402,089	787,560	110
215	ND University System	1,417,672	532,849	45,568	1,996,089	1,345,764	0	650,325
226	Department of Trust Lands	226,509	105,814	29,630	361,953	0	0	361,953
227	Bismarck State College	2,073,762	1,122,375	68,820	3,264,957	1,402,488	0	1,862,469
228	Lake Region State College	774,175	453,485	28,191	1,255,851	584,378	0	671,473
229	Williston State College	692,256	374,125	20,360	1,086,741	454,479	0	632,262
230	University of North Dakota	15,769,128	7,682,788	491,880	23,943,796	6,255,886	0	17,687,910
232	UND Medical Center	4,389,676	1,704,347	92,716	6,186,739	2,410,941	0	3,775,798
235	North Dakota State University	13,316,827	7,036,572	390,002	20,743,401	5,761,448	0	14,981,953
238	ND State College of Science	1,972,525	1,205,514	80,829	3,258,868	1,649,587	0	1,609,281
239	Dickinson State University	1,003,081	778,482	41,027	1,822,590	889,025	0	933,565
240	Mayville State University	1,217,379	736,913	42,465	1,996,757	793,687	0	1,203,070
241	Minot State University	2,609,157	1,522,953	66,357	4,198,467	1,894,038	0	2,304,429
242	Valley City State University	1,048,291	676,448	28,103	1,752,842	1,022,199	0	730,643
243	Dakota College at Bottineau	349,215	275,870	13,153	638,238	349,437	0	288,801
244	ND Forest Service	158,216	102,038	7,289	267,543	267,543	0	0
250	State Library	164,521	113,371	21,432	299,324	266,447	32,877	0
252	School for the Deaf	291,916	200,288	21,706	513,910	485,678	3,177	25,055
253	ND Vision Services/School for the Blind	182,357	113,372	12,074	307,803	296,752	0	11,051
270	Career and Technical Education	407,262	204,058	33,502	644,822	644,821	1	0
301	ND Department of Health	1,426,184	808,730	177,955	2,412,869	1,168,596	1,140,073	104,200
303	Department of Environmental Quality	1,157,728	570,640	143,783	1,872,151	637,372	802,349	432,430
313	Veterans Home	581,591	559,305	79,000	1,219,896	1,165,522	0	54,374
316	Indian Affairs Commission	34,087	15,115	4,444	53,646	53,646	0	0
321	Department of Veterans Affairs	47,637	26,455	6,209	80,301	66,486	13,815	0
325	Department of Human Services	13,769,491	7,841,090	1,722,202	23,332,783	12,985,744	7,951,143	2,395,896
360	Protection and Advocacy	235,294	109,595	29,700	374,589	172,936	201,653	0
380	Job Service North Dakota	992,842	583,439	124,380	1,700,661	3,103	1,693,379	4,179
401	Office of the Insurance Commissioner	353,324	166,279	42,801	562,404	0	0	562,404

COMPENSATION PACKAGE ADJUSTMENTS

Biennium: 2019-2021

	Department	Salary Package	Health Incr	Ret Incr	Total	Funding Sources		
						General	Federal	Special
405	Industrial Commission	1,014,946	453,495	132,997	1,601,438	1,506,205	0	95,233
406	Department of Labor and Human Rights	97,196	49,127	12,791	159,114	159,114	0	0
408	Public Service Commission	424,421	162,503	53,784	640,708	385,594	221,858	33,256
412	Aeronautics Commission	60,008	26,452	7,822	94,282	0	0	94,282
413	Department of Financial Institutions	287,206	117,155	37,072	441,433	0	0	441,433
414	Securities Department	88,493	37,792	11,536	137,821	137,821	0	0
471	Bank of North Dakota	1,493,034	687,776	187,205	2,368,015	0	0	2,368,015
473	ND Housing Finance Agency	348,730	166,276	44,141	559,147	0	0	559,147
475	ND Mill and Elevator Association	0	578,184	206,550	784,734	0	0	784,734
485	Workforce Safety and Insurance	1,831,146	912,491	239,412	2,983,049	0	0	2,983,049
504	Highway Patrol	1,669,057	714,244	27,208	2,410,509	1,805,448	230,252	374,809
530	Department of Corrections and	6,078,712	3,514,496	757,573	10,350,781	9,863,537	97,486	389,758
540	Office of the Adjutant General	1,447,598	810,607	173,497	2,431,702	961,709	1,331,474	138,519
601	Department of Commerce	552,001	230,520	69,876	852,397	669,205	98,472	84,720
602	Department of Agriculture	490,869	264,531	61,745	817,145	441,645	176,891	198,609
627	Upper Great Plains Transportation Institute	366,916	151,153	15,270	533,339	193,185	307,402	32,752
628	Branch Research Centers	756,222	398,092	35,189	1,189,503	863,952	0	325,551
630	NDSU Extension Service	1,752,793	860,997	40,305	2,654,095	1,413,800	413,375	826,920
638	Northern Crops Institute	110,410	49,127	1,362	160,899	113,221	0	47,678
640	NDSU Main Research Center	2,724,596	1,202,117	40,859	3,967,572	2,441,827	343,551	1,182,194
649	Agronomy Seed Farm	21,393	11,337	2,789	35,519	0	0	35,519
670	ND Horse Racing Commission	16,110	7,558	2,101	25,769	23,774	0	1,995
701	Historical Society	498,035	272,100	64,863	834,998	771,157	63,841	0
709	Council on the Arts	37,554	18,895	4,898	61,347	61,346	1	0
720	Game and Fish Department	1,271,084	589,523	165,787	2,026,394	0	751,077	1,275,317
750	Parks and Recreation Department	450,089	249,415	58,258	757,762	716,898	8,938	31,926
770	Water Commission	799,386	355,238	103,135	1,257,759	0	47,638	1,210,121
801	Department of Transportation	7,461,235	3,813,057	976,240	12,250,532	0	1,699,353	10,551,179
		112,125,337	58,578,703	9,021,948	179,725,988	77,845,982	18,643,192	83,236,814

**One-Time General Fund Appropriation
2019-2021 Executive Recommendation**

Agency		Description	Recommended General Fund Appropriation	
101	Governor's Office	Technology Project	139,808	
		Transition In / Transition Out	65,000	
	Total Governor's Office			204,808
110	Office of Management and Budget	Student Internship	250,000	
		Central Services Study	50,000	
		Special Assessments	320,000	
		Ethics Commission	100,000	
		Health Savings Account	800,000	
	Total Office of Management and Budget			1,520,000
125	Office of the Attorney General	Undercover Vehicles	300,000	
	Total Office of the Attorney General			300,000
150	Legislative Assembly	Computer and iPad Replacement	517,760	
		Voting System Upgrade	100,000	
		Digital Signage Replacement	40,000	
	Total Legislative Assembly			657,760
160	Legislative Council	Computer Replacement	124,856	
		Redistricting Equipment	22,400	
	Total Legislative Council			147,256
180	Judicial Branch	Equipment over \$5,000	82,500	
		IT Equipment over \$5,000	114,852	
		Extraordinary Repairs	960,000	
	Total Judicial Branch			1,157,352
201	Department of Public Instruction	Cyber Security Education	3,000,000	
		Foreign Language Standards	125,000	
		Funding Formula Changes	200,000	
	Total Department of Public Instruction			3,325,000
215	ND University System	ND Higher Education Challenge Grant (<i>Legacy Earnings</i>)	40,000,000	
	Total University System			40,000,000

**One-Time General Fund Appropriation
2019-2021 Executive Recommendation**

Agency		Description	Recommended General Fund Appropriation	
239	Dickinson State University	Digitization Project	750,000	
	Total Dickinson State University			750,000
270	Career and Technical Education	Grants for Career Academies <i>(Legacy Earnings)</i>	30,000,000	
	Total Career and Technical Education			30,000,000
301	ND Department of Health	Microbiology Lab IT Upgrade	90,000	
	Total ND Department of Health			90,000
313	Veterans Home	Strategic Plan	25,000	
	Total Veterans Home			25,000
321	Veterans Affairs	Grants Database Enhancement	7,500	
		Temporary Loan and Grant Position	140,000	
	Total Veterans Affairs			147,500
325	Department of Human Services	Behavior Health State Hospital and Clinic <i>(Legacy Earnings)</i>	35,000,000	
	Total Department of Human Services			35,000,000
360	Protection and Advocacy Project	Retirement Lump Sum	64,550	
		Polycom Machine	8,000	
	Total Protection and Advocacy Project			72,550
406	Department of Labor & Human Rights	Paperless System	69,659	
	Total Department of Labor & Human Rights			69,659
471	Bank of North Dakota	Transfer to Infrastructure Loan Fund <i>(Legacy Earnings)</i>	55,000,000	
		Transfer to School Construction Loan Fund <i>(Legacy Earnings)</i>	25,000,000	
	Total Bank of North Dakota			80,000,000
504	Highway Patrol	Drones	96,228	
		Aircraft Engine Overhaul	81,830	
	Total Highway Patrol			178,058
530	Department of Corrections and Rehabilitation	JRCC Extraordinary Repairs	386,000	
		YCC Extraordinary Repairs	372,000	
		NDSP Extraordinary Repairs	118,250	

**One-Time General Fund Appropriation
2019-2021 Executive Recommendation**

Agency	Description	Recommended General Fund Appropriation
Total Dept of Corrections and Rehabilitation	Elite Server Replacement	40,000 916,250
540 Office of the Adjutant General	Camp Grafton South Expansion (<i>Legacy Earnings</i>) Intergraph XML Change DMP 2020 CAD PC and Monitor Replacements UPS Battery Replacement	15,000,000 95,000 66,000 20,000 15,181,000
Total Office of the Adjutant General		
601 Department of Commerce	Beyond Visual Line of Sight (BVLOS) (<i>Legacy Earnings</i>) Research ND (<i>Legacy Earnings</i>) Theodore Roosevelt Presidential Library (<i>Legacy Earnings</i>)	30,000,000 20,000,000 50,000,000 100,000,000
Total Department of Commerce		
602 Department of Agriculture	Master Customer Database	110,000 110,000
Total Department of Agriculture		
630 NDSU Extension Service	Web Strategy Development and Content Reimaging	345,000 345,000
Total NDSU Extension Service		
701 Historical Society	Historic Site Repairs Exhibits and Collections Care	500,000 372,000 872,000
Total Historical Society		872,000
Grand Total		\$ 311,069,193

Lease Purchase Agreements

Biennium: 2019-2021

Agency		Lease Description	Original Value	Monthly Payment Amount
110	Office of Management and Budget	Mailing equipment for the Mailroom	61,000	1,347
127	Office of State Tax Commissioner	Lease of high-volume network printer	61,909	1,458
215	ND University System	Wells Fargo #443 IVN/Video Equipment	232,431	4,743
230	University of North Dakota	West Campus Steamline - equipment	115,260	441
		Dell 006 Dell PowerValut MD38601	56,443	3,136
		Well Fargo 413	69,687	618
		Wells Fargo 405	315,000	4,319
		Wells Fargo 429	378,262	4,503
		Wells Fargo 439	1,093,679	19,885
		Wells Fargo 441	56,700	3,944
		Wells Fargo 442	130,000	1,437
		Wells Fargo 446	639,030	5,909
		Wells Fargo 447	543,740	5,909
		Wells Fargo 448	543,740	5,909
		Wells Fargo 451	359,655	3,944
		Wells Fargo 452	338,565	4,867
		Wells Fargo 456	313,042	2,898
		Wells Fargo 457	313,042	2,656
		Wells Fargo 459	313,042	2,656
		Wells Fargo 460	313,042	2,415
		Wells Fargo 461	313,042	2,415
		Wells Fargo 462	313,042	2,415
		Wells Fargo 463	313,042	2,415
		Wells Fargo 464	313,042	2,415
		Wells Fargo 465	313,042	2,415
		Wells Fargo 466	303,000	3,636
		Wells Fargo 467	303,000	3,636
		Wells Fargo 468	303,000	371
		Wells Fargo 469	303,000	371
		Wells Fargo 470	319,303	2,266
		Wells Fargo 471	319,303	2,266
		Wells Fargo 472	319,303	2,266
		Wells Fargo 473	319,303	2,266
		Wells Fargo 474	319,303	2,266
		Wells Fargo 412	99,605	1,391
		Wells Fargo 458	313,042	2,415
		West Campus Steamline	3,670,011	21,840
235	North Dakota State University	West Building	970,620	16,177
		Appareo Building	293,498	24,528

Lease Purchase Agreements
Biennium: 2019-2021

Agency		Lease Description	Original Value	Monthly Payment Amount
		Bison Information Network	97,305	5,406
		Energy Savings Performance Contract	7,266,959	55,268
		Fargodome Event Center	495,000	16,500
		Fargodome Locker Room	570,375	5,281
		NDSU Development Foundation Barry & Klai Hall	11,910,000	64,542
		NDSU Development Foundation-Fargodome	3,500,000	27,666
		NDSU Development Foundation-Renaissance Hall	5,600,000	11,167
		NDSU Research & Tech Park Building I	522,000	9,000
		NDSU Research & Tech Park Building II	1,802,000	17,000
		Sanford Health Athletics Complex Scoreboard	1,150,444	15,641
		Stop-n-Go Center	4,190,207	69,830
240	Mayville State University	Lease Agreement	210,318	3,892
241	Minot State University	Washers and Dryers	71,357	1,344
		V80 FFPS Flow Server	51,865	942
		V80 Performance Printer	100,759	2,213
242	Valley City State University	Wellness Center Space Rental	4,071,622	13,274
		Apple Computer Lease	627,816	15,693
		HP Notebook Computers Lease	433,795	18,074
		Lease of Washers and Dryers for Residence Hal	101,640	1,210
		Liberty Copier Machines	180,413	2,516
380	Job Service North Dakota	Unisys Mainframe computer	1,279,922	22,770
628	Branch Research Centers	Master Lease Agreement	0	0
630	NDSU Extension Service	Master Lease Agreement	0	0
		Lanier Pro Color	115,317	3,250
640	NDSU Main Research Center	Master Lease Agreement	0	0
720	Game and Fish Department	Xerox Printer/Copier-Licensing	76,010	1,866

Capital Assets

The capital budget summarizes the 2019-21 biennium executive recommendation for state investments in capital assets. The term "capital assets" refers to: capital projects, extraordinary repairs, other capital payments, equipment over \$5,000 and information technology (IT) equipment and software over \$5,000. The executive recommendations for capital assets are summarized on the following pages.

The capital budget is a long-range planning document for the state's capital needs. It assists the executive and legislative branches of government by formalizing capital funding objectives, setting spending priorities, and allocating financial resources.

The capital budget is a financial management tool used to:

- Assist in determining infrastructure and repair needs.
- Provide for orderly replacement of facilities.
- Enhance the ability of decision makers to match resources with needs.
- Permit the organized development of capital infrastructure over an extended period of time.

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

- Formalizing capital funding objectives and debt policy.
- Providing for 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 – 2019-2021

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
110 Office of Management and Budget	\$0	\$1,900,000	\$567,125	\$75,000	\$295,000	\$2,837,125
General Fund	0	0	567,125	0	0	567,125
Federal Funds	0	0	0	0	0	0
Special Funds	0	1,900,000	0	75,000	295,000	2,270,000
112 Information Technology	\$0	\$0	\$0	\$250,000	\$42,753,117	\$43,003,117
General Fund	0	0	0	0	600,000	600,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	250,000	42,153,117	42,403,117
125 Office of the Attorney General	\$0	\$0	\$647,500	\$1,952,956	\$515,000	\$3,115,456
General Fund	0	0	647,500	300,000	0	947,500
Federal Funds	0	0	0	1,652,956	357,000	2,009,956
Special Funds	0	0	0	0	158,000	158,000
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	\$106,000	\$106,000
General Fund	0	0	0	0	106,000	106,000
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	\$960,000	\$0	\$82,500	\$114,852	\$1,157,352
General Fund	0	960,000	0	82,500	114,852	1,157,352
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	\$190,000	\$190,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	190,000	190,000
215 ND University System	\$0	\$0	\$4,959,448	\$0	\$2,172,612	\$7,132,060
General Fund	0	0	4,959,448	0	2,172,612	7,132,060
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0

Capital Assets Appropriations by Category – 2019-2021

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
227 Bismarck State College	\$0	\$417,673	\$339,391	\$1,155,149	\$0	\$1,912,213
General Fund	0	417,673	0	0	0	417,673
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	339,391	1,155,149	0	1,494,540
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	0	0	0	197,801
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	1,064,167	0	0	1,064,167
230 University of North Dakota	\$115,000,000	\$4,411,566	\$0	\$6,101,572	\$745,497	\$126,258,635
General Fund	0	4,411,566	0	0	0	4,411,566
Federal Funds	0	0	0	0	0	0
Special Funds	115,000,000	0	0	6,101,572	745,497	121,847,069
235 North Dakota State University	\$131,150,000	\$2,732,244	\$0	\$5,066,860	\$0	\$138,949,104
General Fund	0	2,732,244	0	0	0	2,732,244
Federal Funds	0	0	0	0	0	0
Special Funds	131,150,000	0	0	5,066,860	0	136,216,860
238 ND State College of Science	\$30,000,000	\$1,012,379	\$0	\$0	\$0	\$31,012,379
General Fund	0	1,012,379	0	0	0	1,012,379
Federal Funds	0	0	0	0	0	0
Special Funds	30,000,000	0	0	0	0	30,000,000
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	\$67,648	\$0	\$0	\$426,640
General Fund	0	358,992	0	0	0	358,992
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	67,648	0	0	67,648
241 Minot State University	\$0	\$899,620	\$0	\$180,000	\$20,000	\$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	180,000	20,000	200,000

Capital Assets Appropriations by Category – 2019-2021

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
242 Valley City State University	\$3,900,000	\$408,319	\$57,520	\$47,504	\$0	\$4,413,343
General Fund	0	408,319	57,520	47,504	0	513,343
Federal Funds	0	0	0	0	0	0
Special Funds	3,900,000	0	0	0	0	3,900,000
243 Dakota College at Bottineau	\$2,500,000	\$114,007	\$6,772	\$456,540	\$0	\$3,077,319
General Fund	0	114,007	6,772	0	0	120,779
Federal Funds	0	0	0	0	0	0
Special Funds	2,500,000	0	0	456,540	0	2,956,540
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	\$408,678	\$0	\$20,000	\$0	\$428,678
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	408,678	0	20,000	0	428,678
253 ND Vision Services	\$0	\$299,692	\$0	\$0	\$0	\$299,692
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	299,692	0	0	0	299,692
270 Career and Technical Education	\$0	\$0	\$0	\$0	\$500,000	\$500,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	500,000	500,000
Special Funds	0	0	0	0	0	0
301 ND Department of Health	\$0	\$1,372,659	\$518,457	\$1,518,697	\$450,000	\$3,859,813
General Fund	0	55,650	457,947	0	90,000	603,597
Federal Funds	0	0	60,510	1,348,697	360,000	1,769,207
Special Funds	0	1,317,009	0	170,000	0	1,487,009
303 Department of Environmental Quality	\$0	\$27,000	\$216,429	\$1,415,000	\$605,000	\$2,263,429
General Fund	0	6,866	93,691	0	0	100,557
Federal Funds	0	20,134	122,738	62,500	85,000	290,372
Special Funds	0	0	0	1,352,500	520,000	1,872,500
313 Veterans' Home	\$0	\$0	\$405,733	\$117,400	\$0	\$523,133
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	405,733	117,400	0	523,133

Capital Assets Appropriations by Category – 2019-2021

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
321 Department of Veterans' Affairs	\$0	\$0	\$0	\$64,600	\$0	\$64,600
General Fund	0	0	0	18,600	0	18,600
Federal Funds	0	0	0	46,000	0	46,000
Special Funds	0	0	0	0	0	0
325 Department of Human Services	\$36,931,000	\$5,720,683	\$0	\$208,412	\$50,000	\$42,910,095
General Fund	35,000,000	2,081,018	0	199,391	28,930	37,309,339
Federal Funds		0	0	9,021	21,070	30,091
Special Funds	1,931,000	3,639,665	0	0	0	5,570,665
360 Protection and Advocacy Project	\$0	\$0	\$0	\$0	\$8,000	\$8,000
General Fund	0	0	0	0	8,000	8,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	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
405 Industrial Commission	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
General Fund	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	5,000,000	5,000,000
408 Public Service Commission	\$0	\$0	\$0	\$0	\$10,000	\$10,000
General Fund	0	0	0	0	10,000	10,000
Federal Funds	0	0	0	0	0	0
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
504 Highway Patrol	\$1,220,000	\$0	\$0	\$103,788	\$15,288	\$1,339,076
General Fund	0	0	0	103,788	15,288	119,076
Federal Funds	0	0	0	0	0	0
Special Funds	1,220,000	0	0	0	0	1,220,000
530 Dept of Corrections and Rehabilitation	\$1,140,000	\$3,775,327	\$705,479	\$710,700	\$705,000	\$7,036,506
General Fund	0	876,250	689,299	0	40,000	1,605,549
Federal Funds	0	0	0	0	0	0
Special Funds	1,140,000	2,899,077	16,180	710,700	665,000	5,430,957

Capital Assets Appropriations by Category – 2019-2021

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
540 Adjutant General	\$20,700,000	\$0	\$224,046	\$790,000	\$785,000	\$22,499,046
General Fund	15,000,000	0	224,046	40,000	95,000	15,359,046
Federal Funds	5,700,000	0	0	750,000	0	6,450,000
Special Funds	0	0	0	0	690,000	690,000
601 Commerce	\$50,000,000	\$0	\$0	\$0	\$0	\$50,000,000
General Fund	50,000,000	0	0	0	0	50,000,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
602 Department of Agriculture	\$0	\$0	\$0	\$0	\$15,000	\$15,000
General Fund	0	0	0	0	10,000	10,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	5,000	5,000
628 Branch Research Centers	\$0	\$0	\$126,569	\$4,345,000	\$0	\$4,471,569
General Fund	0	0	126,569	875,000	0	1,001,569
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	3,470,000	0	3,470,000
630 NDSU Extension Service	\$0	\$0	\$0	\$410,000	\$0	\$410,000
General Fund	0	0	0	410,000	0	410,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
638 Northern Crops Institute	\$0	\$0	\$0	\$250,000	\$0	\$250,000
General Fund	0	0	0	250,000	0	250,000
Federal Funds	0	0	0	0	0	0
Special Funds	0	0	0	0	0	0
640 NDSU Main Research Center	\$0	\$2,780,930	\$356,769	\$4,693,000	\$0	\$7,830,699
General Fund	0	1,340,465	356,769	693,000	0	2,390,234
Federal Funds	0	0	0	0	0	0
Special Funds	0	1,440,465	0	4,000,000	0	5,440,465
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	\$1,050,000	\$1,144,542	\$81,000	\$0	\$2,275,542
General Fund	0	500,000	1,144,542	81,000	0	1,725,542
Federal Funds	0	0	0	0	0	0
Special Funds	0	550,000	0	0	0	550,000

Capital Assets Appropriations by Category – 2019-2021

Agency	Capital Projects	Extraordinary Repairs	Other Capital Payments	Equipment Over \$5000	IT Equipment Over \$5000	Total
720 Game and Fish Department	\$800,000	\$3,157,891	\$1,651,329	\$704,000	\$0	\$6,313,220
General Fund	0	0	0	0	0	0
Federal Funds	0	1,422,377	1,171,415	418,500	0	3,012,292
Special Funds	800,000	1,735,514	479,914	285,500	0	3,300,928
750 Parks and Recreation Department	\$6,755,000	\$1,776,046	\$66,875	\$1,437,000	\$0	\$10,034,921
General Fund	0	0	66,875	0	0	66,875
Federal Funds	0	0	0	300,000	0	300,000
Special Funds	6,755,000	1,776,046	0	1,137,000	0	9,668,046
770 State Water Commission	\$0	\$0	\$112,996,308	\$194,450	\$23,000	\$113,213,758
General Fund	0	0	0	0	0	0
Federal Funds	0	0	30,000,000	0	0	30,000,000
Special Funds	0	0	82,996,308	194,450	23,000	83,213,758
801 Department of Transportation	\$5,300,000	\$0	\$815,075,283	\$40,580,661	\$70,000	\$861,025,944
General Fund	0	0	0	0	0	0
Federal Funds	0	0	588,630,451	0	0	588,630,451
Special Funds	5,300,000	0	226,444,832	40,580,661	70,000	272,395,493
Total All Agencies	\$ 405,396,000	\$ 34,408,432	\$ 941,217,390	\$ 73,831,337	\$ 56,414,366	\$ 1,511,267,525
General Fund	100,000,000	16,999,775	9,398,103	3,370,331	3,296,682	133,064,891
Federal Funds	5,700,000	1,442,511	620,005,114	4,587,674	1,323,070	633,058,369
Special Funds	299,696,000	15,966,146	311,814,173	65,873,332	51,794,614	745,144,265

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 was reduced? If population declined? If a technological breakthrough occurred? If demand for services declined? If not, what is the likelihood any of these will happen in the next ten years?
- What are the operating costs over the life of this project and are they reasonable? Will the state have to pay these costs? Can the state afford to do so? Is it cost effective to spend more at the outset of the project to reduce future operating costs (e.g., through redesign of a facility)?
- Have all the costs relating to this project been considered? Does the total cost include construction costs, architects' fees, contingency fees, construction supervision fees, equipment, insurance and bid costs, and site acquisition?
- What are the economies of scale? Would a bigger facility be cheaper per unit of service? If a bigger facility is built, can part of the space be rented?

NOTE: Adapted from "Capital Budgeting and Finance: The Legislative Role," published by the National Conference of State Legislatures.

Evaluation

The Office of the Governor and the Office of Management and Budget considered external mandates, program needs, state policy direction, and available funding sources in evaluating and prioritizing capital project requests.

External mandates include:

- Court orders.
- Health and life safety codes.
- Handicap accessibility regulations.
- Regulations regarding the historical significance of existing facilities.

Program needs include or are influenced by:

- Demographic shifts.
- Department goals.
- Public convenience.
- Program requirements.
- Obsolescence of existing facilities.

State policy direction is influenced by:

- Gubernatorial priorities.
- Economic development needs and initiatives.
- Consolidation of state services.

Funding considerations include:

- Non-general fund dollars available for construction and operation.
- Existing state debt obligations.
- Operating efficiency of the proposed facility.

Capital Projects Recommendations - 2019-2021

Biennium: 2019-2021

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds	Bonding
230 University of North Dakota	Athletics High Performance Center - Phase II	35,000,000	0	0	35,000,000	0
	Memorial Union	80,000,000	0	0	80,000,000	0
	Total	115,000,000	0	0	115,000,000	0
235 North Dakota State University	Barry Hall Space Repurpose & Renovation	3,000,000	0	0	3,000,000	0
	Dunbar	51,350,000	0	0	51,350,000	0
	Indoor Practice Facility	37,200,000	0	0	37,200,000	0
	Softball Indoor Facility	2,000,000	0	0	2,000,000	0
	University Village Phase 2	37,600,000	0	0	37,600,000	0
	Total	131,150,000	0	0	131,150,000	0
238 ND State College of Science	Workforce Career Academy	30,000,000	0	0	30,000,000	0
	Total	30,000,000	0	0	30,000,000	0
242 Valley City State University	McCarthy Hall Renovation	3,900,000	0	0	3,900,000	0
	Total	3,900,000	0	0	3,900,000	0
243 Dakota College at Bottineau	Dining Facility	2,500,000	0	0	2,500,000	0
	Total	2,500,000	0	0	2,500,000	0
325 Department of Human Services	Boiler and Plant building at State Hospital	1,931,000	0	0	1,931,000	0
	New 80 Bed State Hospital	35,000,000	35,000,000	0	0	0
	Total	36,931,000	35,000,000	0	1,931,000	0
504 Highway Patrol	Addition to Indoor Gun Range	1,220,000	0	0	1,220,000	0
	Total	1,220,000	0	0	1,220,000	0
530 Department of Corrections and Rehabilitation	RRI - JRCC Industries Building	1,140,000	0	0	1,140,000	0
	Total	1,140,000	0	0	1,140,000	0
540 Office of the Adjutant General	Camp Grafton South Expansion Project	15,000,000	15,000,000	0	0	0
	Estimated New Federal Construction	5,700,000	0	5,700,000	0	0
	Total	20,700,000	15,000,000	5,700,000	0	0
601 Department of Commerce	Theodore Roosevelt Presidential Library	50,000,000	50,000,000	0	0	0
	Total	50,000,000	50,000,000	0	0	0

Capital Projects Recommendations - 2019-2021

Biennium: 2019-2021

Agency	Capital Project	Total	General Fund	Federal Funds	Special Funds	Bonding
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	Capital Project at International Peace Gardens	5,000,000	0	0	5,000,000	0
	DeTrobriand Bay Marina Electrical Renovation	295,000	0	0	295,000	0
	Ft Stevenson State Park Facility Renovation	340,000	0	0	340,000	0
	Grahams Island State Park Facility Renovation	80,000	0	0	80,000	0
	Icelandic State Park Asphalt Road & Parking Repair	340,000	0	0	340,000	0
	Pembina Gorge Recreation Area Campground Develop	150,000	0	0	150,000	0
	Rental Cabins in 4 State Parks (2 Cabins Per Park)	320,000	0	0	320,000	0
	Sully Creek State Park Campsite Electrical Service	230,000	0	0	230,000	0
	Total	6,755,000	0	0	6,755,000	0
	801 Department of Transportation	Land and Buildings	5,300,000	0	0	5,300,000
Total		5,300,000	0	0	5,300,000	0
Total All Agencies		405,396,000	100,000,000	5,700,000	299,696,000	0

230 – University of North Dakota

Athletics High Performance Center – Phase II

This Phase II project will allow Athletics to consolidate its existing space needs into new construction. The 117,000 gross square feet addition will be on the west side of the existing High Performance Center. The Athletics/ROTC assigned square footage will be reduced by 143,083 gross square feet. The project includes \$35.0 million from special funds. Increases in operating funds will be paid within the agency's budget.

Memorial Union

This project will authorize UND to raise funds for construction of a new Memorial Union in the same location as the existing Union. The project will provide 158,000 gross square feet with \$80.0 million from special funds. The programming and event space will include: multiple food options convenience store, retail space, one stop student services, study pods, student government suite, ballroom, multiple purpose rooms, student organization and media suite, international student suites and other support spaces. Increases in operating will be paid within the agency's budget.

235 – North Dakota State University

Barry Hall Space Repurpose and Renovation

This project will expand the instructional capacity within Barry Hall and includes renovation of the second floor area of the existing building and an addition to the second floor area that includes an active learning classroom and an event space. Funding in the amount of \$3.0 million will be generated through special funds. Increases in operating will be paid within the agency's budget.

Dunbar

Dunbar Hall II is a six-story, 106,000 gross square feet, new construction replacement for the existing Dunbar Hall. The project includes \$25.6 million from the State Investment and Improvement Fund and \$25.6 million from special funds for a total of \$51.2 million. The project includes \$855,680 for demolition of the existing Dunbar Hall. Operating costs are not expected to increase and may decrease due to increased energy efficiency.

Indoor Practice Facility

The project will be approximately 120,000 square feet of climate controlled space for all weather occurrences during the year. The new facility will be located with the current Team Makers practice fields. The project includes \$37.2 million from special funds. Operating costs are not expected to increase and may decrease due to increased energy efficiency.

Softball Indoor Facility

The project will provide approximately 11,000 square feet of indoor hitting, fielding, and operational area. The project includes \$2.9 million from special funds. The project will be located to the North of the Ellig Softball complex. Operating costs of \$25,000 will be funded with special funds.

University Village Phase II

NDSU will further raze portions of the original University Village and complete construction of three new four-story buildings with up to 240 apartments. The project includes \$37.0 million from special funds. Operating costs will be covered by rental rates.

238 – ND State College of Science

Workforce Career Academy

This 125,000 square foot project will provide CTE education labs, flexible general purpose classrooms, student support spaces, and work space for faculty and staff. The project includes \$30.0 million from special funds. Operating costs of \$2.4 million do not have a funding source at this time.

242 – Valley City State University

McCarthy Hall Renovation

This project will provide \$2.9 million from the State Investment and Improvement Fund and the authority to raise \$1.0 million in private funds for a total project budget of \$3.9 million. The project includes improvements to the life/safety, exiting, mechanical, and electrical systems. Operating costs are not expected to increase and may decrease due to increased energy efficiency.

243 – Dakota College at Bottineau

Dining Facility

This project would replace the existing dining facility which does not meet ADA requirements and has numerous existing code compliance issues. The project includes \$2.5 million from special funds. Increases in operating will be paid with special funds.

325 – Department of Human Services

Boiler and Plant Building at State Hospital

Natural gas, at a capacity necessary to meet Joint Commission requirements, is now available in Jamestown. This project will provide \$1.9 million from the Strategic Investment and Improvement Fund for a replacement of the existing coal boiler with a new natural gas boiler. The project includes a new 2,400 square foot structure to house the new boiler. Operating costs are not expected to increase and may decrease due to increased energy efficiency.

New Behavioral Health State Hospital and Clinic

This project consists of 58,600 square feet for the hospital and 30,000 square feet for the relocated South Central Human Service Center. The project is a \$35.0 million Legacy Project funded from the General Fund and includes all site clearing, utilities, roads, paving, landscaping, all necessary furnishings, IT costs, and food service equipment. Operating costs are not expected to increase and may decrease due to increased energy and operational efficiency.

504 – Highway Patrol

Addition to Indoor Gun Range

This project is Phase II of the original design and will provide a classroom/training room for firearms instruction and emergency vehicle operations instruction. The project includes \$1.2 million from special funds. Increases in operating will be funded within the agency's budget.

530 – Department of Corrections and Rehabilitation

RRI – JRCC Industries Building

This project will establish RRI presence in conjunction with the relocation of the minimum custody males to the James River Correctional Center. The project includes \$1.1 million from special funds. Increases in operating will be funded within the agency's budget.

540 – Adjutant General

Camp Grafton South Expansion Project

This project will add up to 23,000 acres to the existing 9,000 acres at Camp Grafton. It includes a new small arms range complex and provides additional maneuver space to support unit training requirements. The project is funded with \$15.0 million from the Legacy Fund. Increases in operating and maintenance costs will be paid within the agency's budget.

Estimated New Federal Construction

This authority request represents the historical expenditures for the Army Guard Contracts line. The spending authority includes \$5.7 million in federal funding. The National Guard Bureau has not yet approved funding or specific projects for the 2019-21 biennium. Increases in operating and maintenance costs will be paid within the agency's budget.

601 – Department of Commerce

Theodore Roosevelt Presidential Library

This project is in the preliminary development and design stage. The project is funded with \$50.0 million from the General Fund for the Theodore Roosevelt Presidential Library for the planning, designing, constructing and operations of the library. The funding will require a 2:1 match from the private sector.

720 – Game and Fish Department

Land Acquisitions

This project will provide authority for the purchase of small tracts near wildlife management areas, or similar opportunities that come up during the biennium. The projects includes \$800,000 from agency special funds.

750 – Parks and Recreation Department

DeTrobriand Bay Marina Electrical Renovation

This project will renovate the electrical service to the 44 existing boat slips. The existing service no longer meets code for on water electrical service. The project includes \$295,000 from the Strategic Improvement and Investment Fund. Increases in operating will be funded from the agency special fund.

Fort Stevenson State Park Facility Renovation

This project is a renovation of the existing DeTrobriand Marina Lodge from a seasonal staff housing and meeting facility into a 2-story overnight rental property. It also includes renovation of the vacant concession building at the boat ramp and will establish seasonal housing camper sites. The project includes \$340,000 from the Strategic Investment and Improvement Fund. Increases in operating will be funded within the agency's budget.

Grahams Island State Park Facility Renovation

This project will repurpose the old park concession structure into an overnight rental unit. The project includes \$80,000 from the Strategic Investment and Improvement Fund. Increases in operating will be funded within the agency's budget.

Icelandic State Park Asphalt Road and Parking Repair

This project includes all incidental repairs, sealer, and chip and seal of all asphalt roads and park areas. The project includes \$340,000 from the Strategic Investment and Improvement Fund. No increase in operating is anticipated.

Pembina Gorge Recreation Area Campground Development

This project will fund development site planning, engineering, and preliminary design for a campground that serves as an overnight support facility. Currently, no public camping is provided within the Pembina Gorge recreation areas. The project includes \$150,000 from the Strategic Investment and Improvement Fund. No increase in operating is expected at this time.

Rental Cabins in Four State Parks (2 Cabins per Park)

This project will provide camping cabins in 4 separate parks to address public demand. The existing service no longer meets code for on water electrical service. The project includes \$320,000 from the Strategic Investment and Improvement Fund. Increases in operating will be funded with rental income.

Sully Creek State Park Campsite Electrical Service

This project will provide upgraded camp sites and electrical service to 35 campsites at Sully Creek State Park. The project includes \$230,000 from the Strategic Investment and Improvement Fund. Increases in operating will be funded with rental income.

International Peace Gardens

This project will provide funds for various capital improvement projects throughout the biennium. It includes \$5.0 million from the Strategic Investment and Improvement Fund.

801 - Department of Transportation

Land and Buildings

This project includes lab construction in various locations. The locations are based on highest needs and priorities. The project includes \$5.3 million from special

funds. Increases in operating and maintenance will be paid within the agency's budget.

Extraordinary Repairs

Extraordinary repairs include expenditures for substantial repairs and improvements to buildings and infrastructure. The Fiscal Management Division of OMB uses a building and infrastructure renewal formula, based on industry standards, to generate an estimate of total dollars that should be spent to adequately maintain buildings and infrastructure.

For large agencies with numerous facilities the formula generates a pool to be used to address extraordinary repair needs. Some buildings will not have extraordinary repair needs during the biennium; other buildings may have extraordinary repair needs that differ from the formula amount. Newer buildings will normally require fewer repairs than older buildings. The pooled resources from all buildings and infrastructure in the formula will be applied by the agency to the areas of greatest need. However, many agencies have few buildings and minimal infrastructure, limiting the flexibility provided by pooling resources.

The formula driven calculations may not always reflect actual repair needs. Therefore, although the formula is used to guide agencies in requesting repair dollars, actual requests may be higher or lower than formula amounts.

Extraordinary Repairs - Buildings

Formulas are generally used to calculate the cost to adequately maintain buildings.

The formula used by the Fiscal Management Division is based on the following premises:

- The formula reflects current building valuation.
- The formula recognizes that as a general policy, fewer resources should be directed to building renewal than the cost of building replacement.
- The formula recognizes that older buildings require proportionally more repair funds than do newer buildings.
- The formula reflects the effects of building repair projects already accomplished.
- The formula is applied to an entire facility system in an actuarial manner, generating a pool of funds to be used on extraordinary repairs.

Building Formula

The annual extraordinary repairs formula for buildings is as follows:

Buildings 5 years old or older at mid-year of biennium

Building Replacement Value x 2.0% = Formula Amount

Buildings less than 5 years old

\$0

Building Value Factor

The North Dakota Century Code requires that all state buildings built after 1939 be insured at replacement value. The building's insured value is used as the building replacement value for the formula calculation. All state owned buildings are insured through the Fire and Tornado Fund.

Building Age

The building age is determined by subtracting the year a building was built or extensively renovated from 2020, the mid-year in the 2019-21 biennium. For example, if a building was built or renovated in 1973, the building age is 47 (2020-1973).

Extraordinary Repairs - Infrastructure

Infrastructure is defined as a structure outside of and apart from a building, but necessary to the function of the building. Examples of infrastructure include water and sewer lines, electrical lines, parking lots, sidewalks and roads.

Recognizing that formulas based on building value would not provide adequate funding for infrastructure needs, the Fiscal Management Division of OMB has adopted a formula for calculating costs of extraordinary repairs to infrastructure.

In some cases the value and age of infrastructure are difficult to determine; therefore, the infrastructure formula is based on the replacement value of various infrastructure components.

Infrastructure Formula

The annual extraordinary repairs formula for infrastructure is as follows:

P X R = Formula Amount

P = Infrastructure renewal percentage

R = Infrastructure replacement value (per unit value X number of units)

Infrastructure Renewal Percentage

The infrastructure renewal percentage is the straight line depreciation over the normal life of the item. For example, the infrastructure renewal percentage for an item with a 20-year normal life is 5.0 percent.

Infrastructure Replacement Value

Infrastructure is valued at replacement cost. Expertise from the Facility Management Division of OMB is used to determine replacement costs and parameters applicable to the valuation of the numerous types of infrastructure.

The schedule on the following pages show amounts included in the executive recommendation for each state agency with extraordinary repairs for the 2019-21 biennium.

Extraordinary Repairs Recommendations 2019-21

No.	Agency Name	Building Formula	Infrastructure Formula	Total Formula	Extraordinary Repairs Requested	% of Formula Requested	Extraordinary Repairs Recommended	% of Formula Recommended
110	Office of Management and Budget	\$ 11,067,202	\$ 859,712	\$ 11,926,914	\$ 1,400,000	12%	\$ 1,900,000	16%
180	Judicial Branch	-	-	-	960,000	-	960,000	-
227	Bismarck State College	2,907,412	2,050,048	4,957,460	417,673	8%	417,673	8%
228	Lake Region State College	1,169,249	638,321	1,807,570	155,367	9%	155,367	9%
229	Williston State College	1,665,656	622,339	2,287,995	197,801	9%	197,801	9%
230	University of North Dakota	26,981,758	9,977,296	36,959,054	4,411,566	12%	4,411,566	12%
235	North Dakota State University	19,781,369	7,377,501	27,158,870	2,732,244	10%	2,732,244	10%
238	ND State College of Science	6,254,468	2,599,344	8,853,812	1,012,379	11%	1,012,379	11%
239	Dickinson State University	4,126,303	499,042	4,625,345	409,078	9%	409,078	9%
240	Mayville State University	3,286,518	670,226	3,956,744	358,992	9%	358,992	9%
241	Minot State University	5,872,200	1,924,134	7,796,334	899,620	12%	899,620	12%
242	Valley City State University	2,339,731	810,140	3,149,871	408,319	13%	408,319	13%
243	Dakota College - Bottineau	662,117	221,084	883,201	114,007	13%	114,007	13%
244	North Dakota Forest Service	159,010	287,867	446,877	62,480	14%	62,480	14%
252	School for the Deaf	869,548	216,806	1,086,354	408,678	38%	408,678	38%
253	ND Vision Services	369,832	-	369,832	299,692	81%	299,692	81%
301	ND Department of Health	402,224	-	402,224	1,372,659	341%	1,372,659	341%
303	ND Department of Environmental Qlty	41,552	-	41,552	27,000	65%	27,000	65%
313	Veterans Home	1,527,780	476,532	2,004,312	163,700	8%	-	0%
325	Department of Human Services	7,429,001	4,955,034	12,384,035	5,720,683	46%	5,720,683	46%
380	Job Service North Dakota	854,813	-	854,813	-	0%	-	0%
412	Aeronautics Commission	-	140,708	140,708	-	0%	-	0%
471	Bank of North Dakota	686,114	53,545	739,659	-	0%	-	0%
485	Workforce Safety and Insurance	1,033,068	102,776	1,135,844	-	0%	-	0%
504	Highway Patrol	161,646	-	161,646	-	0%	-	0%
530	Dept of Corrections and Rehabilitation	8,643,513	1,671,544	10,315,057	3,775,327	37%	3,775,327	37%
540	Office of the Adjutant General	10,609,313	6,463,987	17,073,300	-	0%	-	0%
640	NDSU Main Research Center	3,434,281	882,291	4,316,572	2,780,930	64%	2,780,930	64%
649	Agronomy Seed Farm	97,231	61,067	158,298	-	0%	-	0%
701	Historical Society	1,182,082	1,365,674	2,547,756	1,210,000	47%	1,050,000	41%
720	Game and Fish Department	929,721	-	929,721	3,257,891	350%	3,157,891	340%
750	Parks and Recreation Dept	1,348,106	7,310,700	8,658,806	5,655,120	65%	1,776,046	21%
770	State Water Commission	589,917	69,978	659,895	-	0%	-	0%
801	Dept of Transportation	4,631,045	994,541	5,625,586	-	0%	-	0%
TOTALS		\$ 131,113,780	\$ 53,302,237	\$ 184,416,017	\$ 38,211,206	21%	\$ 34,408,432	19%

Other Capital Payments
Biennium: 2019-2021

Agency	Project Description	Recommendation	General Fund	Federal Funds	Special Funds	Bond Proceeds
110 Office of Management and Budget	Restore Bond Payments for 2017-19	567,125	567,125	0	0	0
125 Office of the Attorney General	Restore Crime Lab Building Bond Payments	647,500	647,500	0	0	0
215 ND University System	Capital Bond Payments	4,959,448	4,959,448	0	0	0
227 Bismarck State College	Add 19 -21 Base Special Assessments	339,391	0	0	339,391	0
229 Williston State College	Add 2019-21 Capital Payments	1,064,167	0	0	1,064,167	0
240 Mayville State University	Add 2019-21 Base Special Assessments	67,648	0	0	67,648	0
242 Valley City State University	Special Assessment	57,520	57,520	0	0	0
243 Dakota College at Bottineau	Special Assessment for Street Project	6,772	6,772	0	0	0
301 ND Department of Health	Add 2019-21 Bond Payments	428,457	367,947	60,510	0	0
	Add 2019-21 Special Assessments	90,000	90,000	0	0	0
	Total	518,457	457,947	60,510	0	0
303 Department of Environmental Quality	Add 2019-21 Bond Payments	216,429	93,691	122,738	0	0
313 Veterans Home	Bond & Interest	405,733	0	0	405,733	0
380 Job Service North Dakota	Capital Payments	20,000	0	20,000	0	0
530 Department of Corrections and Rehabilitation	DOCR 2019-21 Bond Payments	705,479	689,299	0	16,180	0
540 Office of the Adjutant General	Special Assessments & Payment in lieu	224,046	224,046	0	0	0
628 Branch Research Centers	Add 2019-21 CGREC Capital Bond Payment	48,136	48,136	0	0	0
	Add 2019-21 NCREC Capital Bond Payment	78,433	78,433	0	0	0
	Total	126,569	126,569	0	0	0
640 NDSU Main Research Center	Capital Bond Payments 19-21	356,769	356,769	0	0	0
701 Historical Society	Add 19-21 Base Budget Bond Payment Amount	1,144,542	1,144,542	0	0	0

Other Capital Payments

Biennium: 2019-2021

Agency	Project Description	Recommendation	General Fund	Federal Funds	Special Funds	Bond Proceeds
720 Game and Fish Department	Fisheries	268,329	0	134,165	134,164	0
	In Lieu of Taxes	1,383,000	0	1,037,250	345,750	0
	Total	1,651,329	0	1,171,415	479,914	0
750 Parks and Recreation Department	Add 2019-21 Bond Payment	66,875	66,875	0	0	0
770 Water Commission	NAWS & SWPP	112,996,308	0	30,000,000	82,996,308	0
801 Department of Transportation	Capital Bond Payments	1,013,189	0	0	1,013,189	0
	Other Capital Payments	814,062,094	0	588,630,451	225,431,643	0
	Total	815,075,283	0	588,630,451	226,444,832	0
	Total All Agencies	941,217,390	9,398,103	620,005,114	311,814,173	0

Financing

The executive recommendation for capital assets expenditures during the 2019-21 biennium is \$1.511 billion. The majority of expenditures relate to highway projects (\$815.1 million) and water projects (\$113.0 million), funded from federal and special funds.

The executive recommendation for capital projects is \$405.4 million. Capital projects are funded with \$100.0 million from the General Fund, \$5.7 million from federal funds, and \$299.7 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:

<u>Criteria</u>	<u>Debt Affordability</u>	
	<u>United States Mean</u>	<u>North Dakota</u>
2016 per capita debt	\$1,477	\$133
2016 debt to personal income	2.9%	0.2%

Debt Obligations and Limits

NDCC 54-17.2-23 limits the amount of bond payments to be paid from the state's general fund. The amount "may not exceed the amount equal to a portion of the sales, use, and motor vehicle excise tax collections equal to 10.0 percent of an amount, determined by multiplying the quotient of 1.0 percent divided by the general sales tax rate that was in effect when the taxes were collected, times the net sales, use, and motor vehicle excise tax collections." The general sales tax rate is currently 5.0 percent. Consequently, the state building authority lease payment limitation can be calculated as follows:

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

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

Biennium	Current General Fund Debt Obligation	Statutory Debt Limit*	Balance Avail for Additional Debt Service
2019-21	9,022,019	47,621,000	38,598,981
2021-23	6,819,000	50,585,000	43,766,000
2023-25	2,541,890	53,114,000	50,572,110
2025-27	0	55,700,000	55,700,000
2027-29	0	58,559,000	58,559,000

* Based on the November 2018 forecast with 6.0 percent growth for the 2021-23 and 5.0 percent growth each biennium thereafter.

All state funded capital projects recommended in the 2019-21 executive budget are funded with cash. There are no projects funded through bonded indebtedness.

Bonds issued for construction projects are repaid over a 20-year period. Based on estimated funds available in future bienniums for additional bond payments, bonds in the amount of \$213.2 million could have been issued during the 2019-21 biennium (based on estimates prepared by financial advisors to the State of North Dakota).

Outstanding Bonds

On the following pages is a summary of outstanding bonded indebtedness issued by the North Dakota Building Authority.

Summary of Outstanding Bond Indebtedness Issued by ND Bonding Authority

Projects Funded	Bond Issue	Bond Maturity Date	Outstanding Principal June 30, 2019	Debt Service General Fund Payment 2019-21	Debt Service Special Fund Payment 2019-21	Debt Service Energy Savings Payment 2019-21
Authorized in 1999 Williston State College - Health and Wellness Center (\$3,000,000)	2006B/2017 Series A	12/1/2021	\$2,260,000	\$1,789,625	\$0	\$0
Authorized in 2001 Minot State University - Old Main restoration (\$7,850,000)						
Authorized in 2001 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)	2010 Series AB	12/1/2022	\$1,710,000	\$312,015	\$616,072	\$0
Authorized in 2003 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)	2012 Series A	12/1/2021	\$2,610,000	\$1,781,570	\$0	\$16,180
Authorized in 2005 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)	2005 Series A	12/1/2024	\$12,315,000	\$5,122,629	\$33,333	\$415,664
Authorized in 2007 and Reauthorized in 2009 Veterans Home (\$2,575,152)	2010 Series AB	12/1/2030	\$1,960,000	\$0	\$490,888	\$0
Total			\$20,855,000	\$9,005,839	\$1,140,293	\$431,844

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 2019-21 biennium executive recommendation includes \$73.8 million for the purchase of equipment items costing \$5,000 or more. Recommended funding sources are \$3.4 million from the General Fund, \$4.6 million from federal funds, and \$65.8 million from special funds. The executive recommendation includes \$56.4 million for the purchase of IT equipment and software items costing \$5,000 or more. Recommended funding sources for IT equipment purchases are \$3.3 million from the General Fund, \$1.3 million from federal funds, and \$51.8 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 2019-21 biennium.

Equipment Over \$5,000 - 2019-2021

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
110 Office of Management and Budget	Replace existing Production Equipment	75,000	75,000	0	0	75,000
112 Information Technology Department	ITD Operations Equipment	250,000	250,000	0	0	250,000
125 Office of the Attorney General	ABSciex 4500 Qtrap system	297,337	297,337	0	297,337	0
	Agilent 5977A MSD System	128,000	128,000	0	128,000	0
	Cellebrite	90,000	90,000	0	90,000	0
	Crime Lite	13,600	13,600	0	13,600	0
	Crime Scene Vehicle	130,000	130,000	0	130,000	0
	Gas Chromatograph/Mass Spectrometer	127,308	127,308	0	127,308	0
	Intoxilyzer 8000 Breath Alcohol Instruments	85,950	85,950	0	85,950	0
	Intoxilyzer 9000 Breath Alcohol Instrument	8,150	8,150	0	8,150	0
	Leica Scan Station PS30 System	101,301	101,301	0	101,301	0
	System	84,810	84,810	0	84,810	0
	Maxwell RSC 48 System	61,000	61,000	0	61,000	0
	Vehicles	0	300,000	300,000	0	0
	Pen Register System with Smart Bugs	345,000	345,000	0	345,000	0
	SceneBeacon Dual Pistol Grip Laser	22,500	22,500	0	22,500	0
	TruNarc Testing Equipment	114,000	114,000	0	114,000	0
	Tube Writer System for DNA Sample Vials	44,000	44,000	0	44,000	0
	Total	1,652,956	1,952,956	300,000	1,652,956	0
160 Legislative Council	Equipment over \$5,000	6,000	6,000	6,000	0	0
180 Judicial Branch	Copy machine - Supreme Court	7,500	7,500	7,500	0	0
	Copy machines - District Court	75,000	75,000	75,000	0	0
	Total	82,500	82,500	82,500	0	0
227 Bismarck State College	Base Equipment over \$5,000	1,155,149	1,155,149	0	0	1,155,149
228 Lake Region State College	Add 2019-21 Base Equipment > \$5,000	207,300	207,300	207,300	0	0
230 University of North Dakota	Equipment over \$5,000	6,101,572	6,101,572	0	0	6,101,572
235 North Dakota State University	Equipment over \$5,000	5,066,860	5,066,860	0	0	5,066,860
241 Minot State University	Base Equipment over \$5,000	180,000	180,000	0	0	180,000
242 Valley City State University	Base Equipment over \$5,000	47,504	47,504	47,504	0	0
243 Dakota College at Bottineau	Equipment over \$5,000	456,540	456,540	0	0	456,540

Equipment Over \$5,000 - 2019-2021

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
244 North Dakota Forest Service	Greenhouse Equipment Towner	18,248	18,248	18,248	0	0
	Grounds Mowers for State Forest/Towner	26,000	26,000	26,000	0	0
	Replacement Seed Bed Shade Cloth	12,000	12,000	12,000	0	0
	Total	56,248	56,248	56,248	0	0
252 School for the Deaf	Replacement of Kitchen Dishwasher	0	20,000	0	0	20,000
301 ND Department of Health	Autoclaves	50,000	50,000	0	0	50,000
	Color Copier	10,000	10,000	0	0	10,000
	DNA Fragment Analyzer/16s Sequencer	90,000	90,000	0	90,000	0
	Disaster Relief Rapid Response Mobile	330,000	330,000	0	330,000	0
	Emergency Response Health and Medical	66,500	66,500	0	66,500	0
	Emergency Response Health and Medical	66,000	66,000	0	66,000	0
	Emergency Response Mobile Sleeping	216,000	216,000	0	216,000	0
	Florescent Microscopes	60,000	60,000	0	60,000	0
	Incubator	50,000	50,000	0	0	50,000
	Liftgates for Emerg Resp Health and	56,000	56,000	0	56,000	0
	Lyohphilizr Freezer Dryer	50,000	50,000	0	50,000	0
	Maldi ToF	200,000	200,000	0	200,000	0
	Off Road Utility Vehicles for Field	30,000	30,000	0	30,000	0
	RFID System for State Medical Cache	35,000	35,000	0	35,000	0
	Refrig and Heated Emerg Resp Trail w	36,000	36,000	0	36,000	0
	SHS Copier Fax Scanner	13,197	13,197	0	13,197	0
	TRF Analyzer	50,000	50,000	0	0	50,000
	Water Purification System	10,000	10,000	0	0	10,000
	Whole Genome Sequencer	100,000	100,000	0	100,000	0
	Total	1,518,697	1,518,697	0	1,348,697	170,000
303 Department of Environmental Quality	Acoustic Doppler Velocimeter	9,000	9,000	0	9,000	0
	Cgas Chromatography Mass Spect	200,000	200,000	0	0	200,000
	Copier Municipal Facilities	7,500	7,500	0	7,500	0
	Copy Machine	6,000	6,000	0	0	6,000
	ECHOTECH Shelter	94,000	94,000	0	0	94,000
	FLIR Cameras	0	500,000	0	0	500,000
	Florescence Detector	15,000	15,000	0	0	15,000
	Gas Chromatography Electron Capture	40,000	40,000	0	0	40,000
	Gas Chromatography Mass Spectrometer	220,000	220,000	0	0	220,000
	Inductively Coupled Mass Spectrometer	150,000	150,000	0	0	150,000
	NOX Analyzer	27,000	27,000	0	0	27,000
	Ozone Analyzer	37,500	37,500	0	0	37,500
	Photo Diode Array Detector for LCMSMS	17,000	17,000	0	0	17,000
	S02 Analyzer	26,000	26,000	0	0	26,000
	Teledyne T640 PM Analyzer	46,000	46,000	0	46,000	0
	X-Ray Testing Equipment	20,000	20,000	0	0	20,000
	Total	915,000	1,415,000	0	62,500	1,352,500

Equipment Over \$5,000 - 2019-2021

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
313 Veterans' Home	Boilerless Steamer	18,500	18,500	0	0	18,500
	Dish Machines	21,900	21,900	0	0	21,900
	Dryer	20,500	20,500	0	0	20,500
	Fridge-Commercial	9,000	9,000	0	0	9,000
	Toolcat	18,000	18,000	0	0	18,000
	Toro Broom	6,000	6,000	0	0	6,000
	Whirlpool Tub	23,500	23,500	0	0	23,500
	Total		117,400	117,400	0	0
321 Department of Veterans' Affairs	Highly Rural Transportation Vans	46,000	46,000	0	46,000	0
	Transportation Van - DAV Program	0	18,600	18,600	0	0
	Total	46,000	64,600	18,600	46,000	0
325 Department of Human Services	Backhoe and Sander Replacement	11,908	11,908	11,908	0	0
	Bobcat Replacement	26,762	26,762	26,762	0	0
	Combi-oven	14,640	14,640	14,640	0	0
	Food Cart Replacement	10,000	10,000	10,000	0	0
	Lawn Mower Replacement	19,000	19,000	19,000	0	0
	Mower Z Track	16,650	16,650	16,650	0	0
	OAE Tymph machines	10,000	10,000	979	9,021	0
	Skid Steer Replacement	40,000	40,000	40,000	0	0
	Stand Lift Replacement	5,500	5,500	5,500	0	0
	Steam Well Drop Ins	45,522	45,522	45,522	0	0
	Sweeper Replacement	8,430	8,430	8,430	0	0
	Total		208,412	208,412	199,391	9,021
471 Bank of North Dakota	Addition of Modular Offices / Workstations	45,000	45,000	0	0	45,000
	Replacement of Coin Sorter Machine	25,000	25,000	0	0	25,000
	Replacement of Coin Wrapping Machine	30,000	30,000	0	0	30,000
	Replacement of Color Laser Jet Printers	24,000	24,000	0	0	24,000
	Replacement of Currency Counter	30,000	30,000	0	0	30,000
	Replacement of High-Volume Copier/Scan	36,000	36,000	0	0	36,000
	Unanticipated Equipment Capital	60,000	60,000	0	0	60,000
	Total		250,000	250,000	0	0
504 Highway Patrol	Equipment Over \$5,000 Changes	110,000	103,788	103,788	0	0
530 Dept of Corrections and Rehabilitation	53' Enclosed Trailer	20,000	20,000	0	0	20,000
	B-Scan Body Detection and Mail Screening	230,000	230,000	0	0	230,000
	Electronic Heavy Duty Upholstery Sewing	5,000	5,000	0	0	5,000
	Furniture Cutoff Saw	20,000	20,000	0	0	20,000
	Furniture Dust Collector	75,000	75,000	0	0	75,000
	Furniture Tiger Stop Saw	15,000	15,000	0	0	15,000
	Metal Chop Saw 16"	5,000	5,000	0	0	5,000
	Metal Sign Corner Machine	12,000	12,000	0	0	12,000

Equipment Over \$5,000 - 2019-2021

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
	NDSP Redundant Fence Protection	160,000	160,000	0	0	160,000
	Portable Property X-Ray - JRCC	22,000	22,000	0	0	22,000
	Programmable Pattern Sewing Machine	16,700	16,700	0	0	16,700
	RRI-CNC Metal Plasma Cutting Table	130,000	130,000	0	0	130,000
	Total	710,700	710,700	0	0	710,700
540 Adjutant General	Army Guard 100% Federal Grounds	50,000	50,000	0	50,000	0
	Disaster Assistance Equipment	660,000	660,000	0	660,000	0
	Grounds/Janitorial Equipment Fargo RC	0	80,000	40,000	40,000	0
	Total	710,000	790,000	40,000	750,000	0
628 Branch Research Centers	2019-2021 Equipment over \$5,000	4,345,000	4,345,000	875,000	0	3,470,000
630 NDSU Extension Service	2019-2021 Equipment over \$5,000	410,000	410,000	410,000	0	0
638 Northern Crops Institute	Base Funding for Equipment > \$5,000	250,000	250,000	250,000	0	0
640 NDSU Main Research Center	2019-2021 Equipment over \$5,000	4,693,000	4,693,000	693,000	0	4,000,000
649 Agronomy Seed Farm	Base Funding Equipment > \$5,000	300,000	300,000	0	0	300,000
701 Historical Society	Historic Site Riding Lawn Mowers	81,000	81,000	81,000	0	0
720 Game and Fish Department	Enforcement Equipment	150,000	175,000	0	7,500	167,500
	Fisheries Equipment	125,000	205,000	0	153,750	51,250
	Lonetree Equipment	57,000	57,000	0	57,000	0
	Wildlife Division Equipment	102,000	267,000	0	200,250	66,750
	Total	434,000	704,000	0	418,500	285,500
750 Parks and Recreation Department	Additional One-Time Equipment	765,500	622,000	0	0	622,000
	Snowmobile Groomers	300,000	300,000	0	300,000	0
	Traffic Counters	75,000	75,000	0	0	75,000
	Utility Vehicles	440,000	440,000	0	0	440,000
	Total	1,580,500	1,437,000	0	300,000	1,137,000
770 State Water Commission	Geophysical Logging System	29,450	29,450	0	0	29,450
	Portable Generator	100,000	100,000	0	0	100,000
	Radar Magnetron	40,000	40,000	0	0	40,000
	Survey Controller TSC7 Model	10,000	10,000	0	0	10,000
	Transmit/Receive Tube	15,000	15,000	0	0	15,000
	Total	194,450	194,450	0	0	194,450

Equipment Over \$5,000 - 2019-2021

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
801 Department of Transportation	Audio Visual and Interactive Video	35,840	35,840	0	0	35,840
	Bird SK-4500-TC	40,000	40,000	0	0	40,000
	Freedom R8000 Analyzer	40,000	40,000	0	0	40,000
	GPS Receiver	18,560	18,560	0	0	18,560
	Major Maintenance/Minor Highway & Shop	5,493,600	5,598,600	0	0	5,598,600
	Motor Vehicles	34,013,637	34,658,637	0	0	34,658,637
	Particle Size Analyzer	37,360	37,360	0	0	37,360
	R10 GPS Receiver	88,440	88,440	0	0	88,440
	Robotic Total Station	29,000	29,000	0	0	29,000
	TSC7 Survey Controllers/Data Collectors	19,224	19,224	0	0	19,224
	UTV	15,000	15,000	0	0	15,000
	Total	39,830,661	40,580,661	0	0	40,580,661
	Total All Agencies	\$ 72,042,449	\$ 73,831,337	\$ 3,370,331	\$ 4,587,674	\$ 65,873,332

IT Equipment Over \$5,000 2019-2021

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
110 Office of Management and Budget	Enhance Existing IT Solutions	125,000	125,000	0	0	125,000
	IT Risk Project	170,000	170,000	0	0	170,000
	Total	295,000	295,000	0	0	295,000
112 Information Technology	Data Center Security Upgrades	520,000	520,000	0	0	520,000
	E911 Equipment	480,000	480,000	0	0	480,000
	ETC Build Grant	500,000	0	0	0	0
	IT Equipment for K-12 Network	600,000	600,000	600,000	0	0
	ITD Operations Equipment	285,000	285,000	0	0	285,000
	Network Equipment Replacements	2,088,117	2,088,117	0	0	2,088,117
	Palo Alto Network Equipment	250,000	250,000	0	0	250,000
	Refresh Intel Server Cluster	380,000	380,000	0	0	380,000
	SIRN Equipment	8,730,000	38,150,000	0	0	38,150,000
Total	13,833,117	42,753,117	600,000	0	42,153,117	
125 Office of the Attorney General	Automated Fingerprint Info System Upgrade	316,000	316,000	0	158,000	158,000
	Cellebrite UFED Upgrades	90,000	90,000	0	90,000	0
	CoBra Software Update	17,000	17,000	0	17,000	0
	Forensic PCs	72,000	72,000	0	72,000	0
	Forensic Servers	20,000	20,000	0	20,000	0
	Total	515,000	515,000	0	357,000	158,000
127 Office of State Tax Commissioner	High Volume Scanner	6,000	6,000	6,000	0	0
150 Legislative Assembly	Voting System Update	100,000	100,000	100,000	0	0
	Add Misc Capital Asset	6,000	6,000	6,000	0	0
Total	106,000	106,000	106,000	0	0	
180 Judicial Branch	Grand Forks Mixers	12,834	12,834	12,834	0	0
	ITV Equipment in Burleigh and Stark	16,500	16,500	16,500	0	0
	Ramsey County ITV System	21,954	21,954	21,954	0	0
	Ramsey County Mixer	5,500	5,500	5,500	0	0
	Rolette County Mixer	5,796	5,796	5,796	0	0
	Sound and Digital Recording System	34,778	34,778	34,778	0	0
	Unit 4 Mixers	17,490	17,490	17,490	0	0
	Total	114,852	114,852	114,852	0	0
192 Public Employees Retirement System	PERSLink Business Syst Upgrade to MVVM	190,000	190,000	0	0	190,000
215 ND University System	2017-19 IT Equip/Software Over \$5,000	2,172,612	2,172,612	2,172,612	0	0
230 University of North Dakota	IT Equipment and Software over \$5,000	745,497	745,497	0	0	745,497
241 Minot State University	IT Equipment Over \$5,000	20,000	20,000	0	0	20,000

IT Equipment Over \$5,000 2019-2021

Agency	Equipment	Request	Recommendation	Recommendation Funding Source		
				General	Federal	Special
270 Career and Technical Education	Transfer of ETC-Build Grant	500,000	500,000	0	500,000	0
301 ND Department of Health	Microbiology Laboratory-LIMS Upgrade	0	450,000	90,000	360,000	0
303 Department of Environmental Quality	Electronic Reporting System Software	35,000	35,000	0	35,000	0
	SLEIS AQ AEIR Electronic Reporting System	50,000	50,000	0	50,000	0
	Server for Chromatography Data System	10,000	10,000	0	0	10,000
	Supremacy of Federal Programs	0	500,000	0	0	500,000
	eSIMS Inventory Management Software	10,000	10,000	0	0	10,000
	Total		105,000	605,000	0	85,000
325 Department of Human Services	IT Polycoms at HSCs	50,000	50,000	28,930	21,070	0
360 Protection and Advocacy Project	IT Equipment over \$5,000	8,000	8,000	8,000	0	0
405 Industrial Commission	RBDMS Upgrade	0	5,000,000	0	0	5,000,000
408 Public Service Commission	IT Equipment	10,000	10,000	10,000	0	0
471 Bank of North Dakota	Baker Hill NextGen Implementation	60,000	60,000	0	0	60,000
	Student Loans Core System Replacement	500,000	1,000,000	0	0	1,000,000
	Student Loans Core Syst Replacmnt-Phase II	0	200,000	0	0	200,000
	Total		560,000	1,260,000	0	0
504 Highway Patrol	Drones	0	15,288	15,288	0	0
530 Dept of Corrections and Rehabilitation	Contract Paymnt & Procuremnt Mgmt Syst	0	100,000	0	0	100,000
	Inmate Tracking and Management System	0	160,000	0	0	160,000
	Intake/Legal/Movement Application	0	240,000	0	0	240,000
	ORACLE Upgrade 11G to 12C	0	165,000	0	0	165,000
	Replace ELITE Servers	40,000	40,000	40,000	0	0
	Total		40,000	705,000	40,000	0
540 Adjutant General	Computer Aided Dispatch Upgrade	450,000	450,000	0	0	450,000
	Integraph XML Change DMP 2020	95,000	95,000	95,000	0	0
	Message Switch Hardware Upgrade	240,000	240,000	0	0	240,000
	Total		785,000	785,000	95,000	0
602 Department of Agriculture	Capital Asset Request - Plotter	15,000	15,000	10,000	0	5,000
770 State Water Commission	HP Plotter	9,000	9,000	0	0	9,000
	Promise RAID Storage System	14,000	14,000	0	0	14,000
	Total		23,000	23,000	0	0
801 Department of Transportation	Multifunction Printer Copier Fax	70,000	70,000	0	0	70,000
Total All Agencies		20,164,078	56,414,366	3,296,682	1,323,070	51,794,614

Large IT Project Recommendations - 2019-2021

Agency/Project	Total Request	Recommendation Funding Source				
		Project Cost	General Fund	Federal Funds	Special Funds	Related FTE
108 Secretary of State						
Voting System Replacement & Electronic Pollbook	12,000,000	11,000,000	8,000,000	3,000,000	0	0.00
Total Secretary of State	12,000,000	11,000,000	8,000,000	3,000,000	0	0.00
112 Information Technology						
Automation/Orchestration	900,000	900,000	0	0	900,000	0.00
Customer Relationship Management	4,500,000	4,500,000	0	0	4,500,000	0.00
Cyber Security	21,024,640	16,359,796	0	0	16,359,796	17.00
Development Platform - aPaaS	1,325,000	1,325,000	0	0	1,325,000	0.00
Legacy Lift	2,000,000	2,000,000	0	0	2,000,000	0.00
ND Gateway	6,000,000	6,000,000	0	0	6,000,000	0.00
SIRN	160,000,000	44,000,000	0	0	44,000,000	0.00
Service Management	2,000,000	2,000,000	0	0	2,000,000	0.00
Statewide Land Parcels	1,150,000	1,150,000	0	0	1,150,000	0.00
Unified Data Platform	1,000,000	1,000,000	0	0	1,000,000	0.00
Total Information Technology	199,899,640	79,234,796	0	0	79,234,796	17.00
301 ND Department of Health						
Continue with WICEBT	354,554	354,554	0	354,554	0	0.00
Total ND Department of Health	354,554	354,554	0	354,554	0	0.00
325 Department of Human Services						
CCWIPS Mainframe Migration	1,250,000	1,250,000	0	675,000	575,000	0.00
MMIS Tech Stack Upgrade	7,104,000	7,104,000	0	5,328,000	1,776,000	0.00
Total Department of Human Services	8,354,000	8,354,000	0	6,003,000	2,351,000	0.00
380 Job Service North Dakota						
Unemployment Insurance (UI) Modernization Project	16,492,766	16,492,766	0	16,492,766	0	0.00
Total Job Service North Dakota	16,492,766	16,492,766	0	16,492,766	0	0.00
405 Industrial Commission						
RBDMS Upgrade	6,646,030	7,646,030	0	0	7,646,030	0.00
Total Industrial Commission	6,646,030	7,646,030	0	0	7,646,030	0.00
406 Department of Labor and Human Rights						
Paperless System	69,659	69,659	69,659	0	0	0.00
Total Department of Labor and Human Rights	69,659	69,659	69,659	0	0	0.00

Large IT Project Recommendations - 2019-2021

Agency/Project	Total Request	Recommendation Funding Source				
		Project Cost	General Fund	Federal Funds	Special Funds	Related FTE
485 Workforce Safety and Insurance						
CAPS - Claims & Policy Replacement System	7,010,000	7,010,000	0	0	7,010,000	0.00
myWSI Extranet Enhancement Project	850,000	850,000	0	0	850,000	0.00
Total Workforce Safety and Insurance	7,860,000	7,860,000	0	0	7,860,000	0.00
801 Department of Transportation						
AVL	2,650,709	2,650,709	0	0	2,650,709	0.00
Drivers License Rewrite	22,500,000	22,500,000	0	0	22,500,000	0.00
MMS	3,850,000	3,850,000	0	0	3,850,000	0.00
RIMS	9,100,000	9,100,000	0	0	9,100,000	0.00
TDEA Replacement	1,525,838	1,525,838	0	0	1,525,838	0.00
Total Department of Transportation	39,626,547	39,626,547	0	0	39,626,547	0.00
Total All Agencies	291,303,196	170,638,352	8,069,659	25,850,320	136,718,373	17.00

Statutory Authority

ND Constitution Article V; North Dakota Century Code Titles 20.1, 37, 44, 50, 54, 55, 56 and 61.

Agency Description

The Governor is the chief executive officer of the state of North Dakota and serves as the spokesperson for North Dakota state government. The Governor coordinates the policies of executive branch agencies, submits the executive budget, gives the State of the State report, makes recommendations on programs requiring legislative approval and is mandated by law to serve on and make appointments to boards, commissions and committees. The Lt. Governor assumes the duties of the Governor when the Governor is out of the state or unable to serve. The Lt. Governor also serves as President of the North Dakota State Senate.

Major Accomplishments

1. Signed legislation reducing the \$6.00 billion general fund budget by \$1.70 billion to offset a massive revenue shortfall caused largely by low oil and farm commodity prices, while still providing property tax relief, fully funding K-12 education and using innovative approaches to support other priorities.
2. Met with local officials in cities across the state to discuss the Main Street Initiative and gather information to help create a dashboard with metrics for communities to evaluate themselves and identify tools to becoming more vibrant, healthy communities that will attract a skilled workforce. Launched www.MainStreetND.com as a contact point and information resource.
3. Signed justice reinvestment legislation and additional bills that together form a comprehensive plan for supporting those with behavioral health and substance abuse issues, while substantially reducing corrections costs and moving \$7.0 million upstream to improve access to effective, community-based treatment.
4. Launched an information technology (IT) unification effort to boost capabilities and collaboration between teams toward a singular strategy and goal of better serving the citizens of North Dakota through world-class IT.
5. Appointed a 15-member Innovative Education Task Force to create a system for identifying and supporting schools and districts implementing innovative practices, building on the passage of Senate Bill 2186.
6. Formed a Higher Education Governance Task Force to assess the governance structure in North Dakota and determine if changes are needed to ensure the system meets the state's educational and workforce needs in the 21st century.

7. Supported and signed Senate Bill 2206, which transferred the funding responsibility for social services from counties to the state during a two-year pilot program, creating \$161.0 million in permanent property tax relief while repealing an unsustainable 12 percent state-paid property tax buydown.
8. Met with leadership from every American Indian tribe headquartered in North Dakota and continued to identify areas of opportunity for government-to-government collaboration.
9. Continued to lead efforts to enhance North Dakota's status as a national hub for unmanned aircraft systems (UAS) manufacturing, research and development. The Federal Aviation Administration selected North Dakota as one of 10 sites for its UAS Integration Pilot Program and approved the Northern Plains UAS Test Site in Grand Forks to fly large UAS beyond visual line of sight.
10. Continued to prioritize workforce development through the Main Street Initiative and by reinvigorating the Workforce Development Council, launching a statewide employer survey to identify pressing workforce needs and developing data-driven recommendations to address the state's workforce shortage.
11. Took a proactive, fully engaged approach to peacefully resolve the Dakota Access Pipeline protests. The completed pipeline now safely transports more than one-third of North Dakota's daily oil output to market, reducing the discount on Bakken crude and generating greater returns to producers and mineral owners and an increase in state tax revenue.
12. Formed the Fargo-Moorhead Area Flood Diversion Task Force with Minnesota Gov. Mark Dayton to give the stalled project a path forward and protect the state's largest metro area and economic engine from catastrophic flooding.
13. Activated the State Emergency Operations Plan and signed 10 executive orders to help livestock producers manage extreme conditions in 2017.
14. Forged strong relationships with White House Cabinet officials to influence policy and emphasize the importance of state rights and the harm that federal overreach can inflict on North Dakota residents, farmers/ranchers and businesses.
15. Took meaningful steps to transform the culture of state government and began a human resources unification effort to work on priorities that would reduce duplication and ensure best practices are being shared.

Executive Budget Recommendation

- Provides \$65,000 for Governor's transition in and transition out expenses.
- Provides a \$139,808 one-time General Fund appropriation for the boards and commissions website enhancement.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

101 Office of the Governor

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Governor's Programs and Admin	4,104,604	4,141,406	(269,036)	(6.5%)	3,872,370	209,257	5.1%	4,350,663
Total Major Programs	4,104,604	4,141,406	(269,036)	(6.5%)	3,872,370	209,257	5.1%	4,350,663
By Line Item								
Salaries and Wages	3,544,253	3,501,098	(87,942)	(2.5%)	3,413,156	175,633	5.0%	3,676,731
Governor's Salary	0	265,928	(199,446)	(75.0%)	66,482	(186,044)	(70.0%)	79,884
Operating Expenses	493,623	353,580	(46,648)	(13.2%)	306,932	154,668	43.7%	508,248
Contingency	0	10,000	0	0.0%	10,000	0	0.0%	10,000
Governor's Transition In	13,543	0	15,000	100.0%	15,000	15,000	100.0%	15,000
Governor's Transition Out	43,824	0	50,000	100.0%	50,000	50,000	100.0%	50,000
Roughrider Awards	9,361	10,800	0	0.0%	10,800	0	0.0%	10,800
Total Line Items	4,104,604	4,141,406	(269,036)	(6.5%)	3,872,370	209,257	5.1%	4,350,663
By Funding Source								
General Fund	4,104,604	4,007,758	(135,388)	(3.4%)	3,872,370	342,905	8.6%	4,350,663
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	133,648	(133,648)	(100.0%)	0	(133,648)	(100.0%)	0
Total Funding Source	4,104,604	4,141,406	(269,036)	(6.5%)	3,872,370	209,257	5.1%	4,350,663
Total FTE	18.00	18.00	0.00	0.0%	18.00	0.00	0.0%	18.00

Statutory Authority

ND Constitution Article V, Section 12; North Dakota Century Code Title 10 and Title 16.1; North Dakota Century Code Chapters 15.02, 35-01, 35-05, 35-17, 35-21, 35-29, 35-30, 35-31, 41-09, 43-07, 44-06, 45-10, 45-10.1, 45-11, 45-22, 45-23, 47-22, 47-25, 50-22, 53-01, 54-05.1, 54-09, 54-16, and 55-01.

Agency Description

The 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, 2018, a 200% increase 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 now completed online and all reports from the lending community of the state indicate the system is greatly appreciated.
3. 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. It also assists in the administration of petition review, poll worker tracking, voting statistics reporting, and early and absentee voting.
4. Completed an enhancement to the state's EMS that guides a candidate through the process of completing and filing the necessary paperwork to run for public office. When the questions are answered by the candidate, the necessary forms are generated, which can then be submitted electronically or sent to the Secretary of State's office via US Mail.
5. 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.
6. 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 first launched in 2008.
 7. Worked to enhance election applications accessible from Vote.ND.Gov to make them web responsive so that they format appropriately depending on the size of the computer, laptop, tablet, or smartphone being used to access them.
 8. Received the necessary security clearances for Secretary Jaeger, Deputy Secretary Jim Silrum, and State Elections Director John Arnold 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, which has now been classified by DHS as critical infrastructure.
 9. Neared completion of the FirstStop software system through which most of the office functions will be handled and available to the customers of our office in an online environment. The system will handle such things as registering new businesses for operation in the state, the filing of the various amendments and annual reports of these businesses, the licensing of occupations such as contractors and home inspectors, issuing and maintaining notary commissions, registering and regulating the activity of lobbyists, registering charitable organizations and professional fundraisers, and providing lists, subscriptions, and information that is available to the public.

Executive Budget Recommendation

- Provides \$150,000 from other funds for temporary staff.
- Provides one-time appropriation of \$11.0 million for a new statewide Voting System Replacement Project and E-Poll Books. This includes \$3.0 million in federal funds and \$8.0 million from the Strategic Investment and Improvement Fund.
- Provides additional special fund authority of \$800,000 for a change in NDCC 54-01-11 to retain UCC filing fees.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

108 Secretary of State

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Secretary of State Operations	8,340,717	10,583,795	(3,894,967)	(36.8%)	6,688,828	(1,756,363)	(16.6%)	8,827,432
Public Printing Leg Law Books	256,337	288,450	(31,172)	(10.8%)	257,278	(31,172)	(10.8%)	257,278
Federal Election Reform	1,888,518	1,192,655	(401,477)	(33.7%)	791,178	10,610,500	889.7%	11,803,155
Total Major Programs	10,485,572	12,064,900	(4,327,616)	(35.9%)	7,737,284	8,822,965	73.1%	20,887,865
By Line Item								
Salaries and Wages	4,879,233	4,652,764	(223,877)	(4.8%)	4,428,887	357,115	7.7%	5,009,879
Operating Expenses	3,162,684	3,725,691	(1,473,750)	(39.6%)	2,251,941	83,862	2.3%	3,809,553
Construction Carryover	0	2,197,340	(2,197,340)	(100.0%)	0	(2,197,340)	(100.0%)	0
Petition Review	8,594	8,000	0	0.0%	8,000	0	0.0%	8,000
Bus Process Modeling Services	290,206	0	0	0.0%	0	0	0.0%	0
Election Reform	1,888,518	1,192,655	(401,477)	(33.7%)	791,178	10,610,500	889.7%	11,803,155
Public Printing	256,337	288,450	(31,172)	(10.8%)	257,278	(31,172)	(10.8%)	257,278
Total Line Items	10,485,572	12,064,900	(4,327,616)	(35.9%)	7,737,284	8,822,965	73.1%	20,887,865
By Funding Source								
General Fund	7,742,903	8,006,072	(2,778,213)	(34.7%)	5,227,859	(2,351,248)	(29.4%)	5,654,824
Federal Funds	1,125,236	402,655	(402,655)	(100.0%)	0	2,597,345	645.1%	3,000,000
Special Funds	1,617,433	3,656,173	(1,146,748)	(31.4%)	2,509,425	8,576,868	234.6%	12,233,041
Total Funding Source	10,485,572	12,064,900	(4,327,616)	(35.9%)	7,737,284	8,822,965	73.1%	20,887,865
Total FTE	34.00	32.00	(1.00)	(3.1%)	31.00	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 and printing services and commonly-used office supplies to state agencies; Surplus Property disposes of state-owned fixed assets and distributes federal surplus property to eligible entities.
- Facility Management maintains the state capitol complex, plans for future growth needs and provides tour and central mail room services.
- Risk Management promotes safety and reduces loss resulting from claims by identifying and measuring risks of loss to the State and implementing appropriate measures to address those risks.

Major Accomplishments

1. Facility Management: Completed projects including the new governor's residence and repaving of the parking lot east of the Capitol. During FY2018, the central mail room processed approximately 849,000 pieces of mail and the tour guides provided tours to 10,897 visitors.
2. Fiscal Management: Implemented PeopleSoft time and labor module. Updated and enhanced the state's transparency website. Awarded new contract for the state's purchasing card program. Implemented GASB 72 for the state CAFR reporting. Converted Bank of ND employees to the state's payroll system. Completed upgrade of PeopleSoft payroll/hr system. Upgraded the Cognos business intelligence software for PeopleSoft reporting
3. Central Services: Reorganized division to eliminate one general fund position without reducing services. Provided procurement support to major information technology projects and established over 30 new state contracts. Expanded

procurement services to higher education, political subdivisions and public schools. Collaborated with Job Service North Dakota to create cost savings in printing and mailing operations. Initiated a PeopleSoft supplier onboarding solution to automate supplier and bidder self-registration.

4. Risk Management: Maintained the state's actuarially projected funding needs for the 2019-21 biennium at \$1.9 million. Third party claims remained consistent with an average of 170 claims, down from a high of 351 claims in FY2001. State entities reduced their required contributions to the fund by \$1.7 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. Assumed responsibility for state entity cyber liability exposures (except BND).
5. HRMS: Developed an HR dashboard for agency use that contains HR performance indicators and statistics. Simplified and streamlined job description and classification request forms in the electronic processing system. Developed 17 universal employment policies for use by cabinet agencies and available for non-cabinet agencies. Assisted with creation, roll-out, administration and reporting of an employee engagement survey that was completed by about 4,000 state employees in 2017 and 2018. Provided five lunch-n-learn educational opportunities for state employees. Led the creation of a cross-agency voluntary separation incentive program for cabinet and non-cabinet agencies in 2017 and 2018. Updated ELM learning library to include courses from other agencies.

Executive Budget Recommendation

- Provides \$4.0 million from the Strategic Improvement and Investment Fund for a litigation pool.
- Adds authority of \$1.5 million for a health savings incentive pool.
- Adds \$1.9 million from the Capitol Building Fund to be used for repairs and enhancements around the capitol complex.
- Provides \$1.1 million from the General Fund for increased costs in utilities and to help cover the cost of contracted workers.
- Transfers 4.00 FTE positions to ITD as part of IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

110 Office of Management and Budget

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	7,790,315	9,101,438	(1,867,384)	(20.5%)	7,234,054	1,522,090	16.7%	10,623,528
Facility Management	19,721,675	15,170,722	(4,666,578)	(30.8%)	10,504,144	(745,110)	(4.9%)	14,425,612
Fiscal Management	9,500,799	11,392,643	(4,289,786)	(37.7%)	7,102,857	2,726,664	23.9%	14,119,307
Human Resource Mgmt Service	2,639,717	2,705,760	(18,510)	(0.7%)	2,687,250	641,134	23.7%	3,346,894
Risk Management	1,468,633	2,686,482	(1,126,936)	(41.9%)	1,559,546	(885,624)	(33.0%)	1,800,858
Central Services	6,481,547	8,569,084	(1,549,772)	(18.1%)	7,019,312	(1,024,095)	(12.0%)	7,544,989
Total Major Programs	47,602,686	49,626,129	(13,518,966)	(27.2%)	36,107,163	2,235,059	4.5%	51,861,188
By Line Item								
Salaries and Wages	20,401,021	21,596,832	(2,058,483)	(9.5%)	19,538,349	(333,040)	(1.5%)	21,263,792
Operating Expenses	12,363,448	14,101,438	(939,089)	(6.7%)	13,162,349	4,376,233	31.0%	18,477,671
Fiscal Management Carryover	1,316,002	3,673,153	(3,673,153)	(100.0%)	0	(3,673,153)	(100.0%)	0
State Contingency Fund	0	600,000	(600,000)	(100.0%)	0	(100,000)	(16.7%)	500,000
Capital Assets	4,944,901	3,164,562	(2,397,437)	(75.8%)	767,125	(327,437)	(10.3%)	2,837,125
Capital Construction Carryover	3,572,221	2,057,544	(2,057,544)	(100.0%)	0	(2,057,544)	(100.0%)	0
Grants	554,998	904,000	(540,400)	(59.8%)	363,600	(750,000)	(83.0%)	154,000
Grants - Guardianships	1,328,600	1,328,600	(132,860)	(10.0%)	1,195,740	0	0.0%	1,328,600
Community Service Grants	0	0	0	0.0%	0	350,000	100.0%	350,000
Prairie Public Broadcasting	1,600,000	1,200,000	(120,000)	(10.0%)	1,080,000	0	0.0%	1,200,000
Litigation Pool	0	0	0	0.0%	0	4,000,000	100.0%	4,000,000
Student Internship Program	21,495	0	0	0.0%	0	250,000	100.0%	250,000
Health Savings Account	0	0	0	0.0%	0	1,500,000	100.0%	1,500,000
State Transfers	1,500,000	0	0	0.0%	0	0	0.0%	0
Cyber Insurance Pool	0	1,000,000	(1,000,000)	(100.0%)	0	(1,000,000)	(100.0%)	0
Total Line Items	47,602,686	49,626,129	(13,518,966)	(27.2%)	36,107,163	2,235,059	4.5%	51,861,188
By Funding Source								
General Fund	36,760,670	34,893,413	(7,276,924)	(20.9%)	27,616,489	(1,008,670)	(2.9%)	33,884,743
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	10,842,016	14,732,716	(6,242,042)	(42.4%)	8,490,674	3,243,729	22.0%	17,976,445
Total Funding Source	47,602,686	49,626,129	(13,518,966)	(27.2%)	36,107,163	2,235,059	4.5%	51,861,188
Total FTE	122.50	117.00	(5.00)	(4.3%)	112.00	(9.00)	(7.7%)	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, and the Health Information Exchange.

Major Accomplishments

1. Worked collaboratively with multiple state agencies to develop, launch, and support the Main Street Initiative through an interactive dashboard, which won a national Center for Digital Government Experience Award and a multi-state hackfest competition
2. Collaborated with the Highway Patrol (HP) to initiate a new, simplified and unified state government ID badge and criminal background check process. HP has become the state's sole provider, eliminating a manual process and multiple outside vendors.
3. Supported the first responder community by completing review of the FirstNet solution, providing the Governor with a recommendation that resulted in ND opting-in to the nationwide public safety broadband network.

4. Negotiated a contract that will provide for a 100G backbone network and will provide every stakeholder with a potential minimum of 1G of bandwidth to every STAGenet endpoint. This provides K12 schools with the bandwidth necessary to utilize online education systems.
5. Completed a basic framework that will provide as a basis to build upon in pursuit of a cloud first strategy, ultimately enabling the state to leverage cloud technologies for improved service delivery.
6. Received certification for EduTech as the first official training partner of the National Integrated Cyber Education Research Center in the nation (funded by the Department of Homeland Security).

Executive Budget Recommendation

- Transfers in 145.50 FTE as part of the IT unification initiative.
- Transfers Center for Distance Education and the Education Technology Council to Career and Technical Education.
- Provides 17.00 FTE for cyber security.
- Provides funding from the Strategic Investment and Improvement Fund for various IT projects:
 - Cyber Security \$11.4 million
 - Customer Relationship Management \$4.5 million
 - GIS-Statewide Land Parcel \$1.5 million
 - SIRN \$40.0 million
 - Unified Data Platform \$1.0 million
 - ND Gateway \$6.0 million
 - Legacy Lift \$2.0 million
- Provides funding from special funds for various IT projects:
 - Service Management \$2.0 million
 - Development Platform aPaaS \$1.3 million
 - Automation/Orchestration \$900,000
 - SIRN \$16.0 million

REQUEST/RECOMMENDATION COMPARISON SUMMARY

112 Information Technology

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ITD General Fund Expenditures	9,182,109	6,359,219	(635,922)	(10.0%)	5,723,297	4,776,160	75.1%	11,135,373
ITD Federal Fund Expenditures	721,026	2,875,000	(300,000)	(10.4%)	2,575,000	(796,821)	(27.7%)	2,078,179
ITD K-12 Support	15,330,878	14,708,517	(1,506,851)	(10.2%)	13,201,666	648,839	4.4%	15,357,356
Center for Distance Education	8,022,290	9,079,116	(907,913)	(10.0%)	8,171,203	(9,079,122)	(100.0%)	0
Health Information Exchange	2,606,929	48,370,642	(44,036,684)	(91.0%)	4,333,958	(43,974,227)	(90.9%)	4,396,415
ITD Special Revenue Fund Expenditures	1,778,399	30,252,000	(16,370,000)	(54.1%)	13,882,000	27,633,978	91.3%	57,885,978
ITD Special Fund Expenditures	115,882,638	133,454,828	(13,838,185)	(10.4%)	119,616,643	80,748,930	60.5%	214,203,758
Total Major Programs	153,524,269	245,099,322	(77,595,555)	(31.7%)	167,503,767	59,957,737	24.5%	305,057,059
By Line Item								
Salaries and Wages	55,222,976	59,359,772	(2,650,002)	(4.5%)	56,709,770	36,122,194	60.9%	95,481,960
Operating Expenses	60,953,775	73,927,998	(7,923,894)	(10.7%)	66,004,104	66,585,999	90.1%	140,513,997
Capital Assets	3,511,454	32,995,000	(20,011,883)	(60.7%)	12,983,117	9,408,117	28.5%	42,403,117
Technology Project Carryover	708,249	0	0	0.0%	0	0	0.0%	0
Center for Distance Education	8,022,290	9,079,116	(907,913)	(10.0%)	8,171,203	(9,079,122)	(100.0%)	0
Statewide Data System	5,858,941	4,310,561	(431,056)	(10.0%)	3,879,505	105,984	2.5%	4,416,545
Educational Technology Council	2,088,979	1,121,472	(10,000)	(0.9%)	1,111,472	(754,133)	(67.2%)	367,339
Edutech	8,628,177	9,752,767	(1,063,423)	(10.9%)	8,689,344	(167,203)	(1.7%)	9,585,564
Wide Area Network	4,880,862	4,534,278	(453,428)	(10.0%)	4,080,850	650,175	14.3%	5,184,453
Geographic Information System	1,041,637	1,147,716	(107,272)	(9.3%)	1,040,444	1,059,953	92.4%	2,207,669
Health Info Technology Office	2,606,929	48,870,642	(44,036,684)	(90.1%)	4,833,958	(43,974,227)	(90.0%)	4,896,415
Total Line Items	153,524,269	245,099,322	(77,595,555)	(31.7%)	167,503,767	59,957,737	24.5%	305,057,059
By Funding Source								
General Fund	25,835,024	20,532,334	(2,053,234)	(10.0%)	18,479,100	4,150,418	20.2%	24,682,752
Federal Funds	721,026	2,875,000	(300,000)	(10.4%)	2,575,000	(796,821)	(27.7%)	2,078,179
Special Funds	126,968,219	221,691,988	(75,242,321)	(33.9%)	146,449,667	56,604,140	25.5%	278,296,128
Total Funding Source	153,524,269	245,099,322	(77,595,555)	(31.7%)	167,503,767	59,957,737	24.5%	305,057,059
Total FTE	350.30	344.30	(17.00)	(4.9%)	327.30	115.20	33.5%	459.50

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 operational 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 many other political subdivisions. The Division of Royalty Audits conducts audits of federal royalty payments from oil, gas, and coal leases located within the State of

North Dakota. The division of NDUS Performance Audits reviews the adequacy of selected activities of the ND Board of Higher Education. Administration, the fifth division, provides support for the other four divisions.

Major Accomplishments

1. Obtained a favorable Quality Control Review from peer states.

Executive Budget Recommendation

- Provides \$366,742 from special funds for two political subdivision auditors. This includes the addition of 2.00 FTE.
- Provides \$450,000 from the General Fund for IT consultants.
- Removes 2.00 FTE positions.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

117 Office of the State Auditor

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	495,517	1,600,390	172,255	10.8%	1,772,645	283,836	17.7%	1,884,226
Division of Local Government Audits	1,625,072	1,948,202	(97,411)	(5.0%)	1,850,791	431,129	22.1%	2,379,331
Division of State Audits	8,787,278	7,017,271	(1,164,194)	(16.6%)	5,853,077	(58,289)	(0.8%)	6,958,982
Mineral Royalty Auditing	1,150,734	1,463,285	(8,755)	(0.6%)	1,454,530	77,137	5.3%	1,540,422
NDUS Performance Audit	678,839	880,948	42,077	4.8%	923,025	96,602	11.0%	977,550
Total Major Programs	12,737,440	12,910,096	(1,056,028)	(8.2%)	11,854,068	830,415	6.4%	13,740,511
By Line Item								
Salaries and Wages	11,080,196	11,767,312	(1,055,064)	(9.0%)	10,712,248	351,379	3.0%	12,118,691
Operating Expenses	1,151,349	1,142,784	(964)	(0.1%)	1,141,820	29,036	2.5%	1,171,820
Construction carryover	73,904	0	0	0.0%	0	0	0.0%	0
Information Tech Consultants	431,991	0	0	0.0%	0	450,000	100.0%	450,000
Total Line Items	12,737,440	12,910,096	(1,056,028)	(8.2%)	11,854,068	830,415	6.4%	13,740,511
By Funding Source								
General Fund	9,762,852	9,498,609	(949,862)	(10.0%)	8,548,747	322,149	3.4%	9,820,758
Federal Funds	1,150,734	1,463,285	(8,755)	(0.6%)	1,454,530	77,137	5.3%	1,540,422
Special Funds	1,823,854	1,948,202	(97,411)	(5.0%)	1,850,791	431,129	22.1%	2,379,331
Total Funding Source	12,737,440	12,910,096	(1,056,028)	(8.2%)	11,854,068	830,415	6.4%	13,740,511
Total FTE	59.80	56.00	(2.00)	(3.6%)	54.00	0.00	0.0%	56.00

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. Completed the development and implementation of the online monthly revenue collection process which allows monthly revenue reports to be electronically submitted by county personnel and eliminates the required manual input. This process has greatly increased efficiencies and significantly reduced the potential for simple transposition errors during input.
2. Developed and executed the system to collect and track the newly implemented additional fee on assessed communication services. This fee was created to fund the newly created statewide inter-operable radio network fund.
3. Updated the Tax Distribution Outstanding Check (TDOC) system to accommodate the legislative changes made to the Oil and Gas Gross Production Tax distributions.

4. Completed a website homepage redesign to bring additional transparency to North Dakota government funds including the state's operating fund and the Legacy Fund.
5. Completed implementation of FileNet as an electronic method of generating and storing all archival data, to help move to a paperless operation and enhance the ability to retrieve historical data.
6. Completed and adopted a strategic action plan that includes an assessment of duties throughout the agency. This led to the elimination of the deputy treasurer position and a reallocation of duties, in an effort to improve functions and find greater efficiencies.
7. 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.
8. Maintained and strengthened the line of communication with financial officers throughout state government to address the daily cash needs and expenditures of their agency.
9. Initiated a private-public partnership to provide an innovative, web-based financial education program to every high school student across the state using no state funds.
10. Cross-trained all staff and completed and tested procedure manuals for each position, essential to the success of a small-staffed agency.
11. 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.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

120 Office of the State Treasurer

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	250,626,403	1,767,399	(107,370)	(6.1%)	1,660,029	(19,360)	(1.1%)	1,748,039
Total Major Programs	250,626,403	1,767,399	(107,370)	(6.1%)	1,660,029	(19,360)	(1.1%)	1,748,039
By Line Item								
Salaries and Wages	1,327,481	1,316,139	(19,339)	(1.5%)	1,296,800	68,671	5.2%	1,384,810
Operating Expenses	227,617	251,260	(59,031)	(23.5%)	192,229	(59,031)	(23.5%)	192,229
Technology Project Carryover	3,709	20,000	(20,000)	(100.0%)	0	(20,000)	(100.0%)	0
Coal Severance Payments	228,952	180,000	(9,000)	(5.0%)	171,000	(9,000)	(5.0%)	171,000
Township Allocation	7,675,989	0	0	0.0%	0	0	0.0%	0
Property Tax Relief Credits	241,162,655	0	0	0.0%	0	0	0.0%	0
Total Line Items	250,626,403	1,767,399	(107,370)	(6.1%)	1,660,029	(19,360)	(1.1%)	1,748,039
By Funding Source								
General Fund	242,526,403	1,767,399	(107,370)	(6.1%)	1,660,029	(19,360)	(1.1%)	1,748,039
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	8,100,000	0	0	0.0%	0	0	0.0%	0
Total Funding Source	250,626,403	1,767,399	(107,370)	(6.1%)	1,660,029	(19,360)	(1.1%)	1,748,039
Total FTE	8.00	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, 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 12 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, and State and Local Government.

Major Accomplishments

1. Teamed with federal and tribal partners in establishing the North Dakota Human Trafficking Task Force.
2. Supplied local law enforcement with automated Sex Offender Registry kiosks.
3. Assisted the Health Department with its regulatory work involving air pollution control, asbestos removal, water pollution control, and solid waste and hazardous waste management. During the biennium, the division initiated 79 enforcement actions, collecting more than \$2.67 million in penalties for violations.
4. Challenged the Department of the Interior (DOI) and Bureau of Land Management's (BLM) March 2015 "Fracking Rule" which sought to undermine the state's regulation and management of fracking.

5. Filed suit with Wyoming and Montana against the US DOI and the BLM seeking to vacate the federal government's "venting and flaring" rule.
6. Challenged the Environmental Protection Agency (EPA) and Army Corps of Engineers' proposed rule known as the Waters of the United States (WOTUS) Rule.
7. Continued defending the state's corporate farming law in federal court from a constitutional challenge made by eight plaintiffs, including two out-of-state LLCs and a non-profit corporation.
8. Defended tobacco companies' allegations that North Dakota did not "diligently enforce" its qualifying statute during 2004 (a requirement of the 1998 Master Settlement Agreement). In March 2018, a settlement agreement released over \$34.0 million to North Dakota that was in an escrow account. North Dakota will continue to receive the annual payments due under the Master Settlement Agreement.
9. Sued Minnesota over its Next Generation Energy Act (NGEA).
10. Continued the court battle over the Northwest Area Water Supply (NAWS).

Executive Budget Recommendation

- Adds \$300,000 from the General Fund to replace undercover vehicles.
- Increases the amount of money that is transferred from the Lottery Fund to the Lottery Narcotics Task Force from \$105,000 to \$200,000 per quarter.
- Includes \$400,000 from the Attorney General Refund Fund for the criminal history improvement project.
- Adds 1.00 FTE and \$155,316 for an administrative assistant for the State Fire Marshal.
- Includes \$316,000 for an upgrade to the Automated Fingerprint Information System. The funding is split \$158,000 from the Attorney General Refund Fund and \$158,000 from federal funds.
- Establishes a Medicaid Fraud Control Unit. It includes an additional 5.00 FTE and a total of \$1.3 million in funding, of which \$128,635 is from the General Fund.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

125 Office of the Attorney General

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Finance and Administration	3,938,344	5,691,450	663,722	11.7%	6,355,172	1,589,297	27.9%	7,280,747
Information Technology	12,757,926	14,628,759	(3,304,453)	(22.6%)	11,324,306	(2,385,930)	(16.3%)	12,242,829
Attorney General Administration	1,256,435	1,325,531	(1,926)	(0.1%)	1,323,605	68,642	5.2%	1,394,173
Legal Services	11,132,527	28,358,214	(16,970,731)	(59.8%)	11,387,483	(16,242,918)	(57.3%)	12,115,296
Bureau of Criminal Investigation	24,158,190	24,483,051	(3,194,402)	(13.0%)	21,288,649	1,459,685	6.0%	25,942,736
Crime Lab	8,570,480	8,801,681	(15,522)	(0.2%)	8,786,159	282,031	3.2%	9,083,712
Consumer Protection	1,841,539	2,139,921	(1,334,474)	(62.4%)	805,447	126,142	5.9%	2,266,063
Gaming	3,379,360	3,211,251	43,424	1.4%	3,254,675	208,180	6.5%	3,419,431
Fire Marshal	1,660,857	1,761,796	85,701	4.9%	1,847,497	612,028	34.7%	2,373,824
Lottery	3,806,792	5,336,797	(244,853)	(4.6%)	5,091,944	(119,541)	(2.2%)	5,217,256
Total Major Programs	72,502,450	95,738,451	(24,273,514)	(25.4%)	71,464,937	(14,402,384)	(15.0%)	81,336,067
By Line Item								
Salaries and Wages	40,163,991	41,379,043	(3,680,608)	(8.9%)	37,698,435	3,144,799	7.6%	44,523,842
Operating Expenses	13,217,128	17,107,281	(2,133,900)	(12.5%)	14,973,381	(982,859)	(5.7%)	16,124,422
Capital Assets	2,043,479	2,742,372	(242,916)	(8.9%)	2,499,456	373,084	13.6%	3,115,456
Technology Project Carryover	1,384,659	2,256,035	(2,256,035)	(100.0%)	0	(2,256,035)	(100.0%)	0
Grants	1,888,175	2,845,065	818,375	28.8%	3,663,440	1,573,375	55.3%	4,418,440
Law Enforcement Grants	1,411,969	242,191	(242,191)	(100.0%)	0	(242,191)	(100.0%)	0
Litigation Fees	151,491	16,122,000	(15,972,000)	(99.1%)	150,000	(15,972,000)	(99.1%)	150,000
IP Attorney	418,323	426,924	1,109	0.3%	428,033	25,512	6.0%	452,436
Abortion Litigation Fees	257,349	0	0	0.0%	0	0	0.0%	0
Medical Examinations	539,261	660,000	0	0.0%	660,000	0	0.0%	660,000
North Dakota Lottery	3,806,792	5,336,797	(244,853)	(4.6%)	5,091,944	(119,541)	(2.2%)	5,217,256
Arrest and Return of Fugitives	12,382	10,000	0	0.0%	10,000	0	0.0%	10,000
Gaming Commission	4,858	7,490	(1)	0.0%	7,489	(1)	0.0%	7,489
SAVIN Cost-Share Program	0	315,000	(315,000)	(100.0%)	0	(315,000)	(100.0%)	0
Criminal Justice Information Sharing	3,748,929	3,386,645	53,532	1.6%	3,440,177	258,248	7.6%	3,644,893
Law Enforcement	3,453,664	2,901,608	(59,026)	(2.0%)	2,842,582	110,225	3.8%	3,011,833
Total Line Items	72,502,450	95,738,451	(24,273,514)	(25.4%)	71,464,937	(14,402,384)	(15.0%)	81,336,067
By Funding Source								
General Fund	50,005,263	46,305,905	(6,121,560)	(13.2%)	40,184,345	(2,095,079)	(4.5%)	44,210,826
Federal Funds	4,978,875	10,420,942	2,178,910	20.9%	12,599,852	3,677,494	35.3%	14,098,436
Special Funds	17,518,312	39,011,604	(20,330,864)	(52.1%)	18,680,740	(15,984,799)	(41.0%)	23,026,805
Total Funding Source	72,502,450	95,738,451	(24,273,514)	(25.4%)	71,464,937	(14,402,384)	(15.0%)	81,336,067
Total FTE	250.00	237.00	(12.00)	(5.1%)	225.00	0.00	0.0%	237.00

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, and the 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 such as: automating renter refund tax credit program application processing, streamlining Canadian refund process, improving process flows for aircraft Excise and Tobacco products taxes to be fully incorporated into GenTax.
2. Streamlined check remittance processing by implementing a scan process which creates electronic data files to upload directly to the Bank, GenTax, FileNet, and Accounting software.
3. Continued striving to ensure taxpayers are in compliance with tax laws by performing audits and compliance reviews. Annual audit collections averaged

\$32.4 million over the last five years with the majority of collections going into the state's General Fund.

4. Continued to review and improve preventative measures and business processes to identify and stop fraudulent tax refund claims.
5. Continued to encourage individual and business taxpayers to file and pay taxes electronically.
6. Partnered with the IRS, tax industry, and other stakeholders to ensure that all confidential information is kept secure.
7. Automated centrally assessed property reporting of mill levy data that enables the department to provide allocations to the counties quicker.
8. Participated with a new committee created to improve tribal relations with the state to create consistency within tribal tax agreements.
9. Worked with other agencies to provide information to the Interim Taxation Committee which is studying tax incentives offered to new and expanding businesses, utilizing information from the Department in REMI models to determine impacts and effectiveness of these programs.
10. Created processes for legislation passed creating an exemption from specified state and local taxation and relieves certain licensing and registration requirements for out-of-state companies and employees that perform disaster or emergency remediation work on critical infrastructure.
11. Created processes for legislation passed adding requirements that taxpayers claiming, requesting, or receiving certain state or local tax incentives not be delinquent on any other state or local tax obligation.

Executive Budget Recommendation

- Provides \$1.3 million to continue maintenance and support of GenTax, the integrated tax processing software.
- Provides \$1.3 million to increase funds available for Homestead and Disabled Veterans' tax credits.
- Removes 10.00 FTE positions, which includes 6.00 FTE unfunded by the 2017 legislature.
- Includes the Tax Department in a funding pool included in OMB's budget for potential litigation.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

127 Office of State Tax Commissioner

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Tax Department	28,266,095	28,554,299	(2,775,431)	(9.7%)	25,778,868	1,804,294	6.3%	30,358,593
Homestead Tax Credit	14,618,766	14,800,000	0	0.0%	14,800,000	1,000,000	6.8%	15,800,000
Disabled Veteran Credit	7,724,175	8,110,200	0	0.0%	8,110,200	300,000	3.7%	8,410,200
Total Major Programs	50,609,036	51,464,499	(2,775,431)	(5.4%)	48,689,068	3,104,294	6.0%	54,568,793
By Line Item								
Salaries and Wages	21,176,840	21,799,004	(1,871,020)	(8.6%)	19,927,984	1,441,129	6.6%	23,240,133
Operating Expenses	7,054,299	6,749,295	(904,411)	(13.4%)	5,844,884	363,165	5.4%	7,112,460
Capital Assets	34,956	6,000	0	0.0%	6,000	0	0.0%	6,000
Homestead Tax Credit	14,618,766	14,800,000	0	0.0%	14,800,000	1,000,000	6.8%	15,800,000
Disabled Veteran Credit	7,724,175	8,110,200	0	0.0%	8,110,200	300,000	3.7%	8,410,200
Total Line Items	50,609,036	51,464,499	(2,775,431)	(5.4%)	48,689,068	3,104,294	6.0%	54,568,793
By Funding Source								
General Fund	50,580,824	51,339,499	(2,775,431)	(5.4%)	48,564,068	3,104,294	6.0%	54,443,793
Federal Funds	28,212	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	50,609,036	51,464,499	(2,775,431)	(5.4%)	48,689,068	3,104,294	6.0%	54,568,793
Total FTE	136.00	133.00	(6.00)	(4.5%)	127.00	(10.00)	(7.5%)	123.00

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 (OAH) is an executive branch agency that provides independent administrative law judges to preside over state and local administrative hearings and related proceedings. Hearings are conducted under authority from the Administrative Agencies Practices Act (North Dakota Century Code Chapter 28-32), North Dakota Century Code Chapter 54-57, specific agency statutes, agency procedural rules and the Uniform Rules of Administrative Procedure for Adjudicative Proceedings (ND Admin. Code article 98-02).

Major Accomplishments

1. Continued active participation in national administrative law judge and hearing officer organizations, including the National Association of Hearing Officials, the National Association of Administrative Law Judiciary, and the Central Panel Directors Conference.
2. Upgraded ProLaw case management and billing software.

Executive Budget Recommendation

- Recommends the budget as requested with a reduction of \$145,932 from the 2017-19 appropriation.
- Recommends consolidating the budget to one appropriation line.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

140 Office of Administrative Hearings

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Office of Administrative Hearings Services	2,548,141	2,918,634	(145,932)	(5.0%)	2,772,702	(68,214)	(2.3%)	2,850,420
Total Major Programs	2,548,141	2,918,634	(145,932)	(5.0%)	2,772,702	(68,214)	(2.3%)	2,850,420
By Line Item								
Salaries and Wages	1,149,794	1,191,850	(1,482)	(0.1%)	1,190,368	(1,191,850)	(100.0%)	0
Accrued Leave Payments	5,762	0	0	0.0%	0	0	0.0%	0
Operating Expenses	1,392,585	1,726,784	(144,450)	(8.4%)	1,582,334	(1,726,784)	(100.0%)	0
Office of Administrative Hearings	0	0	0	0.0%	0	2,850,420	100.0%	2,850,420
Total Line Items	2,548,141	2,918,634	(145,932)	(5.0%)	2,772,702	(68,214)	(2.3%)	2,850,420
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	2,548,141	2,918,634	(145,932)	(5.0%)	2,772,702	(68,214)	(2.3%)	2,850,420
Total Funding Source	2,548,141	2,918,634	(145,932)	(5.0%)	2,772,702	(68,214)	(2.3%)	2,850,420
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 its constitutional responsibilities within its limited amount of time in an effective manner to meet the needs and expectations of the people of North Dakota.

Executive Budget Recommendation

- Includes budget as submitted.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

150 Legislative Assembly

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND Legislative Assembly	15,039,680	15,467,327	490,225	3.2%	15,957,552	490,225	3.2%	15,957,552
Total Major Programs	15,039,680	15,467,327	490,225	3.2%	15,957,552	490,225	3.2%	15,957,552
By Line Item								
Salaries and Wages	10,186,475	10,240,951	941,930	9.2%	11,182,881	941,930	9.2%	11,182,881
Operating Expenses	4,154,631	4,770,387	(365,149)	(7.7%)	4,405,238	(365,149)	(7.7%)	4,405,238
Capital Assets	344,191	230,834	(124,834)	(54.1%)	106,000	(124,834)	(54.1%)	106,000
Ntl Conference of State Legislature	241,263	225,155	38,278	17.0%	263,433	38,278	17.0%	263,433
Audio and Visual Equipment	113,120	0	0	0.0%	0	0	0.0%	0
Total Line Items	15,039,680	15,467,327	490,225	3.2%	15,957,552	490,225	3.2%	15,957,552
By Funding Source								
General Fund	15,039,680	15,467,327	490,225	3.2%	15,957,552	490,225	3.2%	15,957,552
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	15,039,680	15,467,327	490,225	3.2%	15,957,552	490,225	3.2%	15,957,552
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. Conduct studies in accordance with the directives of the Legislative Assembly.
2. Perform other duties and responsibilities in accordance with the directives of the Legislative Assembly.

The Legislative Council staff performs its research, analysis, and drafting tasks in a satisfactory manner to meet the expectations of the Legislative Assembly and its members and the Legislative Management within appropriate time frames.

Executive Budget Recommendation

- Includes budget as submitted by agency.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

160 Legislative Council

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Fiscal Services	2,409,327	2,858,419	78,451	2.7%	2,936,870	215,941	7.6%	3,074,360
Legal Services	3,045,256	2,860,647	19,081	0.7%	2,879,728	151,475	5.3%	3,012,122
General and Administrative Services	5,489,538	10,843,211	(4,076,634)	(37.6%)	6,766,577	(3,820,690)	(35.2%)	7,022,521
Total Major Programs	10,944,121	16,562,277	(3,979,102)	(24.0%)	12,583,175	(3,453,274)	(20.9%)	13,109,003
By Line Item								
Salaries and Wages	8,647,101	10,775,055	(1,418,737)	(13.2%)	9,356,318	(892,909)	(8.3%)	9,882,146
Operating Expenses	1,791,642	5,653,472	(2,432,615)	(43.0%)	3,220,857	(2,432,615)	(43.0%)	3,220,857
Capital Assets	110,378	133,750	(127,750)	(95.5%)	6,000	(127,750)	(95.5%)	6,000
Oil and Gas Tax Study	395,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	10,944,121	16,562,277	(3,979,102)	(24.0%)	12,583,175	(3,453,274)	(20.9%)	13,109,003
By Funding Source								
General Fund	10,881,293	16,492,277	(3,979,102)	(24.1%)	12,513,175	(3,453,274)	(20.9%)	13,039,003
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	62,828	70,000	0	0.0%	70,000	0	0.0%	70,000
Total Funding Source	10,944,121	16,562,277	(3,979,102)	(24.0%)	12,583,175	(3,453,274)	(20.9%)	13,109,003
Total FTE	0.00	0.00	36.00	0.0%	36.00	0.00	0.0%	36.00

Statutory Authority

ND Constitution, Article 6, Judicial Branch, Sections 1-13, Chapters 27-02, 27-03, 27-04, 27-05, 27-05.2, 27-06, 27-17, 27-20, 27-23, North Dakota Century Code; North Dakota Rules of Disciplinary Procedure.

Agency Description

The North Dakota judicial system is comprised of the Supreme Court, district courts, municipal courts and the intermediate court of appeals, when convened. The juvenile court is a division of the district court. These courts provide the forum for the resolution of litigation in an orderly, timely manner.

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

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

support enforcement and domestic relations proceedings, other than contested divorces. District Courts are also the appellate courts of first instance for appeals from the decisions of many administrative agencies for criminal convictions in Municipal Courts. There are 51 District Court Judges in North Dakota.

Major Accomplishments

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

Executive Budget Recommendation

- Includes budget as submitted.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

180 Judicial Branch

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Supreme Court	14,263,792	14,037,662	815,129	5.8%	14,852,791	1,413,049	10.1%	15,450,711
District Court	90,238,238	90,367,125	873,376	1.0%	91,240,501	4,336,277	4.8%	94,703,402
Judicial Cond Comm and Disc. Board	970,579	1,174,822	25,548	2.2%	1,200,370	90,223	7.7%	1,265,045
Total Major Programs	105,472,609	105,579,609	1,714,053	1.6%	107,293,662	5,839,549	5.5%	111,419,158
By Line Item								
Salaries and Wages	78,264,520	78,511,740	2,688,340	3.4%	81,200,080	6,734,429	8.6%	85,246,169
Operating Expenses	22,834,607	25,112,789	(1,955,825)	(7.8%)	23,156,964	(1,955,825)	(7.8%)	23,156,964
Capital Assets	2,730,765	0	1,157,352	100.0%	1,157,352	1,157,352	100.0%	1,157,352
Supreme Court- Judges Retirement	79,583	80,764	(80,764)	(100.0%)	0	(80,764)	(100.0%)	0
Judicial Conduct Comm & Disciplinary Brd	970,579	1,174,822	25,548	2.2%	1,200,370	90,223	7.7%	1,265,045
District Court- Judges Retirement	337,219	343,290	(63,678)	(18.5%)	279,612	(63,678)	(18.5%)	279,612
Guardianship Program	175,336	316,204	(56,920)	(18.0%)	259,284	(42,188)	(13.3%)	274,016
Und-Grant	80,000	40,000	0	0.0%	40,000	0	0.0%	40,000
Total Line Items	105,472,609	105,579,609	1,714,053	1.6%	107,293,662	5,839,549	5.5%	111,419,158
By Funding Source								
General Fund	103,452,937	102,257,770	2,947,944	2.9%	105,205,714	6,978,706	6.8%	109,236,476
Federal Funds	1,618,731	1,339,138	266,110	19.9%	1,605,248	334,845	25.0%	1,673,983
Special Funds	400,941	1,982,701	(1,500,001)	(75.7%)	482,700	(1,474,002)	(74.3%)	508,699
Total Funding Source	105,472,609	105,579,609	1,714,053	1.6%	107,293,662	5,839,549	5.5%	111,419,158
Total FTE	391.00	355.50	7.50	2.1%	363.00	7.50	2.1%	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 consists of a statutorily-created board of seven persons appointed from various entities, to serve staggered terms. The agency is responsible for delivery of constitutionally-and statutorily mandated services to criminal defendants and respondents in the state who financially qualify for indigent services in accordance with eligibility requirements. The Commission utilizes the eight judicial districts to regulate its program.

Major Accomplishments

1. Opened the administrative office and eight public defender offices in Grand Forks, Fargo, Bismarck, Minot (2), Williston, Watford City and Dickinson. Hired full-time employees, 20 of which are full-time public defenders. The 20 attorneys, plus approximately 70 private attorneys who have monthly contracts

with the agency, 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 staff, and encouraged other avenues of training throughout the year paid for by the Commission.
4. Kept abreast of technology needs, and utilized a web-based case reporting system to gather necessary data.
5. Monitored caseloads and addressed changes by not renewing contracts in areas with reduced caseloads and increasing contract numbers in areas with increasing caseloads.

Executive Budget Recommendation

- Provides \$600,000 from the General Fund for a \$5 increase in the hourly rate paid to the contracted attorneys.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

188 Commission on Legal Counsel for Indigents

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Counsel for Indigents Operations	18,666,075	20,853,864	(2,844,616)	(13.6%)	18,009,248	157,395	0.8%	21,011,259
Total Major Programs	18,666,075	20,853,864	(2,844,616)	(13.6%)	18,009,248	157,395	0.8%	21,011,259
By Line Item								
Legal Counsel for Indigents	18,666,075	20,853,864	(2,844,616)	(13.6%)	18,009,248	157,395	0.8%	21,011,259
Total Line Items	18,666,075	20,853,864	(2,844,616)	(13.6%)	18,009,248	157,395	0.8%	21,011,259
By Funding Source								
General Fund	17,059,494	17,983,876	(1,798,388)	(10.0%)	16,185,488	1,093,723	6.1%	19,077,599
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,606,581	2,869,988	(1,046,228)	(36.5%)	1,823,760	(936,328)	(32.6%)	1,933,660
Total Funding Source	18,666,075	20,853,864	(2,844,616)	(13.6%)	18,009,248	157,395	0.8%	21,011,259
Total FTE	40.00	40.00	(2.00)	(5.0%)	38.00	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). TFFR is a qualified defined benefit public pension plan for North Dakota public school teachers and administrators. Benefit funding comes from member and employer contributions and investment earnings. High quality member services and outreach programs are offered to members and employers as part of the continuing effort to keep them informed about the retirement program. The SIB is responsible for setting policies and procedures guiding the investment of over \$13.7 billion in assets for seven pension funds and 18 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, 2017. This was the 20th consecutive time RIO received this award.

2. Received the 2017 Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council (PPCC). TFFR has received a PPCC Award since 1992.
3. Received unqualified/unmodified audit opinions on its annual financial statements since inception in FY 1990.
4. TFFR received favorable determination letter from IRS in 2017 confirming the TFFR plan is in compliance with IRC requirements for qualified plans (conditioned on adoption of certain proposed technical amendments in 2019 legislative session).
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 four fiscal years from 0.65 percent in FY 2013 to 0.46 percent in FY 2017 (approximately \$20.0 million annual cost reduction based on an average asset base of \$10.00 billion).
7. Generated \$300.0 million of incremental income for SIB clients in the last five years, by successfully employing active investment management.

Executive Budget Recommendation

- Adds an additional 1.00 FTE for an investment position.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

190 Retirement and Investment Office

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Teachers Fund for Retirement	2,848,668	3,031,936	(345,458)	(11.4%)	2,686,478	174,381	5.8%	3,206,317
Investment Program	2,236,807	2,308,118	(188,549)	(8.2%)	2,119,569	466,795	20.2%	2,774,913
Total Major Programs	5,085,475	5,340,054	(534,007)	(10.0%)	4,806,047	641,176	12.0%	5,981,230
By Line Item								
Salaries and Wages	4,233,921	4,425,570	(564,007)	(12.7%)	3,861,563	584,726	13.2%	5,010,296
Operating Expenses	842,555	862,484	0	0.0%	862,484	26,450	3.1%	888,934
Contingency	8,999	52,000	30,000	57.7%	82,000	30,000	57.7%	82,000
Total Line Items	5,085,475	5,340,054	(534,007)	(10.0%)	4,806,047	641,176	12.0%	5,981,230
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	5,085,475	5,340,054	(534,007)	(10.0%)	4,806,047	641,176	12.0%	5,981,230
Total Funding Source	5,085,475	5,340,054	(534,007)	(10.0%)	4,806,047	641,176	12.0%	5,981,230
Total FTE	19.00	19.00	(3.00)	(15.8%)	16.00	1.00	5.3%	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. Received favorable IRS determination letters for the PERS and Highway Patrol retirement plans.
2. Transitioned the retirement actuarial and consulting services to Gabriel Roeder Smith & Company as the new plan actuary, which included a successful replication of the previous actuary's valuation results.
3. Implemented new retirement benefit option factors that reflect updated actuarial assumptions.
4. Updated the service credit purchase methodology to reflect updated actuarial assumptions.
5. Reviewed and adopted new economic assumptions effective for the July 1, 2017 actuarial valuation, which included reducing the assumed rate of return for the pension plans from 8.0 percent to 7.75 percent and from 8.0 percent to 7.5 percent for the RHIC plan.
6. Implemented new GASB statement 74 relating to the unfunded liability on the RHIC plan.

7. Went out to bid for the provider of the 401(a) defined contribution plan and 457 deferred comp companion plans and the incumbent provider was selected.
8. Implemented legislation passed in the 2017 session to expand eligibility in the Law Enforcement Plan to include firefighters.
9. Completed the renewal of the health plan effective July 1, 2017.
10. Completed the renewal of the retiree prescription drug plan effective January 1, 2017 and 2018.
11. Went out to bid on the life plan and selected the incumbent provider; benefits were enhanced and premiums remained stable.
12. Went out to bid on the vision plan and selected the incumbent provider effective January 1, 2018; benefits will remain the same with a stable premium.
13. Went out to bid on the dental plan and selected the incumbent provider effective January 1, 2019; benefits will remain the same with a stable premium.
14. Went out to bid for the flexcomp provider and selected ASIFlex effective January 1, 2019.
15. Completed a redesign of the NDPERS website.
16. Reviewed administrative rules for proposed changes, promulgated and implemented the changes.
17. Implemented an electronic payment policy and strategy for moving communications from mailings to electronic methods, as directed by the 2017 Legislative Assembly.
18. Implemented a Facebook page to further enhance communication efforts.
19. Began work efforts to enhance Member Self-Service to include an electronic process for members to apply for retirement benefits.
20. Began work efforts to enhance security when logging into Member Self-Service including multi-factor authentication and identity verification prior to accepting changes to sensitive information.

Executive Budget Recommendation

- Provides \$40,000 one-time funding for an IT risk assessment.
- Provides \$190,000 one-time funding for an upgrade to the current MVVM business system.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

192 Public Employees Retirement System

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
PERS	8,799,469	9,258,390	(925,839)	(10.0%)	8,332,551	(16,161)	(0.2%)	9,242,229
Total Major Programs	8,799,469	9,258,390	(925,839)	(10.0%)	8,332,551	(16,161)	(0.2%)	9,242,229
By Line Item								
Salaries and Wages	5,900,587	6,316,169	(563,970)	(8.9%)	5,752,199	29,148	0.5%	6,345,317
Operating Expenses	2,898,882	2,692,221	(361,869)	(13.4%)	2,330,352	(235,309)	(8.7%)	2,456,912
Capital Assets	0	0	0	0.0%	0	190,000	100.0%	190,000
Contingency	0	250,000	0	0.0%	250,000	0	0.0%	250,000
Total Line Items	8,799,469	9,258,390	(925,839)	(10.0%)	8,332,551	(16,161)	(0.2%)	9,242,229
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	8,799,469	9,258,390	(925,839)	(10.0%)	8,332,551	(16,161)	(0.2%)	9,242,229
Total Funding Source	8,799,469	9,258,390	(925,839)	(10.0%)	8,332,551	(16,161)	(0.2%)	9,242,229
Total FTE	34.50	34.50	(2.00)	(5.8%)	32.50	(1.00)	(2.9%)	33.50

Statutory Authority

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

Agency Description

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

Specifically, the duties include:

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

Major Accomplishments

1. Created the public education dashboard called "Insights" in a combined team effort 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 begin tracking expenditures to the building level to comply with the Every Student Succeeds Act (ESSA).
4. Updated the state academic content standards for Health Education, Early Childhood Education, and Science.

5. Developed and implemented Trauma Sensitive School Initiative.
6. Partnered with the Regional Education Laboratory Central and the Rural Education Research Alliance to develop a plan to assist in recruiting and retaining teachers in rural areas, close achievement gaps, and increase the use of distance technologies.
7. Created Innovative Education administrative rules and provided technical assistance to districts and schools.
8. Moved the Head Start/Early Head Start program from DHS to DPI.
9. Completed phase II and III of the ND Native American Essential Understandings.
10. Hosted the 1st annual DPI Dropout Prevention and Re-engagement Summit.
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 ND State Systemic Improvement Plan.
15. Deployed first ever blended college readiness model of National Math Science Initiative to rural school districts.
16. Coordinated facilitation of first ever ND state K-12 education vision involving multiple entities within the state.

Executive Budget Recommendation

- Adds \$3.0 million from the General Fund to train teachers in cyber security education.
- Increases funding for special education by \$5.7 million.
- Provides \$64.5 million to provide a 2.0 percent increase in the state student aid formula for each year of the biennium.
- Adds \$23.7 million to cover the cost of moving the formula to on-time funding.
- Transitions districts off the dollar hold harmless and the per student hold harmless. This will save \$7.6 million in the formula total.
- Excludes new property from the 12.0 percent limitation in tax increases. This will save the formula an estimated \$9.0 million per biennium.
- Transfers the PreK program from the Department of Commerce and \$3.0 million from the General Fund to DPI.
- Moves the Power School funding of \$4.9 million from the General Fund to ITD.
- Transfers the teacher shortage loan forgiveness program from the NDUS.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

201 Department of Public Instruction

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
General Management	7,577,877	4,675,692	(167,340)	(3.6%)	4,508,352	(85,204)	(1.8%)	4,590,488
Educational Success and Community Support	308,271,311	334,450,034	(2,729,841)	(0.8%)	331,720,193	28,412,447	8.5%	362,862,481
Information and Administrative Support	7,104,250	10,023,635	212,330	2.1%	10,235,965	752,616	7.5%	10,776,251
School Finance	1,955,841,577	2,002,700,399	(10,812,695)	(0.5%)	1,991,887,704	104,056,257	5.2%	2,106,756,656
Total Major Programs	2,278,795,015	2,351,849,760	(13,497,546)	(0.6%)	2,338,352,214	133,136,116	5.7%	2,484,985,876
By Line Item								
Salaries and Wages	15,929,441	17,439,176	(686,831)	(3.9%)	16,752,345	773,885	4.4%	18,213,061
Operating Expenses	20,485,541	30,165,005	(361,939)	(1.2%)	29,803,066	5,279,942	17.5%	35,444,947
Integrated Formula Payments	1,884,531,021	1,935,204,163	(4,282,905)	(0.2%)	1,930,921,258	115,498,160	6.0%	2,050,702,323
Grants-Special Education	18,500,000	19,300,000	0	0.0%	19,300,000	5,700,000	29.5%	25,000,000
School District Safety Grants	604,265	0	0	0.0%	0	0	0.0%	0
Grants-Transportation	57,107,256	55,400,000	0	0.0%	55,400,000	0	0.0%	55,400,000
Grants-Program Grants	0	6,910,711	(421,000)	(6.1%)	6,489,711	3,579,000	51.8%	10,489,711
Grants-Passthrough Grants	0	2,898,000	(359,871)	(12.4%)	2,538,129	(359,871)	(12.4%)	2,538,129
Grants-Other Grants	267,939,850	272,882,705	(820,000)	(0.3%)	272,062,705	14,180,000	5.2%	287,062,705
Rapid Enrollment Grants	8,754,680	6,000,000	(6,000,000)	(100.0%)	0	(6,000,000)	(100.0%)	0
Power School	4,899,399	5,500,000	(550,000)	(10.0%)	4,950,000	(5,500,000)	(100.0%)	0
Transportation Efficiency	5,062	30,000	(3,000)	(10.0%)	27,000	(3,000)	(10.0%)	27,000
National Board Certification	38,500	120,000	(12,000)	(10.0%)	108,000	(12,000)	(10.0%)	108,000
Total Line Items	2,278,795,015	2,351,849,760	(13,497,546)	(0.6%)	2,338,352,214	133,136,116	5.7%	2,484,985,876
By Funding Source								
General Fund	1,666,352,818	1,436,302,695	(3,325,184)	(0.2%)	1,432,977,511	111,193,789	7.7%	1,547,496,484
Federal Funds	276,089,730	306,306,970	1,024,202	0.3%	307,331,172	16,857,717	5.5%	323,164,687
Special Funds	336,352,467	609,240,095	(11,196,564)	(1.8%)	598,043,531	5,084,610	0.8%	614,324,705
Total Funding Source	2,278,795,015	2,351,849,760	(13,497,546)	(0.6%)	2,338,352,214	133,136,116	5.7%	2,484,985,876
Total FTE	99.75	91.75	(4.00)	(4.4%)	87.75	(3.00)	(3.3%)	88.75

Statutory Authority

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

Agency Description

The North Dakota State Board of Higher Education (SBHE), established in 1939 by the voters of North Dakota, is the governing body for the state's 11 publicly funded institutions which comprise the North Dakota University System (NDUS). The SBHE carries out its constitutional responsibilities through a comprehensive set of policies. The Chancellor serves as the 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. Created Envision 2030 narrative and plan, a strategy consensus building effort, that is already showcasing cross-industry collaboration.
2. Completed the SB2003 Task Force study to identify additional collaborative opportunities between institutions to create efficiencies.
3. Awarded a Lumina Foundation Grant to increase the percentage ND adults age 25-64 with post-secondary credentials to 65 percent by 2025.
4. Developed the Emerging Technologies working group to study new technology investments to enhance statewide research and learning opportunities.
5. Implemented a new tuition model to enhance simplicity and transparency for students.
6. Eliminated over 650 positions systemwide for \$92.0 million per biennium in ongoing budget savings.
7. Developed a collaborative institutional research function with the Department of Public Instruction.

8. Invited tribal college leadership to participate in all SBHE meetings.
9. Consolidated email into a single tenant with the statutorily-required two-year archiving.
10. Consolidated 9 of 11 institutions into a single instance of the Blackboard Learning Management System.
11. Partnered with the ND Highway Patrol to share office space and save state dollars.
12. Awarded \$23.0 million in student financial assistance.

Executive Budget Recommendation

- Provides \$2.9 million from the General Fund for an increase in the academic CTE scholarship program.
- Provides \$1.5 million from the General Fund to replace funding from the Student Loan Trust Fund.
- Provides \$400,000 from the General Fund for tribal community grants, as part of the workforce development initiative.
- Provides one-time funding of \$40.0 million from the General Fund as a share of Legacy Fund earnings for the challenge grant program.
- Provides one-time funding of \$5.0 million from the Strategic Investment and Improvement Fund for competitive grants to the institutions for online curriculum development.
- Recommends transferring administration of the teacher shortage loan forgiveness program from NDUS to the Department of Public Instruction. This includes moving \$2.1 million from the General Fund appropriation to the Department of Public Instruction.
- Removes the agency's base budget adjustment for 4.0 percent and 4.0 percent salary increase and provides funding for the recommended executive compensation plan.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

215 ND University System

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
System Office and Board Operations	7,894,083	8,985,791	(722,140)	(8.0%)	8,263,651	(1,023,747)	(11.4%)	7,962,044
Student Grant Programs	45,845,099	49,018,599	(5,281,496)	(10.8%)	43,737,103	(4,045,086)	(8.3%)	44,973,513
System Grant Programs	29,813,346	9,559,661	(3,247,511)	(34.0%)	6,312,150	41,738,269	436.6%	51,297,930
System Projects	52,348,203	68,672,673	(477,401)	(0.7%)	68,195,272	(2,012,208)	(2.9%)	66,660,465
Total Major Programs	135,900,731	136,236,724	(9,728,548)	(7.1%)	126,508,176	34,657,228	25.4%	170,893,952
By Line Item								
Capital Assets	6,887,614	6,605,326	(1,645,878)	(24.9%)	4,959,448	(1,645,878)	(24.9%)	4,959,448
Student Financial Assistance Grants	22,120,356	22,714,299	(796,993)	(3.5%)	21,917,306	(796,993)	(3.5%)	21,917,306
Veterans Assistance Programs	325,000	277,875	0	0.0%	277,875	0	0.0%	277,875
ND Scholars Program	2,029,436	2,073,945	(266,830)	(12.9%)	1,807,115	(266,830)	(12.9%)	1,807,115
Title II Grants	531,350	1,006,472	(1,006,472)	(100.0%)	0	(1,006,472)	(100.0%)	0
Internal Audit Pool	280,350	0	0	0.0%	0	0	0.0%	0
Native American Scholarship	644,056	561,134	(5,811)	(1.0%)	555,323	(5,811)	(1.0%)	555,323
Commendatory Grants	4,031	0	0	0.0%	0	0	0.0%	0
Core Technology Services	44,403,493	61,527,347	1,208,477	2.0%	62,735,824	(301,330)	(0.5%)	61,226,017
Education Challenge Fund	22,124,500	2,000,000	(2,000,000)	(100.0%)	0	38,000,000	1,900.0%	40,000,000
Education Incentive Programs	3,362,007	2,869,269	(5,876)	(0.2%)	2,863,393	(2,109,269)	(73.5%)	760,000
Tribal Community College Grants	967,250	600,000	0	0.0%	600,000	400,000	66.7%	1,000,000
Academic and Tech Ed. Scholarship	12,677,219	15,449,279	(3,432,530)	(22.2%)	12,016,749	(492,727)	(3.2%)	14,956,552
Student Exchange Program	3,719,775	4,472,798	(773,456)	(17.3%)	3,699,342	(773,456)	(17.3%)	3,699,342
Open Education Resources	107,250	0	0	0.0%	0	0	0.0%	0
Two Year Campus Marketing	776,746	0	0	0.0%	0	0	0.0%	0
Student Mental Health	457,990	325,439	(41,039)	(12.6%)	284,400	(55,259)	(17.0%)	270,180
Competitive Research Program	6,588,225	6,027,750	0	0.0%	6,027,750	0	0.0%	6,027,750
Biennium Carryover	1,098,649	592,553	(592,553)	(100.0%)	0	(592,553)	(100.0%)	0
Dual Credit Pilot Program	0	200,000	(200,000)	(100.0%)	0	(200,000)	(100.0%)	0
System Governance	6,795,434	8,393,238	(129,587)	(1.5%)	8,263,651	(431,194)	(5.1%)	7,962,044
Two Year Campus Study	0	40,000	(40,000)	(100.0%)	0	(40,000)	(100.0%)	0
Shared Campus Services	0	500,000	0	0.0%	500,000	(25,000)	(5.0%)	475,000
Online Curriculum Development Grant	0	0	0	0.0%	0	5,000,000	100.0%	5,000,000
Total Line Items	135,900,731	136,236,724	(9,728,548)	(7.1%)	126,508,176	34,657,228	25.4%	170,893,952
By Funding Source								
General Fund	131,364,637	109,824,618	(8,711,570)	(7.9%)	101,113,048	31,944,995	29.1%	141,769,613
Federal Funds	531,350	1,006,472	(1,006,472)	(100.0%)	0	(1,006,472)	(100.0%)	0
Special Funds	4,004,744	25,405,634	(10,506)	0.0%	25,395,128	3,718,705	14.6%	29,124,339
Total Funding Source	135,900,731	136,236,724	(9,728,548)	(7.1%)	126,508,176	34,657,228	25.4%	170,893,952
Total FTE	104.39	149.40	(0.50)	(0.3%)	148.90	(0.50)	(0.3%)	148.90

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 \$4.93 billion of assets (loans, marketable securities, and cash equivalents). 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: the strategic investment and improvements fund, the coal development trust fund, the capitol building fund, and the Indian cultural education trust. These trusts/funds had total fund balance of \$448.0 million at the end of fiscal year 2017. The oil and gas impact grant fund is also administered by the department.

The department also 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 oprovided through both the oil and gas impact grant program and the coal impact loan program. The oil and gas impact program was authorized at \$40.0 million for the biennium. The office also distributes energy and flood grants carried over from prior biennia.

Major Accomplishments

1. Managed permanent trust fund financial assets, which have grown from \$3.90 billion in 2017 to \$4.90 billion in 2018.
2. Completed performance audit that was initially opened in 2015.
3. Reviewed and revised departmental policies.
4. Drafted administrative rules.
5. Assisted managing the over one-third of the oil and gas wells operating in North Dakota that contain a mineral asset.
6. Processed 466 right of way applications and surface damage agreements with a total income of \$9.0 million in the 2015-17 biennium.
7. The Unclaimed Property Division returned \$9.0 million to owners during the 2015-17 biennium by processing 9,450 claims.

Executive Budget Recommendation

- Adds \$415,500 from special funds for one attorney FTE position and one administrative assistant position.
- Adds \$350,000 from special funds for mineral valuation software.
- Transfers 2.00 FTE positions to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

226 Department of Trust Lands

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Trust Lands	54,391,653	301,359,565	(294,248,861)	(97.6%)	7,110,704	(292,684,934)	(97.1%)	8,674,631
Total Major Programs	54,391,653	301,359,565	(294,248,861)	(97.6%)	7,110,704	(292,684,934)	(97.1%)	8,674,631
By Line Item								
Salaries and Wages	5,291,553	6,005,550	(757,469)	(12.6%)	5,248,081	(214,962)	(3.6%)	5,790,588
Operating Expenses	1,526,833	1,775,723	(13,100)	(0.7%)	1,762,623	1,008,320	56.8%	2,784,043
Capital Assets	0	3,600,000	(3,600,000)	(100.0%)	0	(3,600,000)	(100.0%)	0
Constructin Carryover	3,301,991	0	0	0.0%	0	0	0.0%	0
Other Grants	43,698,033	101,152,792	(101,152,792)	(100.0%)	0	(101,152,792)	(100.0%)	0
Flood Infrastructure Develop. Grants	0	1,325,500	(1,325,500)	(100.0%)	0	(1,325,500)	(100.0%)	0
Contingencies	0	100,000	0	0.0%	100,000	0	0.0%	100,000
Energy Infrastructure & Impact	573,243	400,000	(400,000)	(100.0%)	0	(400,000)	(100.0%)	0
Mineral Revenue Repayments	0	187,000,000	(187,000,000)	(100.0%)	0	(187,000,000)	(100.0%)	0
Total Line Items	54,391,653	301,359,565	(294,248,861)	(97.6%)	7,110,704	(292,684,934)	(97.1%)	8,674,631
By Funding Source								
General Fund	3,301,991	1,325,500	(1,325,500)	(100.0%)	0	(1,325,500)	(100.0%)	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	51,089,662	300,034,065	(292,923,361)	(97.6%)	7,110,704	(291,359,434)	(97.1%)	8,674,631
Total Funding Source	54,391,653	301,359,565	(294,248,861)	(97.6%)	7,110,704	(292,684,934)	(97.1%)	8,674,631
Total FTE	33.00	31.00	(4.00)	(12.9%)	27.00	(3.00)	(9.7%)	28.00

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. Disbursed more than \$450,000 in scholarships from the BSC Foundation for the 2017-18 academic year, including three full-ride scholarships.
2. Received more than \$500,000 in grants for equipment, partner funds and professional development was from the BSC Foundation.
3. Awarded and processed \$14.0 million in financial aid for students.
4. Received approval from the State Board of Higher Ed offer a BAS in Cybersecurity and Information Technology. With approval by the Higher Learning Commission, the degree will be offered Fall 2019.

5. Received nearly \$2.0 million in donations and support from international cybersecurity company Palo Alto Networks, as well as regional companies Great River Energy, NISC and Midco to support both credit and non-credit scaling of the Cybersecurity and Information Technology program.
6. Provided 7,776 participants non-credit training through BSC's Continuing Education division.
7. Received a \$100,000 operating grant from The Bernard Osher Foundation to allow the college to offer an Osher Lifelong Learning Institute to community members.
8. Converted 218 online classes and 437 traditional classes from Pearson eCollege to Blackboard.
9. Partnered with Frontier Precision to supply the surveying program with new GNSS receivers and data collectors and use of 3D scanning equipment every year. Frontier Precision training will be held on campus with free access for students and faculty.

Executive Budget Recommendation

- Reduces \$822,345 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$1.4 million from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides \$1.4 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$29.6 million from the General Fund for the state share of campus operations at \$92.76 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

227 Bismarck State College

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Bismarck State College	109,486,440	103,716,998	(3,197,837)	(3.1%)	100,519,161	(4,311,612)	(4.2%)	99,405,386
Total Major Programs	109,486,440	103,716,998	(3,197,837)	(3.1%)	100,519,161	(4,311,612)	(4.2%)	99,405,386
By Line Item								
Campus Operations	103,058,613	101,670,034	(3,063,086)	(3.0%)	98,606,948	(4,176,861)	(4.1%)	97,493,173
Capital Assets	4,142,371	2,046,935	(134,722)	(6.6%)	1,912,213	(134,722)	(6.6%)	1,912,213
Plant Improvement - Carryover	2,284,315	29	(29)	(100.0%)	0	(29)	(100.0%)	0
Operating Carryover	1,141			0.0%	0	0	0.0%	0
Total Line Items	109,486,440	103,716,998	(3,197,837)	(3.1%)	100,519,161	(4,311,612)	(4.2%)	99,405,386
By Funding Source								
General Fund	38,972,335	30,725,000	379,984	1.2%	31,104,984	(1,033,173)	(3.4%)	29,691,827
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	70,514,105	72,991,998	(3,577,821)	(4.9%)	69,414,177	(3,278,439)	(4.5%)	69,713,559
Total Funding Source	109,486,440	103,716,998	(3,197,837)	(3.1%)	100,519,161	(4,311,612)	(4.2%)	99,405,386
Total FTE	133.53	358.35	(34.42)	(9.6%)	323.93	(34.42)	(9.6%)	323.93

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, Grand Forks and Fargo. LRSC also offers its Nursing program in Grand Forks.

Major Accomplishments

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

3. Maintained enrollment capacity at the LRSC Dakota Precision Ag Center. Expansion is limited only by available training space.
4. Continued to expand course offerings in the Grand Forks Public School System.
5. Completed construction and opened the new Bergstrom Technical Center and remodeled career and technical education center on campus in fall 2014.
6. Completed major Switchgear and Electrical Panel replacement project in spring 2018.
7. Completed a major window replacement project around the courtyard in spring 2018.
8. Completed a renovation of the Learning Commons (Library) in spring 2018.
9. Began a major painting project of the main campus building envelope in summer 2018.
10. Replaced interior directional signage in the main campus building in summer 2018.

Executive Budget Recommendation

- Reduces \$292,840 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$620,389 from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides \$584,378 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$12.3 million from the General Fund for the state share of campus operations at \$92.76 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

228 Lake Region State College

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Lake Region State College	37,432,326	37,730,659	161,152	0.4%	37,891,811	(337,444)	(0.9%)	37,393,215
Total Major Programs	37,432,326	37,730,659	161,152	0.4%	37,891,811	(337,444)	(0.9%)	37,393,215
By Line Item								
Campus Operations	35,526,366	36,500,005	1,029,139	2.8%	37,529,144	530,543	1.5%	37,030,548
Capital Assets	1,854,926	362,667	0	0.0%	362,667	0	0.0%	362,667
Capital Assets-Carryover	51,034	867,987	(867,987)	(100.0%)	0	(867,987)	(100.0%)	0
Total Line Items	37,432,326	37,730,659	161,152	0.4%	37,891,811	(337,444)	(0.9%)	37,393,215
By Funding Source								
General Fund	15,308,361	13,619,567	(722,265)	(5.3%)	12,897,302	(1,247,795)	(9.2%)	12,371,772
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	22,123,965	24,111,092	883,417	3.7%	24,994,509	910,351	3.8%	25,021,443
Total Funding Source	37,432,326	37,730,659	161,152	0.4%	37,891,811	(337,444)	(0.9%)	37,393,215
Total FTE	50.19	129.61	(11.51)	(8.9%)	118.10	(11.51)	(8.9%)	118.10

Statutory Authority

North Dakota Century Code 15-10-01.1.

Agency Description

Williston State College (WSC) is a comprehensive community college serving northwest North Dakota and beyond with Associate of Arts, Associate of Science, Associate of Applied Science, certificate education in academic transfer, and vocational education, as well as Workforce Training as a service to regional employers.

Major Accomplishments

1. Managed student growth without a loss of services and educational opportunities. Last biennium, WSC saw 5% growth in head count enrollment and 2% growth in FTE enrollment. This growth has been managed without additional full time faculty members and drew upon and expanded the pool of available adjunct instructors in northwest North Dakota and the United States to serve on-line course needs.
2. Partnered with DSU, MiSU, VCSU, and MaSU for 2+2 articulation of classes. Collaborative agreements that feature faculty sharing agreements are in place with the Dakota Nursing Program and the ND Technology Consortium.

3. Reorganized campus departments and the business office to create a clear chain of command and accountability for deliverable work. The business office revised policies and procedures to be more congruent with other NDUS and State Policies, and these policies and procedures are being rapidly disseminated to other campus divisions to further campus compliance in areas previously reported as audit findings.
4. Outsourced food services to a regional vendor has helped food service reduce operational costs from the \$80,000 deficit in FY17 to a \$10,000 deficit in FY18.

Executive Budget Recommendation

- Provides \$1.2 million from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$482,486 from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides \$454,479 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$9.6 million from the General Fund for the state share of campus operations at \$92.76 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

229 Williston State College

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Williston State College	34,728,134	32,802,706	704,841	2.1%	33,507,547	465,821	1.4%	33,268,527
Total Major Programs	34,728,134	32,802,706	704,841	2.1%	33,507,547	465,821	1.4%	33,268,527
By Line Item								
Campus Operations	31,804,540	31,215,558	1,030,021	3.3%	32,245,579	791,001	2.5%	32,006,559
Capital Assets	2,044,828	1,261,968	0	0.0%	1,261,968	0	0.0%	1,261,968
Plant Improvements - Carryover	878,766	325,180	(325,180)	(100.0%)	0	(325,180)	(100.0%)	0
Total Line Items	34,728,134	32,802,706	704,841	2.1%	33,507,547	465,821	1.4%	33,268,527
By Funding Source								
General Fund	13,029,661	8,504,414	1,397,323	16.4%	9,901,737	1,117,302	13.1%	9,621,716
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	21,698,473	24,298,292	(692,482)	(2.8%)	23,605,810	(651,481)	(2.7%)	23,646,811
Total Funding Source	34,728,134	32,802,706	704,841	2.1%	33,507,547	465,821	1.4%	33,268,527
Total FTE	49.96	100.75	(0.27)	(0.3%)	100.48	(0.27)	(0.3%)	100.48

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 is developing a robust online presence.

Major Accomplishments

1. Recruited the most academically prepared freshman class in 2018.
2. Launched the One UND Strategic Plan in May 2017 and made significant progress on the seven goals in the past year.
3. Reallocated \$7.0 million dollars internally for strategic investments.
4. Recalibrated the way research is reported, resulting in a more accurate picture with more than \$100.0 million in research expenditures reported.
5. Made significant progress on addressing more than \$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.

6. Named one of the Top 25 Most Innovative Schools by U.S. News & World Report, placing UND in the company of innovative powerhouses such as MIT, Yale and Stanford.
7. Filled a number of prominent positions throughout the campus in fiscal year 2018.
8. Participated in a credit rating through Moody’s to facilitate the issuance of bond for financing the Steam Plant.
9. Saved students more than \$6.0 million over the past three years by investing in Open Education Resources (OER, essentially free textbooks and other course information).
10. Established the RIAS – Research Institute for Automated Systems – as an umbrella program for its UAS initiatives. UND created the nation’s first UAS degree program and graduated the first college students with degrees in UAS.

Executive Budget Recommendation

- Provides \$3,544 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$7.0 million from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides \$80.0 million of authority from other funds for the Student Memorial Union II project.
- Provides \$35.0 million of authority from other funds for the Athletics High Performance Center project.
- Provides \$6.2 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$139.3 million from the General Fund for the state share of campus operations at \$58.36 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

230 University of North Dakota

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
University of North Dakota	1,013,042,905	974,088,066	(83,147,224)	(8.5%)	890,940,842	26,759,834	2.7%	1,000,847,900
Total Major Programs	1,013,042,905	974,088,066	(83,147,224)	(8.5%)	890,940,842	26,759,834	2.7%	1,000,847,900
By Line Item								
Campus Operations	869,880,906	865,318,638	21,210,638	2.5%	886,529,276	16,117,696	1.9%	881,436,334
Capital Assets	64,047,826	4,411,566	0	0.0%	4,411,566	115,000,000	2,606.8%	119,411,566
Capital Assets-Carryover	3,791,407	5,116,803	(5,116,803)	(100.0%)	0	(5,116,803)	(100.0%)	0
Capital Projects - Off System	6,000,000	91,000,000	(91,000,000)	(100.0%)	0	(91,000,000)	(100.0%)	0
Capital Projects Carryover - Non-State	69,322,766	8,241,059	(8,241,059)	(100.0%)	0	(8,241,059)	(100.0%)	0
Total Line Items	1,013,042,905	974,088,066	(83,147,224)	(8.5%)	890,940,842	26,759,834	2.7%	1,000,847,900
By Funding Source								
General Fund	214,421,009	145,976,557	1,049,156	0.7%	147,025,713	(6,626,020)	(4.5%)	139,350,537
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	798,621,896	828,111,509	(84,196,380)	(10.2%)	743,915,129	33,385,854	4.0%	861,497,363
Total Funding Source	1,013,042,905	974,088,066	(83,147,224)	(8.5%)	890,940,842	26,759,834	2.7%	1,000,847,900
Total FTE	630.20	2,218.07	(85.90)	(3.9%)	2,132.17	(85.90)	(3.9%)	2,132.17

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. Continued implementation of the Healthcare Workforce Initiative. Class sizes are increased to goal and residencies are growing.
2. Established a process of constant and recurring attention to and assessment of compliance with accreditation standards.
3. Drafted strategic plan aligned with UND's strategic plan.
4. 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.
5. Ranked by U.S. News & World Report as one of the best in the nation, ranking 3rd for its commitment to rural medicine.

6. Continued to implement the RuralMed program to mitigate medical student debt and encourage the choice of a rural family medicine practice location for graduating medical students.
7. Expanded opportunities in interdisciplinary experience in a rural settings with the Rural Opportunities in Medical Education [ROME] program.
8. Collaborated on Project Echo to address the opioid epidemic.
9. Provided services to all 53 counties and all 33 rural hospitals by the Center for Rural Health and Rural Assistance Center.

Executive Budget Recommendation

- Provides \$411,547 from the General Fund higher education formula due to a decrease in adjusted student credits. Provides \$10.6 million from the General Fund for ongoing funding for the Healthcare Workforce Initiative. This includes an adjustment to the weighted student credit hour from 38 to 34.5.
- Reduces \$2.6 million from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides \$2.4 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$62.7 million from the General Fund for the state share of campus operations at \$58.36 per adjusted student credit hour and the Healthcare Workforce Initiative.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

232 UND Medical Center

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
UND-Medical Center	149,573,679	205,926,713	19,658,310	9.5%	225,585,023	16,557,069	8.0%	222,483,782
Total Major Programs	149,573,679	205,926,713	19,658,310	9.5%	225,585,023	16,557,069	8.0%	222,483,782
By Line Item								
Campus Operations	149,573,679	205,926,713	19,658,310	9.5%	225,585,023	5,880,919	2.9%	211,807,632
Healthcare Workforce Initiative	0	0	0	0.0%	0	10,676,150	100.0%	10,676,150
Total Line Items	149,573,679	205,926,713	19,658,310	9.5%	225,585,023	16,557,069	8.0%	222,483,782
By Funding Source								
General Fund	71,681,053	51,848,093	13,670,544	26.4%	65,518,637	10,885,656	21.0%	62,733,749
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	77,892,626	154,078,620	5,987,766	3.9%	160,066,386	5,671,413	3.7%	159,750,033
Total Funding Source	149,573,679	205,926,713	19,658,310	9.5%	225,585,023	16,557,069	8.0%	222,483,782
Total FTE	184.58	435.75	49.57	11.4%	485.32	49.57	11.4%	485.32

Statutory Authority

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

Agency Description

North Dakota State University (NDSU) broke into the ‘top 100’ National Science Foundation (NSF) rankings seven years ago and has steadily climbed into the rankings to now 83rd in the nation with over \$156M in research productivity. The National Science Foundation is the only federally coordinated/recognized ranking of the 3500 colleges and universities in the nation. Because of this ranking, NDSU has become the highest NSF ranked institution in its five-state region of ND, SD, MT, WY and ID. Those rankings have opened up a steady progression of new partnerships and funding opportunities with other leading universities, private entities and federal agencies, never before possible for a North Dakota university.

NDSU is proud of its tradition as the state’s student focused, land-grant, research institution. It embraces that responsibility as a cornerstone of its future productivity, and the contributions it can increasingly provide to North Dakota and the state’s residents, as well as the nation’s current and future interests.

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

Major Accomplishments

1. Ranked top and only ND research university in the nation based on National Science Foundation.
2. Completed, opened and have now “named” a new, state funded 120,000 square foot STEM classroom building to meet student demand in the science, technology, engineering and math disciplines, which has the capacity for 4,000-5000 students to cycle through per day.
3. Approved College of Health Professions construction project for an addition to Sudro Hall funded with private donations, expected completion during 2020.

4. Became the North Dakota post-secondary institution of choice for North Dakota and out-of-state high school graduates.
5. Continued efforts in support of student success through improved sense of welcome and support; study of and implementation of interventions which have successfully led to improved retention and graduation rates; focus on students from historically under-represented populations, veterans, and others; and addressed high risk behaviors and other student issues. Continuing to expand academic collaborations including development of undergraduate and graduate programs representing the most extensive list of collaborative arrangements in North Dakota’s 11-campus higher education system.
6. Provided system-wide support of academic support functions in IT-based data storage, academic computing communication, emergency response and support technologies.
7. Planned improvements in three campus dining centers.
8. Continued involvement with the Research and Technology Park and emerging technology firms that have created several thousand new jobs, including employment of over 100 NDSU undergraduate and graduate students.
9. Solidified NDSU as one of the most successful overall NCAA Division-I athletic programs in the nation.

Executive Budget Recommendation

- Reduces \$716,330 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$6.3 million from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides \$51.3 million for the Dunbar Hall project. \$25.6 million is provided from the Strategic Investment and Improvement Fund and the remaining \$25.6 million is to be provided from other funds as a 1:1 match.
- Provides \$3.0 million of authority from other funds for the Barry Hall renovation project.
- Provides \$37.2 million of authority from other funds for the Indoor Practice Facility project.
- Provides \$2.0 million of authority from other funds for the Softball Facility project.
- Provides \$37.6 million of authority from other funds for the University Village Phase II project.
- Provides \$5.7 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$127.2 million from the General Fund for the state share of campus operations at \$58.36 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

235 North Dakota State University

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
North Dakota State University	886,602,304	821,055,911	(70,121,602)	(8.5%)	750,934,309	57,887,253	7.1%	878,943,164
Total Major Programs	886,602,304	821,055,911	(70,121,602)	(8.5%)	750,934,309	57,887,253	7.1%	878,943,164
By Line Item								
Campus Operations	736,327,875	733,208,460	9,926,745	1.4%	743,135,205	6,785,600	0.9%	739,994,060
Capital Assets	95,613,766	7,799,104	0	0.0%	7,799,104	51,350,000	658.4%	59,149,104
Capital Assets Carryover	21,060,706	1,218,586	(1,218,586)	(100.0%)	0	(1,218,586)	(100.0%)	0
Capital Projects - Non-State	11,000,000	77,505,000	(77,505,000)	(100.0%)	0	2,295,000	3.0%	79,800,000
Capital Projects Carryover - Non-State	22,599,957	1,324,761	(1,324,761)	(100.0%)	0	(1,324,761)	(100.0%)	0
Total Line Items	886,602,304	821,055,911	(70,121,602)	(8.5%)	750,934,309	57,887,253	7.1%	878,943,164
By Funding Source								
General Fund	171,856,653	129,592,566	3,743,315	2.9%	133,335,881	(2,350,141)	(1.8%)	127,242,425
Federal Funds	4,202,728	0	0	0.0%	0	0	0.0%	0
Special Funds	710,542,923	691,463,345	(73,864,917)	(10.7%)	617,598,428	60,237,394	8.7%	751,700,739
Total Funding Source	886,602,304	821,055,911	(70,121,602)	(8.5%)	750,934,309	57,887,253	7.1%	878,943,164
Total FTE	537.10	1,895.66	(25.50)	(1.3%)	1,870.16	(25.50)	(1.3%)	1,870.16

Statutory Authority

North Dakota Century Code 15-15.02.

Agency Description

NDSCS provides educational programs and services which serve the needs of individuals preparing for careers in the applied sciences/technologies. It serves the businesses and industries of North Dakota by working with employers on the design and delivery of customized training programs. It is the vision of the college to provide quality education/services "second to none" through our commitment to customer focus, employee development and continuous improvement.

NDSCS is committed to a philosophy that provides for the varied educational needs of each person through competent faculty, curriculum programs and educational experiences. Students have the opportunity to develop their full potential, obtain gainful employment and make satisfactory career progress. It provides students with practical hands-on and general-education knowledge and skills.

Major Accomplishments

1. Developed and assessed improvement plans.
2. Expanded programs and flexible scheduling.
3. Researched needs and developed a NDSCS-Fargo Business Plan to better meet the needs of North Dakota and the greater Fargo area.
4. Selected third class of the NDSCS Leadership Academy.
5. Increased graduation rate to 50 percent in 2016; placement rate was at 98 percent in 2016.

6. Ranked third among the nations' two-year colleges by Washington Monthly magazine in 2013 and the sixth best college among large two-year public institutions for college graduation rates in 2014 Chronicle of Higher Education. Forbes Ranked 14th best two community college in 2018.
7. Achieved a 100 percent passing rate on the NCLEX exam in both the Practical Nursing and the Registered Nursing students in spring 2017.
8. Added Information Technology Support Certificate, Information Systems Administrator AAS Degree; Web Design Certificate/Web Development AAS Degree; and Welding Technology AAS Degree.
9. Solicited campus wide feedback and identified focus areas related to pedagogical and professional development objectives.

Executive Budget Recommendation

- Reduces \$64,604 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$1.7 million from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides \$30.0 million of authority from other funds for the Fargo Career Workforce Academy project.
- Provides \$1.6 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$34.9 million from the General Fund for the state share of campus operations at \$92.76 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

238 ND State College of Science

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND State College of Science	110,420,912	94,790,100	1,669,390	1.8%	96,459,490	30,408,417	32.1%	125,198,517
Total Major Programs	110,420,912	94,790,100	1,669,390	1.8%	96,459,490	30,408,417	32.1%	125,198,517
By Line Item								
Campus Operations	94,467,372	91,834,697	3,612,414	3.9%	95,447,111	2,351,441	2.6%	94,186,138
Capital Assets	13,525,782	1,012,379	0	0.0%	1,012,379	0	0.0%	1,012,379
Capital Assets-Carryover	2,427,758	1,929,105	(1,929,105)	(100.0%)	0	(1,929,105)	(100.0%)	0
Capital Projects Non-State Funded	0	0	0	0.0%	0	30,000,000	100.0%	30,000,000
Biennium Carryover	0	13,919	(13,919)	(100.0%)	0	(13,919)	(100.0%)	0
Total Line Items	110,420,912	94,790,100	1,669,390	1.8%	96,459,490	30,408,417	32.1%	125,198,517
By Funding Source								
General Fund	54,951,263	37,184,487	(659,246)	(1.8%)	36,525,241	(2,261,367)	(6.1%)	34,923,120
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	55,469,649	57,605,613	2,328,636	4.0%	59,934,249	32,669,784	56.7%	90,275,397
Total Funding Source	110,420,912	94,790,100	1,669,390	1.8%	96,459,490	30,408,417	32.1%	125,198,517
Total FTE	168.30	345.04	(34.31)	(9.9%)	310.73	(34.31)	(9.9%)	310.73

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 200 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. Implemented a 4-year financial plan that concentrates on increasing tuition revenue while maintaining flat expenditure budgets; actual tuition revenue increased by 5.2 percent during year on of the plan.
2. Restructured campus residence life; emphasis on learning communities within residence life buildings.
3. Eliminated one vice presidential position.
4. Closed two buildings; an apartment style residence building and a traditional residence life building that needs considerable updates for livability and safety issues.
5. Implemented six new academic programs in the Fall 2018 session.
6. Entered into articulation agreement with Williston State to allow their nursing students to complete a 4-year degree through DSU online BSN program.
7. Implemented a bridge first year experience program to reduce the number of students who need remedial coursework in the first year.
8. Utilized nationally-renowned Educational Advisory Board resources to develop new programs, market research and update processes.
9. Released the new Blue Hawk SAFE mobile app.

10. Developed a 'one-stop' shop where students can get 80-90 percent of their questions answered in one central location.
11. Established the SOAR Center to increase access to services by co-locating tutoring, advising, international and multicultural programs, student involvement and TRIO student support services.
12. Enhanced services and features at the DSU Student Center; established the Blue Hawk Hub to draw students to a common hangout and game area, developed the Sanford Sports Facility, re-envisioned campus dining services by enhancing menu options and offering 24/7 dining availability; university store that was plagued with slumping sales and internal control issues was outsourced to a national campus store management company.
13. Contracted with UNESCO to address many deferred maintenance and life safety issues around campus – including interior and exterior lighting, roofing, heat plant, electrical systems, residence hall fire suppression, fire alarms, door access control, elevators improvements, lab ventilation.
14. Continued strong performance and growth by DSU Heritage Foundation - \$820,000 in scholarships awarded during FY2018, more than 80 endowments established, merit scholarship program developed, athletic fundraising and over 200 named annual scholarships were established.
15. Increased investments in academic professional development opportunities.

Executive Budget Recommendation

- Reduces \$228,509 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$878,917 from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides one-time funding of \$750,000 from the General Fund for digitization of documents.
- Provides \$889,025 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$18.3 million from the General Fund for the state share of campus operations at \$87.00 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

239 Dickinson State University

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dickinson State University	62,919,344	71,194,112	(22,497,830)	(31.6%)	48,696,282	(22,214,183)	(31.2%)	48,979,929
Total Major Programs	62,919,344	71,194,112	(22,497,830)	(31.6%)	48,696,282	(22,214,183)	(31.2%)	48,979,929
By Line Item								
Campus Operations	61,393,853	48,960,139	(672,935)	(1.4%)	48,287,204	(1,139,288)	(2.3%)	47,820,851
One-Time Operations and Debt	0	7,409,626	(7,409,626)	(100.0%)	0	(7,409,626)	(100.0%)	0
Capital Assets	0	409,078	0	0.0%	409,078	0	0.0%	409,078
Capital Assets Carryover	198,942	1,259,974	(1,259,974)	(100.0%)	0	(1,259,974)	(100.0%)	0
Capital Projects Carryover	0	1,800,000	(1,800,000)	(100.0%)	0	(1,800,000)	(100.0%)	0
TR Presidential Library	644,705	11,355,295	(11,355,295)	(100.0%)	0	(11,355,295)	(100.0%)	0
Digitization Project	0	0	0	0.0%	0	750,000	100.0%	750,000
Biennium Carryover	681,844	0	0	0.0%	0	0	0.0%	0
Total Line Items	62,919,344	71,194,112	(22,497,830)	(31.6%)	48,696,282	(22,214,183)	(31.2%)	48,979,929
By Funding Source								
General Fund	26,852,724	39,656,285	(21,190,916)	(53.4%)	18,465,369	(21,317,843)	(53.8%)	18,338,442
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	36,066,620	31,537,827	(1,306,914)	(4.1%)	30,230,913	(896,340)	(2.8%)	30,641,487
Total Funding Source	62,919,344	71,194,112	(22,497,830)	(31.6%)	48,696,282	(22,214,183)	(31.2%)	48,979,929
Total FTE	120.26	168.90	44.36	26.3%	213.26	44.36	26.3%	213.26

Statutory Authority

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

Agency Description

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

Major Accomplishments

1. Completed a 17,000 sq. ft. \$5.8 million health, physical education and recreation facilities project.
2. Completed the Larson Alumni Center funded by \$900,000 in donations.
3. Increased student fall enrollment setting another record of 1,140 (Fall 2017).
4. Increased growth in degree-seeking students taking some or exclusively distance courses, with a record number of students (1,211 in 2017-18, up 88 percent since 2013-14).
5. Exceeded the system requirement for reserves.
6. Eliminated an additional 14,000 sq. ft. of inefficient, outdated space.
7. Received Higher Learning Commission (HLC) reaccreditation of 10 years and also has been approved to offer the Master of Arts in Teaching (MAT) degree.
8. Received Commission on Collegiate Nursing Education (CCNE) accreditation for MaSU’s new nursing degree program.

Executive Budget Recommendation

- Provides \$1.4 million from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$784,663 from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law. Provides \$793,687 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$15.7 million from the General Fund for the state share of campus operations at \$87.00 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

240 Mayville State University

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Mayville State University	51,010,457	45,556,293	1,897,952	4.2%	47,454,245	1,793,049	3.9%	47,349,342
Total Major Programs	51,010,457	45,556,293	1,897,952	4.2%	47,454,245	1,793,049	3.9%	47,349,342
By Line Item								
Campus Operations	45,544,220	44,254,674	2,772,931	6.3%	47,027,605	2,668,028	6.0%	46,922,702
Capital Assets	516,439	358,992	67,648	18.8%	426,640	67,648	18.8%	426,640
Capital Assets Carryover	4,949,798	218,266	(218,266)	(100.0%)	0	(218,266)	(100.0%)	0
Capital Projects Carryover - Non-State	0	724,361	(724,361)	(100.0%)	0	(724,361)	(100.0%)	0
Total Line Items	51,010,457	45,556,293	1,897,952	4.2%	47,454,245	1,793,049	3.9%	47,349,342
By Funding Source								
General Fund	21,028,968	14,524,784	1,721,657	11.9%	16,246,441	1,177,498	8.1%	15,702,282
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	29,981,489	31,031,509	176,295	0.6%	31,207,804	615,551	2.0%	31,647,060
Total Funding Source	51,010,457	45,556,293	1,897,952	4.2%	47,454,245	1,793,049	3.9%	47,349,342
Total FTE	66.23	210.53	(1.26)	(0.6%)	209.27	(1.26)	(0.6%)	209.27

Statutory Authority

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

Agency Description

Minot State University (MiSU) is a regional, public institution located in the northwest region of North Dakota, serving students from Minot, the region, state, nation, and other countries. Undergraduate and graduate courses and programs are offered on campus and at a distance, through face-to-face, online, and alternative modes of delivery. Non-credit and professional training and experiences are offered to students and community members.

Major Accomplishments

1. Realized the FY18 as the most successful fund-raising year in Minot State's history.
2. Used private donations to create or improve several campus venues such as the new Northwest Center for the Arts, the Athletics Academic Center and the Air-Supported Seasonal Dome.

3. Added new academic programs, Minor and B.S. in Entrepreneurship and B.S. in Early Childhood Education.
4. Increased freshman enrollments for the fourth straight year.

Executive Budget Recommendation

- Reduces \$2.3 million from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$1.8 million from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law. Provides \$675,335 from the General Fund to extend the sunset provision on the 96.0 percent of the formula payment from NDCC 15-18.2.06.
- Provides \$1.8 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$38.1 million from the General Fund for the state share of campus operations at \$87.00 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

241 Minot State University

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Minot State University	114,454,269	106,252,529	(3,228,895)	(3.0%)	103,023,634	(4,442,337)	(4.2%)	101,810,192
Total Major Programs	114,454,269	106,252,529	(3,228,895)	(3.0%)	103,023,634	(4,442,337)	(4.2%)	101,810,192
By Line Item								
Campus Operations	111,666,393	100,876,053	1,047,961	1.0%	101,924,014	(165,481)	(0.2%)	100,710,572
Capital Assets	1,711,257	1,099,620	0	0.0%	1,099,620	0	0.0%	1,099,620
Capital Assets Carryover	1,059,708	1,980,561	(1,980,561)	(100.0%)	0	(1,980,561)	(100.0%)	0
Capital Projects Non-state funded	0	2,284,000	(2,284,000)	(100.0%)	0	(2,284,000)	(100.0%)	0
Capital Projects Carryover - Non-State	16,911	0	0	0.0%	0	0	0.0%	0
Biennium Carryover	0	12,295	(12,295)	(100.0%)	0	(12,295)	(100.0%)	0
Total Line Items	114,454,269	106,252,529	(3,228,895)	(3.0%)	103,023,634	(4,442,337)	(4.2%)	101,810,192
By Funding Source								
General Fund	46,389,838	41,182,977	(1,461,810)	(3.5%)	39,721,167	(3,036,045)	(7.4%)	38,146,932
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	68,064,431	65,069,552	(1,767,085)	(2.7%)	63,302,467	(1,406,292)	(2.2%)	63,663,260
Total Funding Source	114,454,269	106,252,529	(3,228,895)	(3.0%)	103,023,634	(4,442,337)	(4.2%)	101,810,192
Total FTE	204.10	441.65	(34.07)	(7.7%)	407.58	(34.07)	(7.7%)	407.58

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 2017 of 1,522 students.
2. Realized nearly 72 percent retention rate in the fall-to-fall semester of 2016-17.
3. Completed the new state-of-the-art heat plant to keep campus warm.
4. Increased student satisfaction and collectively saved our students over \$1.0 million in textbook costs by the significant utilization of open educational resources.
5. Received accreditation approval letters for athletic training, teacher education, and our institutional fourth-year assurance review by the Higher Learning Commission.
6. Received national rankings for best online teaching programs, affordable online education, an outstanding master's of education program, and best online bachelor's programs.
7. Allocated a record of over \$1.8 million in scholarships this academic year by the VCSU Foundation, with 92 percent of new freshmen receiving scholarships. Sixty-five percent of students are from North Dakota.

8. Named VCSU the #1 public regional college in the midwest for 2018 by U.S. News and World Report. Also named a U.S. News "Best College" for the 20th consecutive year.
9. Created pathway for students to graduate in 3 years.
10. 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.
11. Implemented new innovations in using technology in the classroom.

Executive Budget Recommendation

- Reduces \$217,974 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$1.0 million from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides one-time funding of \$2.9 million from the Strategic Investment and Improvement Fund for the renovation of McCarthy Hall and demolition of Foss Hall.
- Provides \$1.0 million of authority from other funds for the renovation of McCarthy Hall.
- Provides \$1.0 million from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$20.2 million from the General Fund for the state share of campus operations at \$87.00 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

242 Valley City State University

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Valley City State University	64,838,865	73,754,989	(26,806,546)	(36.3%)	46,948,443	(23,639,753)	(32.1%)	50,115,236
Total Major Programs	64,838,865	73,754,989	(26,806,546)	(36.3%)	46,948,443	(23,639,753)	(32.1%)	50,115,236
By Line Item								
Campus Operations	49,568,201	48,473,412	(2,038,312)	(4.2%)	46,435,100	(2,771,519)	(5.7%)	45,701,893
Capital Assets	12,764,237	513,343	0	0.0%	513,343	3,900,000	759.7%	4,413,343
Capital Assets Carryover	2,506,427	2,268,232	(2,268,232)	(100.0%)	0	(2,268,232)	(100.0%)	0
Capital Projects Non-state funded	0	22,500,000	(22,500,000)	(100.0%)	0	(22,500,000)	(100.0%)	0
Biennium Carryover	0	2	(2)	(100.0%)	0	(2)	(100.0%)	0
Total Line Items	64,838,865	73,754,989	(26,806,546)	(36.3%)	46,948,443	(23,639,753)	(32.1%)	50,115,236
By Funding Source								
General Fund	37,485,047	22,784,332	(1,774,508)	(7.8%)	21,009,824	(2,561,182)	(11.2%)	20,223,150
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	27,353,818	50,970,657	(25,032,038)	(49.1%)	25,938,619	(21,078,571)	(41.4%)	29,892,086
Total Funding Source	64,838,865	73,754,989	(26,806,546)	(36.3%)	46,948,443	(23,639,753)	(32.1%)	50,115,236
Total FTE	105.59	202.75	(22.07)	(10.9%)	180.68	(22.07)	(10.9%)	180.68

Statutory Authority

ND Constitution Article XIX, Section 216.

Agency Description

A referendum in 1894 stated that a school of forestry should be located in Bottineau, North Dakota, to provide, in addition to forestry, comprehensive community college curricula. The North Dakota Century Code also identified the role of Dakota College at Bottineau as offering programs in agriculture, forestry, and horticulture. Since then, the college has expanded its natural resources programming, and has also added programs in other areas that serve the needs of its constituents. For example, business, information technology, allied health, and general education/liberal arts courses now comprise a majority of the college's inventory of program offerings for students enrolled in transfer, career and technical curriculums. For over 100 years, as the North Dakota School of Forestry, NDSU-Bottineau, MSU-Bottineau, and Dakota College at Bottineau, the institution has prepared men and women to become contributing members of society. The college has adopted a "Nature, Technology, and Beyond" focus that reflects its efforts to leave students with a care and concern for the environment.

An institutional name change from Minot State University-Bottineau to Dakota College at Bottineau did not change the college's affiliation with Minot State University. That affiliation continues to grow even stronger.

Major Accomplishments

1. Increased its headcount and FTE enrollment each year since the fall of 2015.
2. Implemented a new program for dual-credit students titled Leading to Advanced Educational Preparation (LEAP). The program was implemented in the fall of 2017 to encourage high school students to begin working toward the completion of a college credential. One of the major intents of the program is to decrease the costs of a college education by having students graduate from high school with significant progress toward a college degree.

3. Increased the enrollment in the college's nursing program significantly over the past three years. There are approximately 96 nursing students enrolled at DCB in fall 2018 compared to 47 in the fall of 2015.
4. Received two major grants which support nursing education. The Trinity Health Foundation has committed \$500,000 over five years to support DCB's nursing programs in Minot. The second grant, from the Otto Bremer Foundation, provided \$127,000 in funding for the acquisition of advanced nursing simulation equipment for the DCB nursing programs in Minot.
5. Identified by the SR Education Group as one of the top 20 most affordable online community colleges in the United States for the years 2018 and 2017.
6. Celebrated the DCB Hockey Team's 10th National NJCAA Hockey Championship with a win over Erie Community College at Binghamton, NY in February, 2017.
7. Hosted the 2018 All-North Dakota Academic Team in April, 2018.
8. Continued annually recognizing individuals who have made notable contributions to the conservation of the state's natural resources.

Executive Budget Recommendation

- Reduces \$233,523 from the General Fund higher education formula due to a decrease in adjusted student credits.
- Reduces \$370,971 from the General Fund by adjusting the base funding per student credit hour amount to 95.0 percent of current law.
- Provides \$2.5 million of authority from other funds for dining facility project.
- Provides \$349,437 from the General Fund as an inflationary increase, which includes the increase in employee health insurance and the executive compensation plan.
- Provides \$7.3 million from the General Fund for the state share of campus operations at \$92.76 per adjusted student credit hour.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

243 Dakota College at Bottineau

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dakota College at Bottineau	20,795,435	20,840,757	562,030	2.7%	21,402,787	2,827,252	13.6%	23,668,009
Total Major Programs	20,795,435	20,840,757	562,030	2.7%	21,402,787	2,827,252	13.6%	23,668,009
By Line Item								
Campus Operations	19,141,043	20,068,411	757,057	3.8%	20,825,468	522,279	2.6%	20,590,690
Capital Assets	1,254,392	578,547	(1,228)	(0.2%)	577,319	2,498,772	431.9%	3,077,319
Capital Assets Carryover	0	193,799	(193,799)	(100.0%)	0	(193,799)	(100.0%)	0
Biennium Carryover	400,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	20,795,435	20,840,757	562,030	2.7%	21,402,787	2,827,252	13.6%	23,668,009
By Funding Source								
General Fund	9,538,466	7,852,997	(124,880)	(1.6%)	7,728,117	(455,109)	(5.8%)	7,397,888
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	11,256,969	12,987,760	686,910	5.3%	13,674,670	3,282,361	25.3%	16,270,121
Total Funding Source	20,795,435	20,840,757	562,030	2.7%	21,402,787	2,827,252	13.6%	23,668,009
Total FTE	46.96	84.30	(2.01)	(2.4%)	82.29	(2.01)	(2.4%)	82.29

Statutory Authority

North Dakota Constitution, Article VIII, Section 6. North Dakota Century Code 4.1-21,18-02 and 57-57.

Agency Description

The State Forester has the statutory authority and responsibility to meet the forestry needs in North Dakota. The North Dakota Forest Service administers forestry programs statewide. The agency operates a conifer tree nursery at Towner. Technical and financial assistance for management of private forest lands, state forest lands, urban and community forests, tree planting and wildland fire protection are provided. The North Dakota Forest Service owns and manages approximately 13,290 acres of state forest lands.

Major Accomplishments

1. Assisted 12 percent of biomass and wood utilization businesses in utilizing forest and municipal wood waste for renewable energy resulting in the installation of a biomass heating system demonstration in a public works facility in Bismarck.
2. Awarded \$1.3 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 4.0 percent and 4.0 percent salary increase and provides funding for the recommended executive compensation plan.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

244 ND Forest Service

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Operations	10,139,834	15,384,294	(166,996)	(1.1%)	15,217,298	(364,973)	(2.4%)	15,019,321
Capital Assets	271,419	118,728	0	0.0%	118,728	0	0.0%	118,728
Total Major Programs	10,411,253	15,503,022	(166,996)	(1.1%)	15,336,026	(364,973)	(2.4%)	15,138,049
By Line Item								
Campus Operations	10,139,834	14,958,447	258,851	1.7%	15,217,298	60,874	0.4%	15,019,321
Capital Assets	271,419	118,728	0	0.0%	118,728	0	0.0%	118,728
Biennium Carryover	0	425,847	(425,847)	(100.0%)	0	(425,847)	(100.0%)	0
Total Line Items	10,411,253	15,503,022	(166,996)	(1.1%)	15,336,026	(364,973)	(2.4%)	15,138,049
By Funding Source								
General Fund	4,754,217	4,852,274	(243,016)	(5.0%)	4,609,258	(379,625)	(7.8%)	4,472,649
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	5,657,036	10,650,748	76,020	0.7%	10,726,768	14,652	0.1%	10,665,400
Total Funding Source	10,411,253	15,503,022	(166,996)	(1.1%)	15,336,026	(364,973)	(2.4%)	15,138,049
Total FTE	28.96	27.00	0.00	0.0%	27.00	0.00	0.0%	27.00

Statutory Authority

North Dakota Century Code Chapter 54-24.

Agency Description

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. An array of developmental and technical services are provided including training librarians in all aspects of librarianship and management, educating public library board members in their responsibilities; collecting, organizing, and cataloging state documents to preserve the history of the state; developing and expanding the statewide online library catalog through grants and 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 and public libraries to increase their public computing services and develop their collections and programming to their communities; 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 develop and coordinate statewide services, create synergistic purchasing opportunities, and enrich information services for local communities through public and school libraries.

Major Accomplishments

1. Established partnerships through the Library Vision 2020 (LV2020) initiative, which provides a long-range plan for coordinated library services.
2. Assisted in adding libraries to the statewide online library catalog through the use of LV2020 grants.
3. Continued development of an extensive interlibrary loan system and facilitated 45,000 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 LV2020 grant funds and federal Library Services and Technology Act (LSTA) training grant funds; administered the State Aid to Public Libraries grant program; and administered a Renovation and Repair grant program for public library buildings.
8. Provided Talking Book services to 1,500 North Dakotans.
9. Provided library development services to public and school libraries.
10. Continued to develop and administer a statewide digitization program and facilitate collaboration with Montana to join the Digital Public Library of America (DPLA).
11. Received a 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. Partnered with the Grand Forks Air Force Base which gave a grant to purchase \$24,000 worth of STEM educational equipment to loan and distribute it to libraries statewide.
13. Continued to partner with the ND Parks and Recreation Department to give public libraries state park passes.
14. Developed and completed a five year plan for 2018-22 of State Library services.
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 the State Historical Society, Bismarck Public Library and Mandan Public Library to develop and coordinate an annual statewide summer reading program that includes a kick-off day drawing approximately 4,000 people to the Capitol Grounds.

Executive Budget Recommendation

- Increases federal fund authority by \$124,500 for the Coding at Every Library project.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

250 State Library
Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	745,500	762,086	932	0.1%	763,018	52,069	6.8%	814,155
Services	4,998,292	5,128,693	(315,315)	(6.1%)	4,813,378	261,265	5.1%	5,389,958
Programs	2,413,712	1,975,082	0	0.0%	1,975,082	0	0.0%	1,975,082
Total Major Programs	8,157,504	7,865,861	(314,383)	(4.0%)	7,551,478	313,334	4.0%	8,179,195
By Line Item								
Salaries and Wages	3,912,413	4,152,758	(309,610)	(7.5%)	3,843,148	170,992	4.1%	4,323,750
Operating Expenses	1,323,450	1,604,075	(4,773)	(0.3%)	1,599,302	17,842	1.1%	1,621,917
Grants	2,921,641	2,109,028	0	0.0%	2,109,028	124,500	5.9%	2,233,528
Total Line Items	8,157,504	7,865,861	(314,383)	(4.0%)	7,551,478	313,334	4.0%	8,179,195
By Funding Source								
General Fund	6,216,265	5,618,301	(280,915)	(5.0%)	5,337,386	189,425	3.4%	5,807,726
Federal Funds	1,872,634	2,155,708	(28,875)	(1.3%)	2,126,833	128,502	6.0%	2,284,210
Special Funds	68,605	91,852	(4,593)	(5.0%)	87,259	(4,593)	(5.0%)	87,259
Total Funding Source	8,157,504	7,865,861	(314,383)	(4.0%)	7,551,478	313,334	4.0%	8,179,195
Total FTE	29.75	28.75	(2.00)	(7.0%)	26.75	(1.00)	(3.5%)	27.75

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 (NDSR/RCDHH) provides education to persons of all ages who are deaf/hard of hearing.

NDSR/Resource Center for Deaf and Hard of Hearing is fully accredited and specializes in speech and language development for students who are deaf or hard of hearing. Children birth to 3 years of age are served through the Parent/Infant program (specialized instruction in the homes). Elementary and middle school students are served through the Model School programming at NDSR or by outreach specialists in their home schools. Educational services for grade 9 through graduation are provided in partnership with the district of residence or Devils Lake Public Schools (if living at NDSR) or by outreach specialists in their home school. Adults age 21 to death are served through the Adult Outreach Program

In addition to the school's traditional role as an educational institution, NDSR/RCDHH has become a state resource center for deafness. Through collaborative ventures with other agencies, NDSR/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. Developed strategic planning for 2017-21.
2. Replaced boiler, kitchen cooler/freezer and added two ADA bathrooms.
3. Hired a third position specific for adult services statewide.
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 students who are deaf or hard of hearing and teachers who teach students who are deaf or hard of hearing in schools in North Dakota.
7. Implemented a second Interactive Video Network (ITV) outreach American Sign Language site in Fargo to increase classes provided to families and ND communities.
8. Provided support and professional development of educational interpreters in the state through the partnership of NDSR/RCDHH, Lake Region College, and Minot State University.

Executive Budget Recommendation

- Provides \$144,153 from the General Fund for an increase in teacher salaries.
- Provides \$250,000 in special funds for extraordinary repairs based on the master facility plan.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

252 School for Deaf/Res Ctr for Deaf and HoH

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Education and Outreach	9,397,359	10,919,580	(1,849,796)	(16.9%)	9,069,784	(851,514)	(7.8%)	10,068,066
Total Major Programs	9,397,359	10,919,580	(1,849,796)	(16.9%)	9,069,784	(851,514)	(7.8%)	10,068,066
By Line Item								
Salaries and Wages	6,840,536	7,588,749	(378,229)	(5.0%)	7,210,520	305,053	4.0%	7,893,802
Operating Expenses	1,586,269	2,026,543	(365,957)	(18.1%)	1,660,586	(320,957)	(15.8%)	1,705,586
Capital Assets	768,532	891,678	(733,000)	(82.2%)	158,678	(463,000)	(51.9%)	428,678
Capital Construction Carry	74,511	23,495	(23,495)	(100.0%)	0	(23,495)	(100.0%)	0
Grants	127,511	389,115	(349,115)	(89.7%)	40,000	(349,115)	(89.7%)	40,000
Total Line Items	9,397,359	10,919,580	(1,849,796)	(16.9%)	9,069,784	(851,514)	(7.8%)	10,068,066
By Funding Source								
General Fund	8,414,290	7,697,641	(957,967)	(12.4%)	6,739,674	(330,383)	(4.3%)	7,367,258
Federal Funds	286,834	351,993	(29,661)	(8.4%)	322,332	(186,481)	(53.0%)	165,512
Special Funds	696,235	2,869,946	(862,168)	(30.0%)	2,007,778	(334,650)	(11.7%)	2,535,296
Total Funding Source	9,397,359	10,919,580	(1,849,796)	(16.9%)	9,069,784	(851,514)	(7.8%)	10,068,066
Total FTE	45.61	45.61	(2.00)	(4.4%)	43.61	(2.00)	(4.4%)	43.61

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. Completed of 3-year strategic plan and developed a new mission statement.
2. Improved support efforts to families as evidenced by the growing "Family Weekend" held every April. The 2018 event was the largest in NDVS/SB history.
3. Provided training to 80 ND educators.
4. Continued ongoing strategic planning between NDVS/SB and ND Department of Vocational Rehabilitation, with an emphasis on assisting transition age students becoming ready for college and/or career.
5. Continued to deliver outreach and center-based service, even as the demand for other areas of service have increased.

Executive Budget Recommendation

- Provides \$119,203 from the General Fund for an increase in teachers salaries.
- Provides \$260,500 in special funds for various campus projects.
- Adds \$20,000 in special funds to purchase adaptive technology equipment.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

253 ND Vision Services/School for the Blind

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Education	5,151,487	5,608,893	(409,169)	(7.3%)	5,199,724	467,590	8.3%	6,076,483
Total Major Programs	5,151,487	5,608,893	(409,169)	(7.3%)	5,199,724	467,590	8.3%	6,076,483
By Line Item								
Salaries and Wages	4,419,406	4,660,995	(273,669)	(5.9%)	4,387,326	299,975	6.4%	4,960,970
Operating Expenses	675,418	773,206	0	0.0%	773,206	42,615	5.5%	815,821
Capital Assets	56,663	174,692	(135,500)	(77.6%)	39,192	125,000	71.6%	299,692
Total Line Items	5,151,487	5,608,893	(409,169)	(7.3%)	5,199,724	467,590	8.3%	6,076,483
By Funding Source								
General Fund	4,753,623	4,394,146	(219,707)	(5.0%)	4,174,439	350,713	8.0%	4,744,859
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	397,864	1,214,747	(189,462)	(15.6%)	1,025,285	116,877	9.6%	1,331,624
Total Funding Source	5,151,487	5,608,893	(409,169)	(7.3%)	5,199,724	467,590	8.3%	6,076,483
Total FTE	30.00	28.50	(1.00)	(3.5%)	27.50	(0.60)	(2.1%)	27.90

Statutory Authority

North Dakota Century Code Chapter 15-20.1-3 and Carl D Perkins Career and Technical Act of 2006. Effective July 1, 2019, the Perkins Career and Technical Act of 2006 will be replaced by the Strengthening Career and Technical Education for the 21st Century Act (Perkins V).

Agency Description

The Department of Career & Technical Education (CTE) provides leadership, technical assistance and fiscal support of career technical education to public school districts, area career and technology centers, state colleges and universities, state institutions and tribal colleges. The CTE is responsible for administering federal and state legislation and funding. The department believes the effort will be enhanced through the establishment of quality instructional programs that derive standards from industry and use industry certifications to validate both program instruction and student performance. The department also establishes standards for teacher certification, curriculum development, access for special populations, and focuses on equity in programs, activities, and services at all levels of education. The CTE governing board recognizes that a qualified, skilled workforce is essential to the economic well-being of North Dakota's business, industry and public sector.

Major Accomplishments

1. Integrated its student/school data collection into the STARS system, which is the Department of Public Instruction (DPI) data collection system. This will effectively eliminate duplicate data reporting requirements from local schools.

2. Developed a partnership with the TechND to promote IT programs of study and IT career awareness.
3. Developed, revised and consolidated many of the coordinated plans of study to simplify the career planning process and qualifying for the CTE scholarship.
4. Established and administered STEM grants to schools and incorporated STEM programming into existing programs.
5. Developed an online budget and reimbursement process to streamline reporting and fiscal process for schools.
6. Created broader access for CTE programming in schools. Approximately 90 schools share CTE programming, making more options available for ND students.
7. Collaborated with DPI and other educational stakeholders to develop the K12 strategic vision.

Executive Budget Recommendation

- Includes \$700,000 from the General Fund as part of the workforce development initiative to be used for new and expanded CTE programs.
- Recommends moving the Center for Distance Ed and 29.80 FTE from ITD to CTE.
- Recommends moving the Education Training Center from ITD to CTE, and includes an increase of 0.50 FTE in CTE.
- Provides \$30.0 million from the General Fund Legacy earnings to be used as a competitive grant for the establishment of career academies, as part of the workforce development initiative.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

270 Career and Technical Education

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	3,655,290	4,058,530	(80,218)	(2.0%)	3,978,312	120,222	3.0%	4,178,752
Technical Assistance	37,172,129	37,591,419	925,009	2.5%	38,516,428	41,005,716	109.1%	78,597,135
Total Major Programs	40,827,419	41,649,949	844,791	2.0%	42,494,740	41,125,938	98.7%	82,775,887
By Line Item								
Salaries and Wages	4,524,794	4,699,975	(127,064)	(2.7%)	4,572,911	6,291,927	133.9%	10,991,902
Operating Expenses	805,480	1,240,589	392,251	31.6%	1,632,840	2,969,407	239.4%	4,209,996
Capital Assets	0	0	0	0.0%	0	500,000	100.0%	500,000
Grants	31,372,094	32,833,356	1,130,000	3.4%	33,963,356	31,915,000	97.2%	64,748,356
Postsecondary Grants	661,113	296,207	(25,818)	(8.7%)	270,389	(25,818)	(8.7%)	270,389
Adult Farm Management	660,438	579,822	(350,007)	(60.4%)	229,815	(350,007)	(60.4%)	229,815
Workforce Training	2,803,500	2,000,000	(174,571)	(8.7%)	1,825,429	(174,571)	(8.7%)	1,825,429
Total Line Items	40,827,419	41,649,949	844,791	2.0%	42,494,740	41,125,938	98.7%	82,775,887
By Funding Source								
General Fund	31,698,298	29,556,283	(1,183,915)	(4.0%)	28,372,368	41,074,231	139.0%	70,630,514
Federal Funds	9,077,639	9,511,692	2,036,455	21.4%	11,548,147	2,536,456	26.7%	12,048,148
Special Funds	51,482	2,581,974	(7,749)	(0.3%)	2,574,225	(2,484,749)	(96.2%)	97,225
Total Funding Source	40,827,419	41,649,949	844,791	2.0%	42,494,740	41,125,938	98.7%	82,775,887
Total FTE	26.50	24.50	(1.00)	(4.1%)	23.50	29.30	119.6%	53.80

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 with intellectual disabilities, and clinical laboratory services.

Major Accomplishments

1. Placed 42 health professionals in shortage areas.
2. Served 7,000 tobacco users in the last biennium through NDQuits; more than 36 percent were tobacco free seven months after completing the program.
3. Screened 2,737 women for breast and/or cervical cancer through Women's Way; facilitated 728 screens for women that transitioned to Medicaid Expansion.
4. Provided funding to 20 domestic violence/rape crisis agencies.
5. Supported over 30 regional, tribal and local community suicide prevention projects; screened over 40,000 patients on depression and suicide.
6. Provided 3,124 sealant applications to students across ND during 2016-17 school year.
7. Provided family planning medical, education, and counseling services to over 16,000 individuals at 18 locations statewide.
8. Provided 450 cribs to the Cribs for Kids Program sites, a statewide safe sleep education and crib distribution program for low-income families; added three additional sites to serve more rural families.
9. Supported multidisciplinary clinics coordinating management of chronic health conditions for over 1,500 children.
10. Implemented a new Autism Spectrum Disorder database in 2016; over 450 reports have been submitted.
11. Provided 1,250 car safety seat through 31 car seat distribution programs and inspected 1,479 car seats through car seat checkups. Gave 852 child passenger safety presentations to 31,773 children.

12. Included naloxone administration into the scope of practice for all EMS; 75 percent of ambulance services in ND carry naloxone or have staff trained to use it.
13. Created Cardiac Ready Communities designation; five communities with this designation and 21 have signed letters of intent.
14. Provided long-term emergency response to the Dakota Access Pipeline event, including serving more than 60,000 meals over the 11-month life of the protest.
15. Established the Division of Medical Marijuana in February 2017.
16. Achieved an adolescent vaccination rate for Tdap and meningococcal vaccinations of 92 percent.
17. Investigated 25,162 reportable conditions and worked closely with health care providers to ensure the health of North Dakotans.
18. Developed new policies and laws around North Dakota syringe exchange programs.
19. Conducted over 6,000 inspections of licensed facilities.
20. Entered nearly 2.1 million new vaccination records into the ND immunization Information System.
21. Provided healthy food nutrition education and breastfeeding support to 44,000 women and children through the WIC program.
22. Processed 100,527 request for more than 266,000 certified copies, record searches, amendments and verifications.
23. Achieved a turnover rate below the state average for both years of the last biennium.

Executive Budget Recommendation

- Changes the funding source of \$1.9 million for Vital Records Division from the General Fund to special funds.
- Restores 3.00 FTE and \$1.8 million for the Office of the Forensic Examiner.
- Provides \$1.2 million for microbiology lab capital improvements from the Strategic Investment and Improvement Fund.
- Adds 1.00 FTE position for a food and lodging environmental health practitioner.
- Provides \$450,000 for the microbiology lab to upgrade the laboratory information management system (LIMS) from the General Fund and other funds.
- Provides \$126,000 from the General Fund for implementation of a comprehensive emergency medical services (EMS) licensing and records management system.
- Transfers 4.50 FTE positions to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

301 ND Department of Health

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Fiscal and Operations	15,057,082	18,334,789	(3,128,632)	(17.1%)	15,206,157	105,698	0.6%	18,440,487
Medical Services	23,518,421	22,752,890	1,858,249	8.2%	24,611,139	5,881,989	25.9%	28,634,879
Health Resources	9,811,392	10,422,595	(348,585)	(3.3%)	10,074,010	75,859	0.7%	10,498,454
Healthy and Safe Communities	59,768,645	75,427,971	4,648,623	6.2%	80,076,594	3,320,555	4.4%	78,748,526
Emergency Preparedness and Response	24,626,589	23,699,134	(736,991)	(3.1%)	22,962,143	(191,614)	(0.8%)	23,507,520
Total Major Programs	132,782,129	150,637,379	2,292,664	1.5%	152,930,043	9,192,487	6.1%	159,829,866
By Line Item								
Salaries and Wages	34,125,690	36,662,564	(3,035,553)	(8.3%)	33,627,011	640,109	1.7%	37,302,672
Operating Expenses	30,903,138	29,901,909	1,170,925	3.9%	31,072,834	3,591,504	12.0%	33,493,413
Capital Assets	1,912,400	2,188,491	1,322	0.1%	2,189,813	1,671,322	76.4%	3,859,813
Grants	40,864,520	46,476,941	7,017,061	15.1%	53,494,002	6,005,351	12.9%	52,482,292
Tobacco Prevention & Control	5,799,729	13,646,704	(880,321)	(6.5%)	12,766,383	(735,028)	(5.4%)	12,911,676
WIC Food Payments	18,868,331	20,200,000	(420,000)	(2.1%)	19,780,000	(420,000)	(2.1%)	19,780,000
Medical Marijuana	77,305	1,560,770	(1,560,770)	(100.0%)	0	(1,560,771)	(100.0%)	0
Contingent Appropriation	231,016	0	0	0.0%	0	0	0.0%	0
Total Line Items	132,782,129	150,637,379	2,292,664	1.5%	152,930,043	9,192,487	6.1%	159,829,866
By Funding Source								
General Fund	36,527,415	32,750,309	8,648,811	26.4%	41,399,120	4,444,733	13.6%	37,195,042
Federal Funds	82,632,354	92,481,318	8,367,886	9.0%	100,849,204	9,707,730	10.5%	102,189,048
Special Funds	13,622,360	25,405,752	(14,724,033)	(58.0%)	10,681,719	(4,959,976)	(19.5%)	20,445,776
Total Funding Source	132,782,129	150,637,379	2,292,664	1.5%	152,930,043	9,192,487	6.1%	159,829,866
Total FTE	210.00	211.50	(10.50)	(5.0%)	201.00	(12.00)	(5.7%)	199.50

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 increased needs related to the energy industry.
2. Reviewed approximately 1,650 environmental spill reports since July 1, 2015 by conducting field investigations, remediation oversight and enforcement.

3. Utilized a mix of compliance assistance, field monitoring, enforcement and collaboration with industry the state is experiencing improved compliance in the oilfield.

Executive Budget Recommendation

- Restores 4.50 FTE for oil field spill response team.
- Recommends special fund authority for Volkswagen Settlement Funds of \$4.7 million.
- Recommends transfer of the Petroleum Tank Release Compensation Program from Insurance Department to the Department of Environmental Quality. This includes 2.00 FTE and operating expenses.
- Provides 10.00 FTE positions and \$2.3 million for supremacy of Quad O and Quad Oa Federal Air Pollution Program, with \$1.3 million from the General Fund and a one-time appropriation of \$1.0 million from the Strategic Investment and Improvement Fund. This is a contingent appropriation effective for the second year of the biennium.
- Transfers 1.00 FTE position to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

303 Department of Environmental Quality

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Department of Environmental Quality	41,916,579	50,211,671	(2,588,281)	(5.2%)	47,623,390	7,761,525	15.5%	57,973,196
Total Major Programs	41,916,579	50,211,671	(2,588,281)	(5.2%)	47,623,390	7,761,525	15.5%	57,973,196
By Line Item								
Salaries and Wages	25,898,151	27,040,544	(952,813)	(3.5%)	26,087,731	2,671,709	9.9%	29,712,253
Operating	7,587,157	8,505,878	559,823	6.6%	9,065,701	1,630,107	19.2%	10,135,985
Capital Assets	1,221,062	1,258,249	5,180	0.4%	1,263,429	1,005,180	79.9%	2,263,429
Grants	7,210,209	13,407,000	(2,200,471)	(16.4%)	11,206,529	2,454,529	18.3%	15,861,529
Total Line Items	41,916,579	50,211,671	(2,588,281)	(5.2%)	47,623,390	7,761,525	15.5%	57,973,196
By Funding Source								
General Fund	11,644,077	10,724,151	(1,400,174)	(13.1%)	9,323,977	1,367,942	12.8%	12,092,093
Federal Funds	21,441,060	26,650,771	736,098	2.8%	27,386,869	1,593,720	6.0%	28,244,491
Special Funds	8,831,442	12,836,749	(1,924,205)	(15.0%)	10,912,544	4,799,863	37.4%	17,636,612
Total Funding Source	41,916,579	50,211,671	(2,588,281)	(5.2%)	47,623,390	7,761,525	15.5%	57,973,196
Total FTE	155.00	152.50	(7.50)	(4.9%)	145.00	8.00	5.2%	160.50

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. Finished construction of the resident workshop and art studio.
5. Received a State Home Construction grant to pay for 65.0 percent of the resident workshop and art studio.
6. Achieved copper, bronze and silver milestones in the Quality Milestones Recognition program. This program tracks the nursing home's quality improvement efforts and recognizes achievements.
7. Designated as a 5-star facility since 2009.

Executive Budget Recommendation

- Provides one-time funding of \$25,000 from the General Fund for strategic planning.
- Restores 6.00 FTE position with no additional funding.
- Restores \$1.2 million for operations of the agency from special funds.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

313 Veterans Home

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	2,222,220	2,332,661	(89,035)	(3.8%)	2,243,626	34,342	1.5%	2,367,003
Plant Operations	3,393,442	2,694,356	(739,022)	(27.4%)	1,955,334	(222,937)	(8.3%)	2,471,419
New Veterans Home	0	234,679	(234,679)	(100.0%)	0	(234,679)	(100.0%)	0
Dietary	1,663,553	1,758,633	(410,596)	(23.3%)	1,348,037	(65,895)	(3.7%)	1,692,738
Nursing Basic Care	4,806,716	5,494,494	(846,270)	(15.4%)	4,648,224	(501,334)	(9.1%)	4,993,160
Nursing Skilled Care	8,617,201	8,888,001	(252,361)	(2.8%)	8,635,640	312,596	3.5%	9,200,597
Resident Services	258,252	292,991	(4,255)	(1.5%)	288,736	13,052	4.5%	306,043
Social Services	1,266,056	1,352,888	(29,210)	(2.2%)	1,323,678	57,492	4.2%	1,410,380
Housekeeping	560,644	574,498	(28,641)	(5.0%)	545,857	2,792	0.5%	577,290
Laundry	301,412	347,658	5,943	1.7%	353,601	27,639	8.0%	375,297
Pharmacy	956,969	1,234,133	(440,157)	(35.7%)	793,976	39,817	3.2%	1,273,950
Total Major Programs	24,046,465	25,204,992	(3,068,283)	(12.2%)	22,136,709	(537,115)	(2.1%)	24,667,877
By Line Item								
Salaries and Wages	17,623,123	18,684,490	(982,170)	(5.3%)	17,702,320	236,523	1.3%	18,921,013
Operating Expenses	4,975,375	5,454,239	(1,542,983)	(28.3%)	3,911,256	(230,508)	(4.2%)	5,223,731
Capital Assets	535,319	616,794	(93,661)	(15.2%)	523,133	(93,661)	(15.2%)	523,133
Capital Construction Carryover	912,648	214,790	(214,790)	(100.0%)	0	(214,790)	(100.0%)	0
New Veterans Home	0	234,679	(234,679)	(100.0%)	0	(234,679)	(100.0%)	0
Total Line Items	24,046,465	25,204,992	(3,068,283)	(12.2%)	22,136,709	(537,115)	(2.1%)	24,667,877
By Funding Source								
General Fund	7,668,534	6,186,118	(829,823)	(13.4%)	5,356,295	364,194	5.9%	6,550,312
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	16,377,931	19,018,874	(2,238,460)	(11.8%)	16,780,414	(901,309)	(4.7%)	18,117,565
Total Funding Source	24,046,465	25,204,992	(3,068,283)	(12.2%)	22,136,709	(537,115)	(2.1%)	24,667,877
Total FTE	120.72	120.72	(6.00)	(5.0%)	114.72	0.00	0.0%	120.72

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 2018 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. Developed Strengthening Government to Government Partnerships and Relationships conference in 2018. This conference brought together Federal agencies, State agency staff and Tribal staff to talk about treaties, policy, and other issues the Tribal communities face.
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 in North Dakota.

Executive Budget Recommendation

- Reduces the 2017-19 legislative ongoing General Fund appropriation by \$55,606.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

316 Indian Affairs Commission

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Indian Affairs Administration	1,035,938	1,112,111	(55,606)	(5.0%)	1,056,505	(1,960)	(0.2%)	1,110,151
Total Major Programs	1,035,938	1,112,111	(55,606)	(5.0%)	1,056,505	(1,960)	(0.2%)	1,110,151
By Line Item								
Salaries and Wages	798,722	848,407	(20,462)	(2.4%)	827,945	33,184	3.9%	881,591
Operating Expenses	237,216	263,704	(35,144)	(13.3%)	228,560	(35,144)	(13.3%)	228,560
Total Line Items	1,035,938	1,112,111	(55,606)	(5.0%)	1,056,505	(1,960)	(0.2%)	1,110,151
By Funding Source								
General Fund	1,035,938	1,112,111	(55,606)	(5.0%)	1,056,505	(1,960)	(0.2%)	1,110,151
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	1,035,938	1,112,111	(55,606)	(5.0%)	1,056,505	(1,960)	(0.2%)	1,110,151
Total FTE	5.00	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 over 57,000 veterans and their dependents not only know about the state and federal benefits to which they are entitled for having served their country, but also assist them in obtaining such benefits. The department is responsible for the collection, filing, safeguarding and maintaining of North Dakota Veterans DD214 and DD215 discharge documents. The department safeguards these records in fireproof locking cabinets and in electronic form. NDDVA provides certified and true copies to the veterans upon request.

The department is responsible for assisting counties with training of 65 County Veterans Service Officers (CVSOs) and their assistants who serve 53 counties, and are appointed by their respective County Commissions, as well as assisting in the training of 9 Tribal Veteran Service Officers (TVSOs) from four tribes. The department provides training through a minimum of two training seminars each year to keep the CVSO/TVSOs as current as possible on issues, topics and programs available to and affecting veterans as well as providing initial and continued one-on-one training with the CVSO/TVSOs either in the NDDVA office or the CVSO/TVSOs own office. The department assists counties in serving veterans in the absence or vacancy of CVSO personnel.

The department accepts, develops and carries through to completion 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, also 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 for safe keeping and easy access.
3. Continued to improve veteran's claims management program which allows NDDVA and CVSOs to maintain, track, process and submit claims to the federal VA electronically. NDDVA's was the first in North Dakota to submit an entirely paperless electronic claim to the VARO.
4. Improved Women Veteran Services.
5. Established and maintained great working relationships with all Native American tribes in North Dakota.
6. Involved in legislative changes that resulted in improvements to services and benefits.
7. Implemented many changes to improve transportation for Veterans to medical appointments.
8. Applied for and received federal grant for transportation services in 36 of North Dakotas highly rural counties.

Executive Budget Recommendation

- Provides one-time funding of \$140,000 from the General Fund for a temporary grant and loan position.
- Provides \$40,000 from the General Fund for stand down events and County Veterans Service Officer's training and outreach.
- Provides one-time funding of \$7,500 from the General Fund for grant database enhancements.
- Restores \$18,600 from the General Fund for transport vans.
- Restores \$50,000 from the General Fund for service dogs.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

321 Department of Veterans Affairs

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Veterans Affairs Administration	2,212,371	3,246,733	(1,092,690)	(33.7%)	2,154,043	(745,854)	(23.0%)	2,500,879
Total Major Programs	2,212,371	3,246,733	(1,092,690)	(33.7%)	2,154,043	(745,854)	(23.0%)	2,500,879
By Line Item								
Technology Project Carry	3,136	0	0	0.0%	0	0	0.0%	0
Transport Vans	0	37,200	(37,200)	(100.0%)	0	(18,600)	(50.0%)	18,600
Grants - Agent Orange	50,000	0	0	0.0%	0	0	0.0%	0
Grants - Transportation Program	432,129	1,719,520	(919,520)	(53.5%)	800,000	(919,520)	(53.5%)	800,000
Veterans Affairs Administration	1,439,926	1,168,015	(88,281)	(7.6%)	1,079,734	176,140	15.1%	1,344,155
Service Dogs	25,000	50,000	(50,000)	(100.0%)	0	0	0.0%	50,000
State Approving Agency	262,180	271,998	2,311	0.8%	274,309	16,126	5.9%	288,124
Total Line Items	2,212,371	3,246,733	(1,092,690)	(33.7%)	2,154,043	(745,854)	(23.0%)	2,500,879
By Funding Source								
General Fund	1,518,062	1,155,162	(75,428)	(6.5%)	1,079,734	257,593	22.3%	1,412,755
Federal Funds	694,309	2,091,571	(1,017,262)	(48.6%)	1,074,309	(1,003,447)	(48.0%)	1,088,124
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	2,212,371	3,246,733	(1,092,690)	(33.7%)	2,154,043	(745,854)	(23.0%)	2,500,879
Total FTE	9.00	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, 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, 50-03, 50-06, 50-06.1, 50-06.2, 50-06.3, 50-06.4, 50-06.5, , 50-09, 50-10.1, 50-10.2, 50-11, 50-11.1, 50-11.2, 50-11.3, 50-12, 50-19, 50-24.1, 50-24.3, 50-24.4, 50-24.5, 50-24.6, 50-24.7, 50-25.1, 50-25.2, 50-27, 50-28, 50-29, 50-30, 50-31, 50-32, 50-33, 50-34, 54-23.3, 54-38, 54-44.3, 54-44.8, 54-46, and 57-15.

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, Deputy Director, Director of Field Services and Medical Services Director oversee the operations of four organizational components Administration and Support, Behavioral Health and Field Services, Medical Services and Program and Policy.

Administration and Support includes Fiscal Administration, Human Resources, Information Technology Services, 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 North Dakota State Hospital.

Medical Services is responsible for the Title XIX Medicaid program, including medical review, Early and Periodic Screening, Diagnosis and Treatment, the Children’s Health Insurance Program (CHIP), long-term care qualified service provider enrollment, claims, and audits; Money Follows the Person; 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 vulnerable adult protective services; 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 Medicaid eligibility; and Vocational Rehabilitation. North Dakota’s economic assistance programs are supervised by the state and administered by county social service offices. 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, emergency behavioral health 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.

Inpatient treatment services for substance use disorders and mental illness, institutional secure services for sexual offenders, and contracted residential substance use disorder treatment are provided by the North Dakota State Hospital in Jamestown. The Life Skills and Transition Center (LSTC) in Grafton provides residential services, health and support services, including behavior analyst services for persons with intellectual disabilities residing on site and in communities. This behavioral support helps sustain people in communities.

Major Accomplishments

1. Served an unduplicated 123,766 eligible individuals through Medicaid and the Medicaid Expansion in 2017.
2. Transitioned 106 individuals from an institution to community living through the Money Follows the Person program.
3. Increased the number of slots for the Medicaid children’s medically fragile waiver.
4. Completed a rewrite of the addiction, psychiatric and rehabilitative services sections of the Medicaid State Plan.
5. Added coverage for applied behavior analysis as a Medicaid State Plan for service for children with autism spectrum disorder (ASD).
6. Increased the eligibility age to 11 and the number of slots for the Medicaid children’s autism spectrum disorder waiver and increased the ASD voucher slots.
7. Completed a review and update to the Medicaid coverage for children who receive services through an Individualized Education Program (IEP).
8. Added a position to focus on Medicaid Tribal projects to strengthen relationships with Indian Health Services and Tribal Health Programs.
9. Completed a full review and update to the Medicaid coverage for services rendered via telemedicine.
10. Participated in social service redesign work to focus on eligibility for Economic Assistance programs and Medicaid, Adult Services, Children and Family Services, and Administration.
11. Received a federal Lifespan Respite Grant to improve the well-being of families.
12. Added community transition services to the Home and Community-based Services Medicaid waiver.

13. Served as the centralized intake point receiving 1,922 reports of suspected abuse, neglect and exploitation of vulnerable adults and assisted in training law enforcement professionals on abuse, neglect and exploitation.
14. Implemented the Alternative Child Protection Services response process for substance-exposed newborns.
15. Implemented the new Onsite Case Review process.
16. Launched the Family Centered Engagement initiative.
17. Worked with representatives from the tribes and Casey Family Programs to update the Tribal IV-E Maintenance Program Agreement.
18. Implemented a new state law providing for the suspension of child support obligations if the parent who owes child support is incarcerated under a sentence of 180 days or more.
19. Implemented a new provider payment methodology for developmental disability provider services.
20. Implemented a new quality management system to support better client outcomes.
21. Assisted qualifying low-income working parents by providing Child Care Assistance Program payments for the care of an average 2,355 children per month.
22. Kicked off the NDWorks pilot in Grand Forks.
23. Achieved a TANF work participation rate of 66.80 percent.
24. Completed the required 18-month follow-up review at the LSTC.
25. Completed statewide implementation of Open Access walk-in behavioral health assessments at all regional human service centers
26. Transitioned to team-based care at human service centers in Devils Lake and Grand Forks.
27. Launched the Free Through Recovery Program in partnership with the North Dakota Department of Corrections and Rehabilitation.
28. Continued to expand the Substance Use Disorder Voucher program.
29. Continued working with partners to prevent opioid overdoses.
30. Supported medication-assisted treatment, including licensing new opioid treatment programs, implementing a prescriber champion program and increasing the number of buprenorphine prescribers from 18 to 50.
31. Hosted multiple behavioral health peer support trainings.

Executive Budget Recommendation

- Provides \$7.1 million and 2.50 FTE positions to amend the state plan to expand access to Community Based Behavior Health Supports, with \$2.5 million from the General Fund.
- Provides \$182.3 million in the Social Services Finance Fund with a transfer from the Tax Relief Fund to sustain Social Services funding and support an implementation plan.

- Provides 27.00 FTE positions and \$4.3 million to expand crisis services capacity statewide from the General Fund.
- Includes \$2.9 million for Kinship Care coverage for children in tribal custody from the General Fund.
- Provides 1.00 FTE position and \$6.7 million to add Residential Habilitation and Community Residence Services to Medicaid HCBS waiver, with \$3.4 million from the General Fund.
- Recommends expansion of the Substance Abuse Disorder (SUD) program with the addition of 2.00 FTE positions and \$3.0 million from the General Fund.
- Provides 6.00 FTE positions and \$4.5 million to expand access to the Free Through Recovery Program.
- Restores 7.00 FTE positions at the Regional Human Service Centers for Behavioral Health Services.
- Provides \$1.0 million and 0.50 FTE position to expand access to Behavior Health Supports through Medicaid funded Peer Supports, with \$432,287 from the General Fund.
- Includes 1.00 FTE position and \$3.0 million to expand access to Service Payments for Elderly and Disabled (SPED) by reducing eligibility criteria, with \$2.9 million from the General Fund.
- Provides a one-time appropriation of \$35.0 million for new construction of a Behavioral Health State Hospital and Clinic Legacy Project funded from the General Fund share of Legacy Fund earnings.
- Provides \$29.4 million for a 1.0 percent and 1.0 percent inflationary increase to providers, with \$13.6 million from the General Fund.
- Recommends \$2.1 million in renovation projects for the Life Skills and Transition Center from the Strategic Investment and Improvement Fund.
- Provides \$1.9 million to replace the coal boiler at the NDSH from the Strategic Investment and Improvement Fund.
- Provides funding for IT projects:
 - \$7.1 million for MMIS tech stack upgrade from federal funds and the Strategic Investment and Improvement Fund.
 - \$1.3 million to migrate the Child Welfare Information Technology System (CCWIPS) IT system off the mainframe with federal funds and Strategic Investment and Improvement Funds.
- Includes 8.00 FTE positions to transfer administration of Medicaid Expansion into the Department and transition Medicaid Expansion from Commercial Fee Schedule to Traditional Medicaid Fee Schedule. This includes a budget savings of \$193.3 million, with General Fund savings of \$24.2 million.
- Transferred 48.00 FTE positions and 7.00 temporary staff to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

325 Department of Human Services

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Management	227,599,904	251,961,676	(110,064,867)	(43.7%)	141,896,809	(83,295,153)	(33.1%)	168,666,523
Program and Policy	2,900,959,525	3,233,260,251	(69,689,053)	(2.2%)	3,163,571,198	(32,145,427)	(1.0%)	3,201,114,824
Human Service Centers	181,849,590	189,710,397	(832,768)	(0.4%)	188,877,629	14,769,822	7.8%	204,480,219
Institutions	136,677,325	137,480,484	(12,173,147)	(8.9%)	125,307,337	36,923,891	26.9%	174,404,375
County Social Service Financing	0	160,700,000	(160,700,000)	(100.0%)	0	21,600,000	13.4%	182,300,000
Total Major Programs	3,447,086,344	3,973,112,808	(353,459,835)	(8.9%)	3,619,652,973	(42,146,867)	(1.1%)	3,930,965,941
By Line Item								
Salaries and Wages	85,462,230	93,452,519	(3,362,736)	(3.6%)	90,089,783	(3,534,026)	(3.8%)	89,918,493
Operating Expenses	198,099,120	299,229,835	(42,904,526)	(14.3%)	256,325,309	(3,503,423)	(1.2%)	295,726,412
Capital Assets	28,991	60,000	0	0.0%	60,000	0	0.0%	60,000
Tech and Capital Construction Carryover	107,349,606	60,000,676	(60,000,676)	(100.0%)	0	(60,000,676)	(100.0%)	0
Grants	404,106,988	440,134,659	(10,175,693)	(2.3%)	429,958,966	(746,157)	(0.2%)	439,388,502
Human Service Centers / Institutions	318,471,716	327,190,881	(13,005,915)	(4.0%)	314,184,966	51,693,713	15.8%	378,884,594
Grants-Medical Assistance	2,333,567,693	2,592,344,238	(63,310,289)	(2.4%)	2,529,033,949	(47,656,298)	(1.8%)	2,544,687,940
Property Tax Relief	0	160,700,000	(160,700,000)	(100.0%)	0	21,600,000	13.4%	182,300,000
Total Line Items	3,447,086,344	3,973,112,808	(353,459,835)	(8.9%)	3,619,652,973	(42,146,867)	(1.1%)	3,930,965,941
By Funding Source								
General Fund	1,268,207,772	1,350,892,951	84,467,216	6.3%	1,435,360,167	170,677,536	12.6%	1,521,570,487
Federal Funds	2,055,005,676	2,271,091,548	(219,433,234)	(9.7%)	2,051,658,314	(200,237,149)	(8.8%)	2,070,854,399
Special Funds	123,872,896	351,128,309	(218,493,817)	(62.2%)	132,634,492	(12,587,254)	(3.6%)	338,541,055
Total Funding Source	3,447,086,344	3,973,112,808	(353,459,835)	(8.9%)	3,619,652,973	(42,146,867)	(1.1%)	3,930,965,941
Total FTE	2,211.08	2,162.23	(108.00)	(5.0%)	2,054.23	(91.50)	(4.2%)	2,070.73

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 eligible.

Major Accomplishments

1. Settled litigation between P&A and NDAD regarding the Assistive Technology Loan Program which, many years ago, was moved from NDAD to ND Assistive (IPAT). Funds for the program were transferred from NDAD to ND Assistive.
2. Created Advocates Leading their Lives (ALL), a statewide self-advocacy program by working together with individuals with disabilities (self-advocates) and with "Sister programs" of the federal Developmental Disabilities and Bill of Rights Act include P&A, the State Council on Developmental Disabilities and the University Center for Excellence on Developmental Disabilities (UCEDD). ALL now has over one-hundred members and has created its own structure, by-laws, and operations.
3. P&A worked with other advocacy organizations, DHS, and providers regarding Medicaid coverage for individuals with autism to receive ABA therapy. This was successfully resolved. In addition, DHS also expanded the professions that would be covered by Medicaid to provide ABA therapy.
4. Without additional FTE's, P&A served an increased number of individuals through protective services, advocacy, and legal representation in federal fiscal year 2017. The total was 1,134 which is the highest number served in the last ten fiscal years. In addition, 2,284 individuals were trained in federal fiscal year 2017, the highest number since federal fiscal year 2010.
5. Overall, across federal programs, resolution in clients' favor averaged 83.0 percent for fiscal year 2017. Where issues were not resolved in the clients' favor, reasons included: unsuccessful resolution, client withdrew complaint, client death, client found other representation, etc.

Executive Budget Recommendation

- Adds 1.00 FTE for Olmstead Commission work.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

360 Protection and Advocacy

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Protection and Advocacy Program	6,050,333	6,447,600	55,457	0.9%	6,503,057	949,475	14.7%	7,397,075
Total Major Programs	6,050,333	6,447,600	55,457	0.9%	6,503,057	949,475	14.7%	7,397,075
By Line Item								
Protection and Advocacy Services	6,050,333	6,447,600	55,457	0.9%	6,503,057	949,475	14.7%	7,397,075
Total Line Items	6,050,333	6,447,600	55,457	0.9%	6,503,057	949,475	14.7%	7,397,075
By Funding Source								
General Fund	3,020,925	2,958,999	(147,950)	(5.0%)	2,811,049	401,800	13.6%	3,360,799
Federal Funds	3,029,408	3,488,601	203,407	5.8%	3,692,008	547,675	15.7%	4,036,276
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	6,050,333	6,447,600	55,457	0.9%	6,503,057	949,475	14.7%	7,397,075
Total FTE	27.50	27.50	(1.00)	(3.6%)	26.50	1.00	3.6%	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. Implemented JobServiceND mobile job search app which enabled 2,923 unique users to independently conduct 18,964 job searches in 2017.
2. Continued assisting employers with recruiting potential employees from a local to national level.
3. 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.
4. 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.
5. Wrote 28 new jobs training agreements in the 2015-17 biennium with 1,820 planned jobs created.

6. Continued to participate in the development of the Statewide Longitudinal Data System (SLDS); a system that provides comprehensive workforce supply and demand information.
7. 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.
8. Gained efficiencies through the implementation of an online, self-service portal for employers with ND Tax Department interfaces.
9. Implemented document management software resulting in efficiencies in data element validation and monitoring activities.
10. Implemented additional requirements of the Workforce Innovation and Opportunity Act of 2014.
11. Streamlined internal processes within the Foreign Labor Certification programs.

Executive Budget Recommendation

- Reduces the 2017-19 legislative on-going General Fund appropriation amount by \$117,833.
- Provides \$11.1 million of federal fund authority for the continuing development of the unemployment insurance system modernization project.
- Transfers 16.00 FTE to ITD as part of IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

380 Job Service North Dakota

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Job Service	44,208,960	55,444,949	8,510,162	15.3%	63,955,111	11,383,170	20.5%	66,828,119
Total Major Programs	44,208,960	55,444,949	8,510,162	15.3%	63,955,111	11,383,170	20.5%	66,828,119
By Line Item								
Salaries and Wages	28,634,096	27,155,566	1,763,191	6.5%	28,918,757	458,162	1.7%	27,613,728
Operating Expenses	10,038,762	11,501,255	6,262,021	54.4%	17,763,276	10,440,058	90.8%	21,941,313
Capital Assets	3,681	120,000	(100,000)	(83.3%)	20,000	(100,000)	(83.3%)	20,000
Grants Benefits and Claims	3,063,252	5,458,571	707,541	13.0%	6,166,112	707,541	13.0%	6,166,112
Work Force 20/20	1,425,842	0	0	0.0%	0	0	0.0%	0
Reed Act - Unemployment	1,043,327	11,209,557	(122,591)	(1.1%)	11,086,966	(122,591)	(1.1%)	11,086,966
Total Line Items	44,208,960	55,444,949	8,510,162	15.3%	63,955,111	11,383,170	20.5%	66,828,119
By Funding Source								
General Fund	1,975,173	545,793	(122,290)	(22.4%)	423,503	(114,530)	(21.0%)	431,263
Federal Funds	42,001,602	53,851,918	8,793,198	16.3%	62,645,116	11,654,268	21.6%	65,506,186
Special Funds	232,185	1,047,238	(160,746)	(15.3%)	886,492	(156,568)	(15.0%)	890,670
Total Funding Source	44,208,960	55,444,949	8,510,162	15.3%	63,955,111	11,383,170	20.5%	66,828,119
Total FTE	237.76	181.61	(9.00)	(5.0%)	172.61	(25.00)	(13.8%)	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 and Enforcement, Product Filing, and Special Funds. The Department has 46 full-time equivalent positions. All fees and fines paid by companies or agents are deposited into the Insurance Regulatory Trust Fund, from which the money to operate the office is appropriated by the North Dakota Legislative Assembly. The Department also collects insurance premium taxes which are deposited into the Insurance Tax Distribution Fund, makes the legislatively appropriated disbursements, and then transfers the remainder to the General Fund, and is responsible for several other special funds.

Major Accomplishments

1. Responded to consumer issues resulting in over \$10.5 million in consumer relief.
2. Closed out 315 agent and company complaints resulting in \$4.8 million in consumer relief.
3. Investigated 445 insurance fraud cases, resulting in 13 prosecutions, criminal charges and restitution for victims.
4. Completed 15 market analyses each year to identify general market disruptions and specific market conduct problems.
5. Collected \$255,140 from six insurance companies for using the Death Master File for their financial advantage and not in the best interest of their policyholders.

6. Had 12 administrative rules adopted.
7. Provided low-cost insurance through the State Fire and Tornado Fund to 1,164 state entities and political subdivisions.
8. Completed inspections on 7,058 boilers in fiscal year 2016 and 6,503 in fiscal year 2017.
9. Analyzed and closed 5,508 insurance form and rate filings in 2016 and 5,722 in 2017.
10. Collected and deposited \$110.7 million of premium tax into the General Fund and \$8.2 million was transferred from the Insurance Regulatory Trust Fund to the General Fund.
11. Disbursed \$15.2 million in fire district payments to an average of 372 certified fire districts in North Dakota.
12. Completed 10 financial examinations in 2016 and five in 2017 on domestic insurance companies.
13. Participated in the discussion and implementation of the federal health care reform activities under the Affordable Care Act (ACA) through many interim legislative committee meetings, public presentations and consumer inquiries.

Executive Budget Recommendation

- Transfers administration of the State Fire and Tornado program to the ND Insurance Reserve Fund.
- Transfers administration of the Petroleum Release Compensation Fund to the ND Department of Environmental Quality.
- Reduces legislatively approved FTE from 46.00 to 44.00.
- Transfers administration of the State Bonding Fund to the ND Insurance Reserve Fund.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

401 Office of the Insurance Commissioner

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Grants To Local Fire Departments	16,246,221	15,064,086	(1,506,409)	(10.0%)	13,557,677	0	0.0%	15,064,086
Regulatory and Administration	9,094,711	10,729,344	(1,453,461)	(13.5%)	9,275,883	(205,466)	(1.9%)	10,523,878
Total Major Programs	25,340,932	25,793,430	(2,959,870)	(11.5%)	22,833,560	(205,466)	(0.8%)	25,587,964
By Line Item								
Salaries and Wages	7,570,877	8,549,567	(816,206)	(9.5%)	7,733,361	(253,802)	(3.0%)	8,295,765
Operating Expenses	1,459,064	2,179,777	(637,255)	(29.2%)	1,542,522	48,336	2.2%	2,228,113
Capital Assets	64,770	0	0	0.0%	0	0	0.0%	0
Grants to Fire Districts	16,246,221	15,064,086	(1,506,409)	(10.0%)	13,557,677	0	0.0%	15,064,086
Total Line Items	25,340,932	25,793,430	(2,959,870)	(11.5%)	22,833,560	(205,466)	(0.8%)	25,587,964
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	534,635	619,326	(441,826)	(71.3%)	177,500	(441,826)	(71.3%)	177,500
Special Funds	24,806,297	25,174,104	(2,518,044)	(10.0%)	22,656,060	236,360	0.9%	25,410,464
Total Funding Source	25,340,932	25,793,430	(2,959,870)	(11.5%)	22,833,560	(205,466)	(0.8%)	25,587,964
Total FTE	49.50	46.00	(5.00)	(10.9%)	41.00	(2.00)	(4.3%)	44.00

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, 49-24, 54-17, 54-17.2, 54-17.3, 54-17.6, 54-17.7, 54-17-34, 54-17-38, 54-63, 57-61-01.5, 61-40-10 and 61-40.11.

Agency Description

The Industrial Commission (IC or Commission) budget is comprised of three agencies including the Administrative Office, the Public Finance Authority (PFA), and the Department of Mineral Resources (DMR), which includes the Oil and Gas Division (OGD) and the Geological Survey (GS).

The Administrative Office coordinates the Commission's oversight of the agencies or entities that report to the IC. The office is the contracting office for the Lignite, Oil and Gas, and Renewable Energy Research Programs and the Outdoor Heritage Fund. The office also administers the contracts for the Pipeline Authority. The Transmission Authority is administered through a contract under the Lignite Research Program. The Administrative Office also provides the oversight on the disbursement of revenues from the Western Area Water Supply Authority industrial sales. This office is also the primary contact for the Building Authority and the Student Loan Trust.

The DMR is the primary source of information regarding the geology of ND and is responsible for regulating all facets of petroleum production through enforcement of statutes, rules and regulations of the IC with regards to geophysical exploration, permitting of wells, establishing well spacing for producing reservoirs, inspection of facilities, approving enhanced oil recovery operations, ensuring proper plugging and site reclamation of all wells, and conducting hearings on oil and gas matters in a manner that will be most beneficial to the producer, royalty owner and all citizens of the state. The DMR maintains the state's core and sample library in Grand Forks, coordinates the State Fossil and State Mineral Collection, and disseminates geological information via the internet, maps, publications, presentations, tours and field trips. The DMR has statutory regulatory responsibilities for subsurface minerals, underground fluid injection, carbon dioxide underground storage, oil well cores and drilling samples, coal exploration drilling, geothermal and paleontological resources. The DMR determines the geologic suitability of all proposed landfills, reviews a variety of highway improvement projects as well as pipeline and transmission line corridors, and coordinates the State Fossil and State Mineral collections.

The PFA provides market and below market loans to political subdivisions through the purchase and holding of eligible securities and provides financial services in connection with the administration and management of the State Revolving Fund

Program as the financial agent for the State Health Department. Beginning in 2011, the PFA offered disaster loan assistance to political subdivisions through its Capital Finance Program.

Major Accomplishments

1. Issued 1,352 well permits, heard 820 cases, wrote orders disposing of the cases, and permitted 4 seismic projects, due to oil and gas production and activity. Co-sponsored the 2018 Williston Basin Petroleum Conference & Expo that drew over 2,500 attendees from 40 states and 3 countries.
2. Published 236 articles, maps, and reports and gave 84 presentations.
3. Developed new interpretive signage for the trails at Pembina Gorge State Recreation Area, installed three new exhibits in the North Dakota State Museum, published a report on the Chadron Formation in North Dakota and participated in five public fossil digs that were featured in the New York Times and the Today Show.
4. Generated a core display and poster session for the annual meeting of the American Association of Petroleum Geologists.
5. Answered more than 2,700 inquiries, issued permits for 1,125 test holes; reviewed the geologic suitability of 153 infrastructure projects, reviewed three pre-applications for solid waste disposal, seven coal mine permits and evaluated the paleontology on 265 trust land tracts.
6. Received Class VI Primacy from the United States Environmental Protection Agency (EPA), which grants jurisdiction for the State of North Dakota to issue permits for the geologic storage of carbon dioxide.
7. Completed refunding three outstanding bond issues, resulting in interest savings of nearly \$2.9 million over the remaining life of the bond issues.
8. Provided funding for litigation against the Bureau of Land Management's (BLM) Flaring and Venting Rule and Hydraulic Fracturing Rule, EPA's Waters of the United States and changes to the Clean Air Act.
9. Leveraged over \$13.3 million of state dollars with matching funds of approximately \$25.0 million for oil and gas, lignite, and renewable energy research and educational projects.
10. Reached a major milestone during 2017, surpassing the \$1.20 billion mark in assistance approved and \$1.00 billion in funds disbursed.

Executive Budget Recommendation

- Provides \$5.0 million from the Strategic Investment and Improvement Fund for the RBDMS upgrade.
- Provides \$270,000 from the Strategic Investment and Improvement Fund for the rare earth and proppant sand research projects.
- Includes the Industrial Commission in a funding pool included in OMB's budget for potential litigation.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

405 Industrial Commission

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	16,241,042	16,822,313	(5,265,553)	(31.3%)	11,556,760	(5,128,653)	(30.5%)	11,693,660
Office of Mineral Resources	39,365,546	32,445,730	(9,339,637)	(28.8%)	23,106,093	302,494	0.9%	32,748,224
Public Finance Authority	553,147	791,567	(39,579)	(5.0%)	751,988	21,716	2.7%	813,283
Total Major Programs	56,159,735	50,059,610	(14,644,769)	(29.3%)	35,414,841	(4,804,443)	(9.6%)	45,255,167
By Line Item								
Salaries and Wages	21,406,575	22,014,084	(2,024,942)	(9.2%)	19,989,142	1,740,329	7.9%	23,754,413
Operating Expenses	5,753,238	12,254,627	(7,337,694)	(59.9%)	4,916,933	(6,262,640)	(51.1%)	5,991,987
Capital Assets	13,334,952	0	0	0.0%	0	5,000,000	100.0%	5,000,000
Grants	2,313,822	15,569,162	(5,060,395)	(32.5%)	10,508,767	(5,060,395)	(32.5%)	10,508,767
Gas and Oil Div. Contingency	0	221,737	(221,738)	(100.0%)	(1)	(221,737)	(100.0%)	0
Bond Payments	13,351,148	0	0	0.0%	0	0	0.0%	0
Total Line Items	56,159,735	50,059,610	(14,644,769)	(29.3%)	35,414,841	(4,804,443)	(9.6%)	45,255,167
By Funding Source								
General Fund	28,137,823	27,767,665	(4,899,576)	(17.6%)	22,868,089	(527,445)	(1.9%)	27,240,220
Federal Funds	246,925	238,004	0	0.0%	238,004	0	0.0%	238,004
Special Funds	27,774,987	22,053,941	(9,745,193)	(44.2%)	12,308,748	(4,276,998)	(19.4%)	17,776,943
Total Funding Source	56,159,735	50,059,610	(14,644,769)	(29.3%)	35,414,841	(4,804,443)	(9.6%)	45,255,167
Total FTE	121.75	110.25	(14.00)	(12.7%)	96.25	0.00	0.0%	110.25

Statutory Authority

North Dakota Century Code Chapters 14-02.4, 14-02.5, 34-05, 34-06, 34-06.1, 34-07, 34-12, 34-13, 34-14, and Sections 34-01-20 and 34-08-14.

Agency Description

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

The Department of Labor and Human Rights also has statutory regulatory responsibilities with respect to human rights. This includes receiving and investigating complaints of discrimination in employment and housing; adopting rules necessary to implement the law; fostering prevention of discrimination through education; emphasizing conciliation to resolve complaints; publishing, in even-numbered years, a written report recommending legislative or other action to carry

out the purposes of the chapters; and conducting studies relating to the nature and extent of discriminatory practices in the state.

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

Major Accomplishments

1. Provided human rights related training for agency staff.
2. Attended training and policy conferences sponsored by the Equal Opportunity Commission and the Department of Housing and Urban Development each year.
3. Attended training at the National Fair Housing Training Academy.
4. Developed online submission process for agency forms.
5. Launched new, more user-friendly website.
6. Provided numerous educational presentations across the state.
7. Worked on developing procedural manuals for the agency.
8. Identified and implemented efficiencies to improve current processes within the agency.

Executive Budget Recommendation

- Provides \$69,659 from the General Fund for a paperless processing system.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

406 Department of Labor and Human Rights

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Office of Labor Commissioner	2,587,958	2,743,902	(74,434)	(2.7%)	2,669,468	155,847	5.7%	2,899,749
Total Major Programs	2,587,958	2,743,902	(74,434)	(2.7%)	2,669,468	155,847	5.7%	2,899,749
By Line Item								
Salaries and Wages	2,293,363	2,414,984	(74,434)	(3.1%)	2,340,550	84,680	3.5%	2,499,664
Operating Expenses	294,595	328,918	0	0.0%	328,918	71,167	21.6%	400,085
Total Line Items	2,587,958	2,743,902	(74,434)	(2.7%)	2,669,468	155,847	5.7%	2,899,749
By Funding Source								
General Fund	2,162,508	2,303,986	(115,199)	(5.0%)	2,188,787	355,636	15.4%	2,659,622
Federal Funds	425,450	439,916	40,765	9.3%	480,681	(199,789)	(45.4%)	240,127
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	2,587,958	2,743,902	(74,434)	(2.7%)	2,669,468	155,847	5.7%	2,899,749
Total FTE	15.00	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) and 60 (except Chapter 60-01).

Agency Description

The Public Service Commission (PSC) is a constitutional agency with varying degrees of statutory authority over electric and gas utilities, telecommunication companies, energy conversion facilities, transmission line and pipeline siting, railroads, grain elevators, 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 45.00 authorized full-time employees throughout the 2017-19 biennium and 2 to 3 temporary seasonal construction inspectors.

Major Accomplishments

1. Processed 1,396 formal cases to include industry filings, complaint proceedings, and rule making. Ninety-six percent of all formal cases were processed without the need for a formal hearing.
2. Received and processed more than 1,200 complaints and inquiries. The majority involved customers needing help with gas/electric utilities,

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

3. Continued to receive high marks on federal review of the coal regulatory and abandoned mine lands programs.
4. Approved funding for and implemented a state-run rail safety pilot program intended to supplement federal oversight of rail safety.
5. Increased third-party inspection program to improve oversight and reclamation of energy transmission and conversion facility construction projects.
6. Held 44 public hearings throughout North Dakota to obtain public input on utility issues and new energy-related projects during calendar year 2017 and the first seven months of 2018.
7. Instituted online licensing for grain, auctioneer and auction clerk licenses.

Executive Budget Recommendation

- Recommends 1.00 FTE position for a grain licensing warehouse inspector.
- Provides \$330,604 for re-purposing an existing FTE into a new natural gas pipeline inspector. The position is funded half from the General Fund and half from federal funds.
- Provides \$336,000 of one-time funds for specialized legal services from federal funds and access to the state-wide litigation pool for matching funds.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

408 Public Service Commission

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	2,917,395	4,370,734	(836,291)	(19.1%)	3,534,443	(308,711)	(7.1%)	4,062,023
Compliance	2,597,864	3,530,858	(1,233,500)	(34.9%)	2,297,358	(898,734)	(25.5%)	2,632,124
Public Utilities	1,681,039	1,491,376	507,300	34.0%	1,998,676	976,947	65.5%	2,468,323
Reclamation Programs	7,684,873	9,658,810	224,148	2.3%	9,882,958	428,721	4.4%	10,087,531
Total Major Programs	14,881,171	19,051,778	(1,338,343)	(7.0%)	17,713,435	198,223	1.0%	19,250,001
By Line Item								
Salaries and Wages	9,044,716	9,197,284	(637,655)	(6.9%)	8,559,629	405,104	4.4%	9,602,388
Operating Expenses	1,323,918	1,829,826	(185,205)	(10.1%)	1,644,621	(60,653)	(3.3%)	1,769,173
Capital Assets	25,915	10,000	0	0.0%	10,000	0	0.0%	10,000
Grants	7,925	20,000	0	0.0%	20,000	0	0.0%	20,000
AML Contractual Services	3,888,293	6,000,000	0	0.0%	6,000,000	0	0.0%	6,000,000
Rail Rate Complaint Case	0	900,000	(109,046)	(12.1%)	790,954	(109,046)	(12.1%)	790,954
Reclamation & Grain Litigation	154,210	530,000	(436,000)	(82.3%)	94,000	(100,000)	(18.9%)	430,000
Railroad Safety Program	436,194	564,668	29,563	5.2%	594,231	62,818	11.1%	627,486
Total Line Items	14,881,171	19,051,778	(1,338,343)	(7.0%)	17,713,435	198,223	1.0%	19,250,001
By Funding Source								
General Fund	6,735,856	6,630,762	(663,076)	(10.0%)	5,967,686	104,074	1.6%	6,734,836
Federal Funds	7,695,245	10,731,348	(495,784)	(4.6%)	10,235,564	235,677	2.2%	10,967,025
Special Funds	450,070	1,689,668	(179,483)	(10.6%)	1,510,185	(141,528)	(8.4%)	1,548,140
Total Funding Source	14,881,171	19,051,778	(1,338,343)	(7.0%)	17,713,435	198,223	1.0%	19,250,001
Total FTE	46.00	45.00	(2.00)	(4.4%)	43.00	(1.00)	(2.2%)	44.00

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 \$6.7 million dollars in state airport infrastructure grants.
4. Updated the Aeronautics Commission website to ensure efficiency, easy navigability and better communication with the public.
5. 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 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 aviation charts, 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 ND.
12. Updated the pavement condition index study and developed an interactive website of this information.
13. Continued a statewide contract to provide routine maintenance to all of ND's Automated Weather Observation System's (AWOS).
14. Educated the aviation community and public airport sponsors through airport inspections, training conferences, safety and security information, federal grant assurances and community meetings.
15. Created a 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.
16. 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 \$22.0 million for energy impact grants for airports from the Strategic Investment and Improvement Fund.
- Provides other fund authority to support the current FTE level and operations of the agency.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

412 Aeronautics Commission

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Regulatory and Administration	2,069,639	2,835,412	22,076	0.8%	2,857,488	117,112	4.1%	2,952,524
Airport Development and Maintenance	6,267,317	10,550,000	(3,795,000)	(36.0%)	6,755,000	18,205,000	172.6%	28,755,000
Total Major Programs	8,336,956	13,385,412	(3,772,924)	(28.2%)	9,612,488	18,322,112	136.9%	31,707,524
By Line Item								
Salaries and Wages	1,225,817	1,431,222	22,266	1.6%	1,453,488	116,548	8.1%	1,547,770
Operating Expenses	1,648,037	2,204,190	(200,190)	(9.1%)	2,004,000	(199,436)	(9.0%)	2,004,754
Capital Assets	0	100,000	(100,000)	(100.0%)	0	(100,000)	(100.0%)	0
Construction Carryover	1,226,044	2,500,000	(2,500,000)	(100.0%)	0	(2,500,000)	(100.0%)	0
Grants	4,237,058	7,150,000	(995,000)	(13.9%)	6,155,000	21,005,000	293.8%	28,155,000
Total Line Items	8,336,956	13,385,412	(3,772,924)	(28.2%)	9,612,488	18,322,112	136.9%	31,707,524
By Funding Source								
General Fund	934,500	900,000	(45,000)	(5.0%)	855,000	(45,000)	(5.0%)	855,000
Federal Funds	773,025	1,025,000	(90,000)	(8.8%)	935,000	(90,000)	(8.8%)	935,000
Special Funds	6,629,431	11,460,412	(3,637,924)	(31.7%)	7,822,488	18,457,112	161.1%	29,917,524
Total Funding Source	8,336,956	13,385,412	(3,772,924)	(28.2%)	9,612,488	18,322,112	136.9%	31,707,524
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 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. Retained national accreditation for the bank, credit union and mortgage divisions.

2. Maintained bank and credit union examination frequency within the requirements set by statute and federal regulations.
3. Issued administrative orders to problem institutions and closely supervised these institutions to ensure corrective programs were implemented.
4. Issued an increasing number of licenses to money brokers, collection agencies, loan originator, deferred presentment service providers (payday lenders), debt settlement providers, and money transmitters.
5. Utilized the National Multi-State Licensing System to issue licenses in a more efficient manner and enhanced cooperation with state counterparts to streamline the application process for national companies operating in several states.

Executive Budget Recommendation

- Restores 1.00 FTE position for a credit union examiner.
- Recommends 1.00 FTE position for a money transmitter examiner and cyber security expert.
- Provides a one-time appropriation of \$451,305 in other funds for a website redesign project.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

413 Department of Financial Institutions

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dept of Financial Inst	7,755,782	8,409,912	(840,991)	(10.0%)	7,568,921	568,431	6.8%	8,978,343
Total Major Programs	7,755,782	8,409,912	(840,991)	(10.0%)	7,568,921	568,431	6.8%	8,978,343
By Line Item								
Salaries and Wages	6,334,802	6,813,840	(486,831)	(7.1%)	6,327,009	351,286	5.2%	7,165,126
Operating Expenses	1,420,980	1,576,072	(354,160)	(22.5%)	1,221,912	217,145	13.8%	1,793,217
Contingency	0	20,000	0	0.0%	20,000	0	0.0%	20,000
Total Line Items	7,755,782	8,409,912	(840,991)	(10.0%)	7,568,921	568,431	6.8%	8,978,343
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	7,755,782	8,409,912	(840,991)	(10.0%)	7,568,921	568,431	6.8%	8,978,343
Total Funding Source	7,755,782	8,409,912	(840,991)	(10.0%)	7,568,921	568,431	6.8%	8,978,343
Total FTE	30.00	30.00	(1.00)	(3.3%)	29.00	1.00	3.3%	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 98 cases, including a large investigation currently being conducted into fraud, misrepresentation, and suitability regarding REIT and Annuity sales.
2. Assisted with the successful prosecution of fraudulent drilling scheme, and the prosecution of one of the largest Ponzi schemes operated in ND.
3. Denied 10 individual registrations, issued four cease and desist orders and 2 consent agreements.
4. Negotiated four rescission offers totaling about \$1.5 million.
5. Obtained investor restitution totaling approximately \$3.9 million involving 11 separate enforcement actions with an additional \$150,000 going to the Investor Education and Technology Fund.
6. Received an additional \$499,000 related to another enforcement case settlement with the funds to be divided equally between a penalty payment and the IET Fund.

Executive Budget Recommendation

- Adds 1.00 FTE position in the area of financial technology research and investments.
- Restores funding of \$117,736 for operations of the agency from the General Fund.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

414 Securities Department

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Investor Protection	1,972,314	2,354,714	(117,736)	(5.0%)	2,236,978	370,629	15.7%	2,725,343
Total Major Programs	1,972,314	2,354,714	(117,736)	(5.0%)	2,236,978	370,629	15.7%	2,725,343
By Line Item								
Salaries and Wages	1,713,777	1,848,667	0	0.0%	1,848,667	347,115	18.8%	2,195,782
Operating Expenses	258,537	506,047	(117,736)	(23.3%)	388,311	23,514	4.6%	529,561
Total Line Items	1,972,314	2,354,714	(117,736)	(5.0%)	2,236,978	370,629	15.7%	2,725,343
By Funding Source								
General Fund	1,919,547	2,184,714	(109,236)	(5.0%)	2,075,478	370,629	17.0%	2,555,343
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	52,767	170,000	(8,500)	(5.0%)	161,500	0	0.0%	170,000
Total Funding Source	1,972,314	2,354,714	(117,736)	(5.0%)	2,236,978	370,629	15.7%	2,725,343
Total FTE	9.00	9.00	0.00	0.0%	9.00	1.00	11.1%	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 2018-20 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 five years while its loan programs, particularly the loans administered for the state, have increased by over \$500 million and as of June 30, 2018 asset size was \$6.72 billion.
2. Closed 2017 with a nearly \$4.91 billion loan portfolio, up \$119.0 million or 2.5 percent over 2016. BND's loan portfolio concentrates on 4 main loan program areas: agriculture, commercial,
3. Participated in 300 North Dakota business and industrial projects in 2017. Funding or renewed \$1.17 billion of commercial participation with financial institution partners in the \$2.10 billion commercial loan portfolio.
4. Increased BND's residential portfolio by over \$23.0 million in 2017. BND made 35 loans through the rural housing programs, accounting for \$8.2 million of its \$762.0 million portfolio. BND also continued its mortgage loan origination program approved by the 2011 legislature by funding \$1.1 million to 8 borrowers.
5. Disbursed over \$192.0 million in student loans in 2017 and the total portfolio increased by 1.88 percent to \$1.41 billion. BND disbursed \$86.1 million in Dakota Education Alternative Loan (DEAL) loans in 2017.
6. Disbursed \$83.09 million of DEAL One Loans to 1,682 borrowers in 2017. The DEAL One Loan allows residents who have graduated or left college and are

currently making student loan payments to consolidate all federal, DEAL, DEAL Consolidation and private/alternative loans into one easy payment.

7. Decreased the agriculture loan portfolio by 18.0 percent in 2017 to \$669.0 million. BND funded or renewed \$232.0 million of agriculture loans in 2017.
8. Grew BND's earnings in 2017 by 6.7 percent over 2016 to \$145.3 million. BND's return on average equity was 17 percent.
9. Rated A+ by Standard and Poors (S&P), putting BND in a rating category with the highest-rated U.S. banks.
10. Entered into an agreement to sell the federal student loan portion of its student loan portfolio that allowed BND to eliminate numerous regulatory burdens established by the U.S. Department of Education.
11. 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.
12. Administered the School Construction Administrative Revolving Loan Fund. The program combined \$75 million from the Foundation Aid Stabilization Fund with \$150.0 million of school loans originated by Department of Trust Lands.
13. Committed to provide up to \$171.0 million of its capital to fund its buydown \$31.0 million in loan programs and provide a \$140.0 million dividend to the General Fund.

Executive Budget Recommendation

- Provides for a \$41.0 million transfer from BND's retained earnings to the PACE, Beginning Farmer and School Construction Loan interest buydown programs: \$24.0 million PACE/Flex PACE, \$3.0 million Agriculture PACE, \$1.0 million Biofuels PACE, \$6.0 million Beginning Farmer Loan program, \$2.0 million Affordable Housing, and \$5.0 million School Construction Loan interest buydown program.
- Adds \$55.0 million from the General Fund share of Legacy Fund earnings for a transfer to the Infrastructure Revolving Loan Fund.
- Adds \$25.0 million from the General Fund share of Legacy Fund earnings for a transfer to the School Construction Loan Fund.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

471 Bank of North Dakota

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Bank of North Dakota Operations	52,528,438	59,299,205	(5,929,969)	(10.0%)	53,369,236	85,526,124	144.2%	144,825,329
Total Major Programs	52,528,438	59,299,205	(5,929,969)	(10.0%)	53,369,236	85,526,124	144.2%	144,825,329
By Line Item								
Capital Assets	693,618	810,000	0	0.0%	810,000	700,000	86.4%	1,510,000
BND Operations	51,834,820	58,489,205	(5,929,969)	(10.1%)	52,559,236	84,826,124	145.0%	143,315,329
Total Line Items	52,528,438	59,299,205	(5,929,969)	(10.0%)	53,369,236	85,526,124	144.2%	144,825,329
By Funding Source								
General Fund	0	0	0	0.0%	0	80,000,000	0.0%	80,000,000
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	52,528,438	59,299,205	(5,929,969)	(10.0%)	53,369,236	5,526,124	9.3%	64,825,329
Total Funding Source	52,528,438	59,299,205	(5,929,969)	(10.0%)	53,369,236	85,526,124	144.2%	144,825,329
Total FTE	181.50	181.50	(9.00)	(5.0%)	172.50	0.00	0.0%	181.50

Statutory Authority

North Dakota Century Code Chapter 54-17.

Agency Description

North Dakota Housing Finance Agency (NDHFA) is a self-supporting, non-general funded public financial institution established to develop and administer affordable housing finance and assistance programs for eligible parties.

Major Accomplishments

1. Funded more than \$3.50 billion (43,232) in home loans.
2. Assisted in the development of 7,215 LIHTC rental units.
3. Administered the Housing Incentive Fund (HIF), committing over \$87.9 million in authorized funds, adding 2,380 units statewide.
4. Administered rental assistance and compliance oversight for 2,925 Housing and Urban Development (HUD) and 6,170 Low Income Housing Tax Credit (LIHTC) affordable apartment units.

5. Allocated National Housing Trust Fund (HTF) dollars in 2016 and had an operational project by 2018 providing 20 units of permanent supportive housing for single mothers and their children.
6. Created Community Land Trust Pilot Program and issued a \$1.5 million revolving loan to the Grand Forks Community Land Trust utilized for the acquisition/rehabilitation of two single family homes.
7. Received \$150,000 from the Department of Human Services to fund the Landlord Risk Mitigation Program.
8. Provided low interest rates with down payment and closing cost assistance.
9. Continued to partner with rural communities to help identify housing shortages and challenges and work toward effective planning.

Executive Budget Recommendation

- Provides an additional \$1.7 million in federal funds for HUD grants.
- Provides \$20.0 million from the Strategic Improvement and Investment Fund for a transfer to the Housing Incentive Fund.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

473 ND Housing Finance Agency

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
ND Housing Finance Agency	39,112,606	44,530,239	326,058	0.7%	44,856,297	22,998,286	51.6%	67,528,525
Total Major Programs	39,112,606	44,530,239	326,058	0.7%	44,856,297	22,998,286	51.6%	67,528,525
By Line Item								
Salaries and Wages	7,087,656	7,892,056	(261,349)	(3.3%)	7,630,707	723,593	9.2%	8,615,649
Operating Expenses	4,873,186	4,743,355	(524,365)	(11.1%)	4,218,990	602,921	12.7%	5,346,276
Grants	27,134,999	31,794,828	1,121,772	3.5%	32,916,600	21,671,772	68.2%	53,466,600
HFA Contingency	16,765	100,000	(10,000)	(10.0%)	90,000	0	0.0%	100,000
Total Line Items	39,112,606	44,530,239	326,058	0.7%	44,856,297	22,998,286	51.6%	67,528,525
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	25,065,346	31,244,828	1,651,772	5.3%	32,896,600	1,651,772	5.3%	32,896,600
Special Funds	14,047,260	13,285,411	(1,325,714)	(10.0%)	11,959,697	21,346,514	160.7%	34,631,925
Total Funding Source	39,112,606	44,530,239	326,058	0.7%	44,856,297	22,998,286	51.6%	67,528,525
Total FTE	44.00	44.00	(2.00)	(4.5%)	42.00	0.00	0.0%	44.00

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 15.3 million hundredweight in fiscal year 2018.

2. Purchased more than 32.5 million bushels of spring wheat and durum in fiscal year 2018.
3. Achieved profits of \$14.2 million in fiscal year 2018.

Executive Budget Recommendation

- Recommends a \$76.4 million budget funded entirely from mill profits.
- Adds 4.00 FTE positions from special funds for operations of the mill.
- Continues funding of agriculture promotion expenses through a special line item.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

475 ND Mill and Elevator Association

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Flour Mill and Grain Terminal Operations	51,791,458	68,213,519	(6,821,352)	(10.0%)	61,392,167	9,013,412	13.2%	77,226,931
Total Major Programs	51,791,458	68,213,519	(6,821,352)	(10.0%)	61,392,167	9,013,412	13.2%	77,226,931
By Line Item								
Salaries and Wages	30,836,084	39,308,519	(3,791,852)	(9.6%)	35,516,667	7,371,412	18.8%	46,679,931
Operating Expenses	20,840,934	28,195,000	(2,819,500)	(10.0%)	25,375,500	1,642,000	5.8%	29,837,000
Agriculture Promotion	114,440	210,000	(110,000)	(52.4%)	100,000	0	0.0%	210,000
Contingency	0	500,000	(100,000)	(20.0%)	400,000	0	0.0%	500,000
Total Line Items	51,791,458	68,213,519	(6,821,352)	(10.0%)	61,392,167	9,013,412	13.2%	77,226,931
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	51,791,458	68,213,519	(6,821,352)	(10.0%)	61,392,167	9,013,412	13.2%	77,226,931
Total Funding Source	51,791,458	68,213,519	(6,821,352)	(10.0%)	61,392,167	9,013,412	13.2%	77,226,931
Total FTE	147.00	153.00	(7.00)	(4.6%)	146.00	4.00	2.6%	157.00

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. North Dakota is one of four remaining monopolistic workers compensation systems in the United States. The others are Ohio, Washington, and Wyoming. WSI functions as the sole provider of workers compensation insurance in the state of North Dakota. There are no provisions for self-insurance or private insurance for purposes of workers compensation. If a business has significant contacts in North Dakota, they must insure with WSI. Claims for occupational injury and disease are filed with WSI and adjudicated by in-house agency claims analysts. WSI services over 24,000 employers with a covered workforce of almost 405,000 workers. WSI processes approximately 20,000 new claims per year.

Major Accomplishments

1. Remained financially stable and declared a 50.0 percent dividend credit in June 2018 as available surplus levels exceeded the statutory limit. Dividend credits of over \$1.20 billion have been granted to policyholders in thirteen of the past 14 years.
2. Named one of the top 10 places to work in Bismarck/Mandan by Bismarck-Mandan Young Professionals Network.
3. Recognized as one of three entities to receive the United Way Live United Award

4. Continued to have the lowest premium rates in the nation and have remained stable.
5. Continued to provide and enhance policyholder safety and loss control programs, helping both employers and employees recognize and correct safety hazards.
6. Continued to maintain a low administrative expense ratio of approximately 13-15 percent. Workers' compensation industry expense ratios typically range between 25-35 percent. North Dakota does not incur marketing expense, broker fees, tax expense or other fees typically incurred by private workers compensation insurers.
7. Maintained schedule of asset allocation studies, implementing a new asset allocation strategy in FY 2018. WSI discounts the estimated reserve liabilities by 5.0 percent. Both five and ten year average investment portfolio returns continue to exceed the 5.0 percent discount rate.

Executive Budget Recommendation

- Restores 7.00 FTE positions and \$1.2 million from special funds.
- Restores 6.00 FTE positions with no additional funding.
- Provides \$7.0 million in special funds for continuation of the development of the claims and policy system.
- Provides \$850,000 in special funds for continuation of the extranet enhancement project.
- Transfers 12.00 FTE positions and 1.00 temporary position to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

485 Workforce Safety and Insurance

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Executive and Other Services	9,184,161	9,914,182	(1,938,944)	(19.6%)	7,975,238	(1,485,779)	(15.0%)	8,428,403
Administrative Services	18,090,514	22,892,346	(9,947,408)	(43.5%)	12,944,938	(1,757,603)	(7.7%)	21,134,743
Injury Services	26,807,831	28,380,049	(2,652,085)	(9.3%)	25,727,964	(88,920)	(0.3%)	28,291,129
Employer Services	10,598,302	11,295,082	(817,467)	(7.2%)	10,477,615	208,194	1.8%	11,503,276
Total Major Programs	64,680,808	72,481,659	(15,355,904)	(21.2%)	57,125,755	(3,124,108)	(4.3%)	69,357,551
By Line Item								
Workforce Safety Operations	64,680,808	72,481,659	(15,355,904)	(21.2%)	57,125,755	(3,124,108)	(4.3%)	69,357,551
Total Line Items	64,680,808	72,481,659	(15,355,904)	(21.2%)	57,125,755	(3,124,108)	(4.3%)	69,357,551
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	64,680,808	72,481,659	(15,355,904)	(21.2%)	57,125,755	(3,124,108)	(4.3%)	69,357,551
Total Funding Source	64,680,808	72,481,659	(15,355,904)	(21.2%)	57,125,755	(3,124,108)	(4.3%)	69,357,551
Total FTE	260.14	260.14	(13.00)	(5.0%)	247.14	(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. Supported Morton County with public safety efforts during the construction of the Dakota Access Pipeline by dedicating more than 100,000 hours of regular and overtime.
2. Created a cultural liaison program.
3. Instituted FileNet, a case file management system, in field operations.
4. Equipped all NDHP officers with Naloxone.
5. Completed more than 150 safety talks statewide in 2017.
6. Provided Traffic Management Incident System (TIMS) training to ND public safety agencies.
7. Added additional training to the ND basic curriculum to include patrol rifle and physical fitness standards.
8. Enhanced school bus inspection program.
9. Provided PIT training to all NDHP sworn officers.
10. Completed the commercial motor vehicle pre-screening technology project.

Executive Budget Recommendation

- Provides \$618,000, of which \$532,000 is from the General Fund, for increased operating expenses including lease and mileage rates, smart phones for troopers and replacement of body armor.
- Provides \$1.2 million from the Strategic Investment and Improvement Fund for additions to the indoor shooting range.
- Removes 5.00 nonsworn FTE positions.
- Transfers 2.00 FTE positions to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

504 Highway Patrol

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Field Operations	59,236,096	59,291,598	(7,116,048)	(12.0%)	52,175,550	1,968,755	3.3%	61,260,353
Total Major Programs	59,236,096	59,291,598	(7,116,048)	(12.0%)	52,175,550	1,968,755	3.3%	61,260,353
By Line Item								
Construction Carryover	660,000	0	0	0.0%	0	0	0.0%	0
Administration	3,430,342	0	0	0.0%	0	0	0.0%	0
Field Operations	55,108,853	59,291,598	(7,116,048)	(12.0%)	52,175,550	1,968,755	3.3%	61,260,353
Law Enforcement Training Academy	36,901	0	0	0.0%	0	0	0.0%	0
Total Line Items	59,236,096	59,291,598	(7,116,048)	(12.0%)	52,175,550	1,968,755	3.3%	61,260,353
By Funding Source								
General Fund	43,361,177	42,527,428	(4,252,743)	(10.0%)	38,274,685	2,189,410	5.1%	44,716,838
Federal Funds	5,317,310	6,421,209	25,793	0.4%	6,447,002	257,508	4.0%	6,678,717
Special Funds	10,557,609	10,342,961	(2,889,098)	(27.9%)	7,453,863	(478,163)	(4.6%)	9,864,798
Total Funding Source	59,236,096	59,291,598	(7,116,048)	(12.0%)	52,175,550	1,968,755	3.3%	61,260,353
Total FTE	215.00	204.00	(23.00)	(11.3%)	181.00	(7.00)	(3.4%)	197.00

Statutory Authority

North Dakota Century Code Chapters 12-21, 12-44.1, 12-46, 12-47, 12-48, 12-48.1, 12-51, 12-52, 12-55, 12-59, 54-23.3, and 54-23.4.

Agency Description

The Department of Corrections and Rehabilitation (DOCR) is responsible for the care and custody of both adult and juvenile offenders. Adult offenders are sentenced to the DOCR by the State's district courts. Juvenile offenders who are determined to be unruly and delinquent are committed to the DOCR by the State's juvenile courts. The DOCR is structured into three major program areas, Central Office, Division of Adult Services, and Division of Juvenile Services.

The Central Office provides for the executive leadership of the DOCR and also provides for departmental management in the areas of human resources, training, fiscal management, information technology, research, plant services and medical services.

The Division of Adult Services (DAS) operates the North Dakota State Penitentiary, the James River Correctional Center, and the Missouri River Correctional Center. The DAS provides for the care and custody female inmates through a contractual relationship with the Dakota Women's Correctional and Rehabilitation Center (DWCRC). The DAS also has regional offices located statewide. Through these offices, parole and probation officers supervise adult offenders that are sentenced to probation by the district courts or that are released on parole by the ND Parole Board. In addition the DAS manages community-based programs that help divert offenders from prison and that assist offenders after release from incarceration. The DAS is also responsible for the operation of Roughrider Industries, for the management of victim compensation programs, and for providing administrative support to ND Parole Board and the ND Pardon Advisory Board.

The Division of Juvenile Services (DJS) operates the North Dakota Youth Correctional Center and regional community based services offices located statewide. The Community Services staff provides comprehensive case management as well as community based correctional services to youth who are placed across the continuum of care. Community Services, in cooperation with the Division of Child and Family Services, North Dakota Association of Counties, and the Department of Public Instruction provides an array of placement options and services for troubled adolescents.

Major Accomplishments

1. Engaged over 500 people in the recovery support services offered by Free Through Recovery, of which approximately 70 percent are meeting three of four positive outcomes.
2. Maintained a 70 percent reduction in the restrictive housing population over three years - restructure of administrative segregation unit.
3. Imported community resources to DOCR facilities.
4. Increased number of volunteers coming into NDSP over 100 percent.
5. Implemented a resident care-giver program in partnership with Bismarck State College.
6. Implemented toastmaster/speechcraft groups at NDSP and JRCC.
7. Partnered with University of Marcy in music and physical therapy.
8. Held NDSP community resource fair; 70 residents participated.
9. Partnered in launch of a domestic violence court in Grand Forks.
10. Worked with East Central Judicial District and Cass County jail on reallocation of correctional resources.
11. Responded to DAPL.
12. Implemented trauma-informed discipline and behavioral management protocols at the YCC.
13. Developed and implemented juvenile specific detention standards, including three ND juvenile detention centers.
14. Participated in the dual status youth initiative, which reformed practices for juvenile court and child welfare.

Executive Budget Recommendation

- Adds \$4.9 million from the General Fund and 44.80 FTE positions for the relocation of female inmates to the Missouri River Correctional Center and minimum security male inmates to the James River Correctional Center.
- Adds \$5.0 million from the General Fund and 27.50 FTE positions for the transfer of operations of the Tompkins Rehabilitation and Corrections Center from the Department of Human Services to the Department of Corrections and Rehabilitation.
- Adds \$755,000 from the General Fund and 7.00 FTE positions for a pretrial services pilot project.
- Adds \$537,500 from the General Fund to expand the juvenile services day treatment program.
- Converts 20.00 temporary positions to FTE positions.
- Transfers 6.00 FTE positions to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

530 Department of Corrections and Rehabilitation

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Juvenile Services	29,131,988	30,740,509	(809,682)	(2.6%)	29,930,827	1,889,577	6.1%	32,630,086
Adult Services	202,974,965	222,860,355	(19,352,904)	(8.7%)	203,507,451	24,844,214	11.1%	247,704,569
Total Major Programs	232,106,953	253,600,864	(20,162,586)	(8.0%)	233,438,278	26,733,791	10.5%	280,334,655
By Line Item								
Capital Construction Carryover	349,950	0	0	0.0%	0	0	0.0%	0
Adult Services	202,625,015	222,860,355	(19,352,904)	(8.7%)	203,507,451	24,844,214	11.1%	247,704,569
Juvenile Services	29,131,988	30,740,509	(809,682)	(2.6%)	29,930,827	1,889,577	6.1%	32,630,086
Total Line Items	232,106,953	253,600,864	(20,162,586)	(8.0%)	233,438,278	26,733,791	10.5%	280,334,655
By Funding Source								
General Fund	201,344,049	214,336,974	(21,086,765)	(9.8%)	193,250,209	19,661,085	9.2%	233,998,059
Federal Funds	7,697,400	10,539,047	5,925,430	56.2%	16,464,477	6,133,124	58.2%	16,672,171
Special Funds	23,065,504	28,724,843	(5,001,251)	(17.4%)	23,723,592	939,582	3.3%	29,664,425
Total Funding Source	232,106,953	253,600,864	(20,162,586)	(8.0%)	233,438,278	26,733,791	10.5%	280,334,655
Total FTE	835.29	845.29	(42.00)	(5.0%)	803.29	93.30	11.0%	938.59

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. Continued to play a significant role as an Operational Reserve in support of the total force concept; deployed 305 soldiers in 2017-18; three separate units received alerts for mobilization in 2018.
2. Participated in military exercises and combat training center rotations to maintain a high level of readiness. In 2017-18, 664 soldiers participated in seven different exercises around the world.
3. Conducted 43 military and civilian events with our state partnership counties of Ghana, Togo, and Benin.
4. Supported law enforcement officials with over 38,000 man days during the Dakota Access Pipeline protest, (Sept 7, 2016 - April 15, 2017).
5. Received the U.S. Army Training and Doctrine Command's "Institute of Excellence Award" as well as the "Army Superior Unit" award.
6. Deployed 146 Airmen overseas to meet Reserve Component Period requirements, the largest movement of personnel since the Korean War.
7. Awarded the 119th Wing their 19th Outstanding Unit Award, the most of any Air National Guard unit in the country.
8. Teamed the 119th Civil Engineering Squadron with the 119th Logistics Readiness Squadron to deploy seven C-130 loads of DRBS equipment to the US Virgin Islands in support of Hurricane Maria relief efforts.
9. Achieved Emergency Management Accreditation Program (EMAP) certification.
10. Received the Governor's Award for Excellence "Roaming Bison Award" for the Unified Command's participation in the peaceful conclusion to the historic Dakota Access Pipeline (DAPL) protests.
11. Brought to together a unique and diverse group to populate the multi-agency, multi-discipline response to severe drought during the summer of 2017.

12. Provided \$22.9 million in federal and state disaster grants and \$4.9 million in federal Homeland Security grants in FY16.
13. Refined a process and tools for sending Public Alerts (Amber, Blue and Silver) that includes a URL link from the Wireless Emergency Alert (WEA) and the Emergency Alert System (EAS) to the NDRResponse website. Process is considered a national best practice.
14. Created a cybersecurity taskforce (with ITD) that coordinated with the private industry, critical infrastructure sectors to define cybersecurity needs in the state.
15. Provided support to other States and Territories for disaster response and recovery through the Emergency Management Assistance Compact (EMAC). Puerto Rico, Florida, Texas and Hawaii.
16. Conducted 14 exercises with a total of 510 participants and co-hosted two conferences with a total of 224 participants.
17. Distributed State Homeland Security Grants in the 2015-17 biennium - \$10.0 million and Public Assistance and Hazard Mitigation Grants in the 2015-17 biennium - \$56.0 million.
18. Administered eight open disasters in the 2015-17 biennium.
19. Continued implementation of Threat and Hazard Identification Risk Assessment (THIRA) process throughout the state.
20. Deployed a new technology for conducting damage assessments after an emergency or disaster.
21. Implemented multi-factor authentication for mobile data systems to improve security.
22. Implemented a test program for radio encryption for law enforcement radio channels.
23. Continued partnership with ND CJIS to develop and deploy the Statewide Record Management System (RMS).
24. Continued adding additional State Radio infrastructure to fill mobile coverage gaps identified in a 2010 gap study, nine completed to date.

Executive Budget Recommendation

- Provides \$2.0 million from the General Fund to cover the increase costs of tuition assistance for guard members.
- Provides \$15.0 million from the General Fund share of Legacy Fund earnings to be used for the Camp Grafton expansion project.
- Provides \$450,000 from the Strategic Improvement and Investment Fund for an upgrade to the computer aided dispatch system.
- Transfers 4.00 FTE positions to ITD as part of IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

540 Office of the Adjutant General

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
National Guard	66,676,179	115,636,004	(47,597,637)	(41.2%)	68,038,367	(27,929,681)	(24.2%)	87,706,323
Dept of Emergency Services	125,756,390	120,591,266	(52,635,587)	(43.6%)	67,955,679	(49,577,234)	(41.1%)	71,014,032
Total Major Programs	192,432,569	236,227,270	(100,233,224)	(42.4%)	135,994,046	(77,506,915)	(32.8%)	158,720,355
By Line Item								
Salaries and Wages	17,852,870	19,217,644	(1,446,096)	(7.5%)	17,771,548	(892,472)	(4.6%)	18,325,172
Operating Expenses	10,556,319	20,514,385	(10,393,757)	(50.7%)	10,120,628	(8,347,004)	(40.7%)	12,167,381
Capital Assets	684,675	33,793,046	(32,909,000)	(97.4%)	884,046	(17,909,000)	(53.0%)	15,884,046
Construction Carryover	13,691,819	0	0	0.0%	0	0	0.0%	0
Grants	10,690,302	17,792,018	(1,307,677)	(7.3%)	16,484,341	(1,307,677)	(7.3%)	16,484,341
Disaster Costs	94,781,493	72,330,196	(39,933,342)	(55.2%)	32,396,854	(39,862,634)	(55.1%)	32,467,562
Civil Air Patrol	306,455	299,580	(3,632)	(1.2%)	295,948	5,739	1.9%	305,319
Radio Communications	2,247,082	1,263,341	(1,263,341)	(100.0%)	0	(478,341)	(37.9%)	785,000
Tuition Fees	3,119,949	3,057,866	(440,366)	(14.4%)	2,617,500	1,559,634	51.0%	4,617,500
Air Guard Contract	5,532,235	8,098,582	(12,999)	(0.2%)	8,085,583	494,501	6.1%	8,593,083
Army Guard Contract	30,722,108	57,717,944	(12,129,341)	(21.0%)	45,588,603	(10,669,870)	(18.5%)	47,048,074
Reintegration Program	1,478,196	1,261,384	(442,238)	(35.1%)	819,146	(200,357)	(15.9%)	1,061,027
ND Veterans Cemetary	769,066	881,284	48,565	5.5%	929,849	100,566	11.4%	981,850
Total Line Items	192,432,569	236,227,270	(100,233,224)	(42.4%)	135,994,046	(77,506,915)	(32.8%)	158,720,355
By Funding Source								
General Fund	31,789,407	27,874,435	(4,576,655)	(16.4%)	23,297,780	14,764,052	53.0%	42,638,487
Federal Funds	113,613,287	170,321,021	(66,006,612)	(38.8%)	104,314,409	(64,666,742)	(38.0%)	105,654,279
Special Funds	47,029,875	38,031,814	(29,649,957)	(78.0%)	8,381,857	(27,604,225)	(72.6%)	10,427,589
Total Funding Source	192,432,569	236,227,270	(100,233,224)	(42.4%)	135,994,046	(77,506,915)	(32.8%)	158,720,355
Total FTE	234.00	234.00	(11.00)	(4.7%)	223.00	(10.00)	(4.3%)	224.00

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 two offices: Marketing & Innovation and Strategy, Research & Advanced Concepts 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. Continued to provide needed technical assistance to local governments in the areas of community development, energy efficiency, housing and self-sufficiency.
2. ND is now an Federal Aviation Administration Integrated Pilot Program designated site with several hundred quality jobs in existence at Grand Sky alone.
3. Earned 40 national media placements in 2017, and 49 as of June 30, 2018.
4. Theodore Roosevelt National Park visitation up 10 percent.
5. Verified 11,762 arrivals into North Dakota in 2018 (through August 20) by visitors who engaged with tourism mobile advertising.
6. Had 1.02 million unique visitors to NDTourism.com.
7. Led effort to improve North Dakota's statewide energy policy through Empower ND Commission.
8. Administered operation intern program to connect North Dakota students with North Dakota careers via internship placements, for 2017-19 biennium (as of August 108 businesses participating offering 423 internship positions).

9. Developed and implemented integrated marketing communications plans for Workforce HR Conference, Legislative Communication Plan, Census 2020 Communication Plan, and Tourism Strategic Communications & Social Media Plan.

Executive Budget Recommendation

- Provides one-time funding of \$1.0 million from the Strategic Investment and Improvement Fund for Census 2020.
- Provides \$600,000 from the General Fund for base retention support.
- Provides one-time funding of \$1.6 million from the Strategic Investment and Improvement Fund for tribal community grants of \$500,000, rural nursing program of \$750,000, nursing tuition support of \$100,000 and career exposure tools of \$250,000, as part of the workforce development initiative.
- Provides \$1.0 million from the General Fund for operation intern of \$950,000 and youth innovation of \$100,000, as part of the workforce development initiative.
- Provides \$3.0 million from the General Fund for state marketing initiatives.
- Provides \$3.0 million from the General Fund for the unmanned aircraft system program.
- Provides one-time funding of \$3.0 million from the Strategic Investment and Improvement Fund for unmanned aircraft system infrastructure.
- Provides one-time funding of \$30.0 million from the General Fund as share of Legacy Fund earnings for beyond visual line of sight (UAS).
- Provides one-time funding of \$20.0 million from the General Fund as share of Legacy Fund earnings project for Research ND program.
- Provides one-time funding of \$4.0 million from the Strategic Investment and Improvement Fund for Innovate ND program.
- Provides \$50.0 million from the General Fund as share of Legacy Fund earnings for the Theodore Roosevelt Presidential Library project.
- Recommends transferring the administration of the early childhood education program from the Department of Commerce to the Department of Public Instruction. This includes transferring \$1.5 million of General Fund appropriation to the Department of Public Instruction.
- Transfers 1.00 FTE position to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

601 Department of Commerce

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Commerce Administration and Support	10,454,067	11,459,337	(4,449,918)	(38.8%)	7,009,419	(4,246,660)	(37.1%)	7,212,677
Marketing and Innovation	20,303,313	11,971,553	(8,223,591)	(68.7%)	3,747,962	(522,671)	(4.4%)	11,448,882
Strategy Research and Advanced Concepts	0	0	1,331,465	0.0%	1,331,465	102,410,072	0.0%	102,410,072
North Dakota Tourism	13,772,765	10,826,410	(608,141)	(5.6%)	10,218,269	(444,318)	(4.1%)	10,382,092
ND Workforce Development	9,539,980	6,039,556	(2,131,216)	(35.3%)	3,908,340	421,192	7.0%	6,460,748
Economic Development and Finance	6,479,629	9,547,290	(3,689,090)	(38.6%)	5,858,200	3,074,711	32.2%	12,622,001
Division of Community Services	45,221,088	55,359,702	(5,469,120)	(9.9%)	49,890,582	(5,327,978)	(9.6%)	50,031,724
Total Major Programs	105,770,842	105,203,848	(23,239,611)	(22.1%)	81,964,237	95,364,348	90.6%	200,568,196
By Line Item								
Salaries and Wages	12,566,586	12,995,788	(417,379)	(3.2%)	12,578,409	223,132	1.7%	13,218,920
Operating Expenses	16,802,524	15,477,622	(1,654,307)	(10.7%)	13,823,315	36,488,391	235.7%	51,966,013
Capital Assets	0	0	0	0.0%	0	50,000,000	100.0%	50,000,000
Grants	55,061,034	55,510,416	(5,920,605)	(10.7%)	49,589,811	(620,605)	(1.1%)	54,889,811
Discretionary Grants	784,558	2,849,273	(1,649,273)	(57.9%)	1,200,000	(1,649,273)	(57.9%)	1,200,000
Workforce Enhancement Fund	960,068	0	0	0.0%	0	0	0.0%	0
Flood Impact Loans/Grants	5,379,900	5,201,752	(5,201,752)	(100.0%)	0	(5,201,752)	(100.0%)	0
Grants-Tribal Colleges	0	500,000	(500,000)	(100.0%)	0	0	0.0%	500,000
Agric. Products Util. Comm. (APUC)	2,999,661	5,694,769	(5,033,065)	(88.4%)	661,704	(5,012,315)	(88.0%)	682,454
ResearchND	4,353,542	0	0	0.0%	0	20,000,000	100.0%	20,000,000
North Dakota Trade Office	2,556,694	2,000,000	(400,000)	(20.0%)	1,600,000	(400,000)	(20.0%)	1,600,000
Partner Programs	2,173,829	1,939,845	(377,314)	(19.5%)	1,562,531	(377,314)	(19.5%)	1,562,531
Entrepreneurship Grants	2,132,446	3,034,383	(2,085,916)	(68.7%)	948,467	1,914,084	63.1%	4,948,467
Total Line Items	105,770,842	105,203,848	(23,239,611)	(22.1%)	81,964,237	95,364,348	90.6%	200,568,196
By Funding Source								
General Fund	51,655,103	34,271,130	(6,962,719)	(20.3%)	27,308,411	101,849,418	297.2%	136,120,548
Federal Funds	39,747,288	48,207,071	(4,194,372)	(8.7%)	44,012,699	(4,088,267)	(8.5%)	44,118,804
Special Funds	14,368,451	22,725,647	(12,082,520)	(53.2%)	10,643,127	(2,396,803)	(10.5%)	20,328,844
Total Funding Source	105,770,842	105,203,848	(23,239,611)	(22.1%)	81,964,237	95,364,348	90.6%	200,568,196
Total FTE	69.40	66.40	(4.60)	(6.9%)	61.80	(5.60)	(8.4%)	60.80

Statutory Authority

North Dakota Century Code Chapters 4.1-01, 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, 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, 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 promote the North Dakota Pollinator Plan containing voluntary best management practices to improve communication and coordination among beekeepers, landowners, and pesticide applicators to reduce exposure of pollinators to pesticides.

2. Developed a drought response plan including the Hay Transportation Assistance Program, an interactive hay map and a hay lottery for donated hay.
3. Expanded the industrial hemp pilot program authorized by the Agricultural Act of 2014.
4. Implemented SB 2313 which created a wind reclamation program.
5. >Issued over 4,000 phytosanitary certificates, assisting in the export of ND commodities to over 80 countries worldwide.
6. Collected 180,701 pounds of old and unwanted pesticides in 2017 through Project Safe Send; 137,129 pounds collected in 2016.
7. Continued to promote ND agricultural products in the global marketplace. North Dakota is the fifth leading agriculture exporter in the nation and now exports to 84 different countries, up from 56 in 2005.
8. Completed the Title 4 rewrites to update the language, organize, and create Title 4.1 in the NDCC.
9. 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. Since the program began in 2015, there have been 70 cases assigned to ombudsman.
10. Conducted education and outreach to producers on the Veterinary Feed Directive.
11. Federal Environmental Law Impact Review Committee continued to defend ND against federal overreach, as well as funding a study on Bees and Pollinators.

Executive Budget Recommendation

- Reduces original 2017-19 legislative General Fund on-going appropriation by \$586,150.
- Reduces legislatively approved FTE from 73.00 to 71.00.
- Provides \$110,000 from the General Fund for developing a master customer database.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

602 Department of Agriculture

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	12,323,978	17,649,360	(2,978,127)	(16.9%)	14,671,233	(2,522,873)	(14.3%)	15,126,487
Plant Industries	3,966,820	4,132,464	(979,215)	(23.7%)	3,153,249	(600,386)	(14.5%)	3,532,078
Livestock Development	4,109,086	4,690,516	(671,559)	(14.3%)	4,018,957	(315,710)	(6.7%)	4,374,806
State Veterinarian	1,954,576	2,359,899	(219,142)	(9.3%)	2,140,757	(55,187)	(2.3%)	2,304,712
Pesticide and Fertilizer	3,435,284	3,988,438	52,346	1.3%	4,040,784	217,996	5.5%	4,206,434
Total Major Programs	25,789,744	32,820,677	(4,795,697)	(14.6%)	28,024,980	(3,276,160)	(10.0%)	29,544,517
By Line Item								
Salaries and Wages	11,803,520	12,372,949	(803,834)	(6.5%)	11,569,115	147,867	1.2%	12,520,816
Operating Expenses	4,428,095	7,444,336	(1,430,971)	(19.2%)	6,013,365	(1,297,527)	(17.4%)	6,146,809
Capital Assets	7,660	13,000	2,000	15.4%	15,000	2,000	15.4%	15,000
Grants	7,361,940	10,437,774	(2,322,582)	(22.3%)	8,115,192	(2,024,000)	(19.4%)	8,413,774
Board of Animal Health	520,210	869,618	(181,900)	(20.9%)	687,718	(113,900)	(13.1%)	755,718
Wildlife Services	1,401,257	1,408,000	(58,410)	(4.1%)	1,349,590	9,400	0.7%	1,417,400
Pipeline Oversight Program	193,268	200,000	0	0.0%	200,000	0	0.0%	200,000
Crop Harmonization Board	73,794	75,000	0	0.0%	75,000	0	0.0%	75,000
Total Line Items	25,789,744	32,820,677	(4,795,697)	(14.6%)	28,024,980	(3,276,160)	(10.0%)	29,544,517
By Funding Source								
General Fund	10,806,320	9,113,001	(914,810)	(10.0%)	8,198,191	(144,505)	(1.6%)	8,968,496
Federal Funds	8,451,690	12,089,336	(361,053)	(3.0%)	11,728,283	(109,012)	(0.9%)	11,980,324
Special Funds	6,531,734	11,618,340	(3,519,834)	(30.3%)	8,098,506	(3,022,643)	(26.0%)	8,595,697
Total Funding Source	25,789,744	32,820,677	(4,795,697)	(14.6%)	28,024,980	(3,276,160)	(10.0%)	29,544,517
Total FTE	77.00	73.00	(3.00)	(4.1%)	70.00	(2.00)	(2.7%)	71.00

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 46 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 6 research projects under the Tier 1 University Transportation Centers grant from USDOT related to small urban, regional, and transit mobility needs.
3. Conducted 294 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 10,233 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 10 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. Contributed most of the teaching resources for the Transportation and Logistics education program at NDSU, including advising doctoral students and teaching of 45 graduate level classes.
8. 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.
9. Provided oil and gas producing counties with technical assistance regarding roadway challenges stemming from oil traffic and movements of drilling-related inputs and equipment.
10. Provided tribal leaders and planners with insights in roadway management, safety, and transportation planning issues, solutions and methods.
11. Provided state and tribal leaders with information about vehicle crash rates, seat belt usage, impaired driving, and distracted driving.
12. Added capabilities to the county road and bridge asset management system, using the \$100,000 of General Fund provided by the legislature for this purpose.

Executive Budget Recommendation

- Reduces the 2017-19 legislative General Fund on-going appropriation by \$830,118.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

627 Upper Great Plains Transportation Institute

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Core Program	17,455,572	22,918,201	(1,644,003)	(7.2%)	21,274,198	(496,779)	(2.2%)	22,421,422
Total Major Programs	17,455,572	22,918,201	(1,644,003)	(7.2%)	21,274,198	(496,779)	(2.2%)	22,421,422
By Line Item								
Transportation Institute	17,455,572	22,918,201	(1,644,003)	(7.2%)	21,274,198	(496,779)	(2.2%)	22,421,422
Total Line Items	17,455,572	22,918,201	(1,644,003)	(7.2%)	21,274,198	(496,779)	(2.2%)	22,421,422
By Funding Source								
General Fund	4,107,934	4,101,133	(830,118)	(20.2%)	3,271,015	(636,933)	(15.5%)	3,464,200
Federal Funds	8,942,917	12,478,218	0	0.0%	12,478,218	307,402	2.5%	12,785,620
Special Funds	4,404,721	6,338,850	(813,885)	(12.8%)	5,524,965	(167,248)	(2.6%)	6,171,602
Total Funding Source	17,455,572	22,918,201	(1,644,003)	(7.2%)	21,274,198	(496,779)	(2.2%)	22,421,422
Total FTE	54.98	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)

The NDSU Dickinson Research Extension Center has an established record of service to the people in the 13-county region south and west of the Missouri River. The DREC operates 6,506 acres of owned land within the region as well as annual land leases needed to accommodate ongoing projects. The land base provides opportunities for a broad perspective in evaluating various agricultural systems that can serve as engines for economic development. This is a continuation of what has taken place for over 100 years. Currently, the DREC assists agricultural producers in solving production problems with agronomy, animal science and range science, while integrating new developments. Five major areas are served: agronomy, beef management, bio-security, range management, and sustainable agricultural practices. Faculty and staff are committed to engaging people of the region and to the identification of current economic opportunities, while sustaining natural resources for future generations as directed by the mission statement and Advisory Board. Research data and producer ideas are continually considered so the DREC can leverage the latest knowledge to best benefit the people of North Dakota.

Central Grasslands Research Extension Center (CGREC)

The CGREC conducts research for the Coteau region of North Dakota, an area bounded by the Missouri River on the west and the James River on the east and extends from Divide and Burke counties in northwestern North Dakota in a southeasterly direction through Dickey County.

Research objectives must increase the range-carrying capacity of native range emphasizing conservation and preservation, stabilize grass production to compensate for the vagaries of the weather and precipitation as it influences forage production in the dryland agriculture, identify the impact of different management systems upon beef production in the central region and explore the increased use of crop residues and byproducts for the maintenance of the cow herd. CGREC's primary focus is management of grassland acreage which occupies about one-third of the agricultural land in the state and aims to improve production and increase returns to cattle producers.

Hettinger Research Extension Center (HREC)

The HREC is a semi-arid site located in southwest North Dakota, providing the most southerly NDSU location in the non-glaciated portion of North Dakota as a site for its agronomy research program. The HREC also is located at the center of the North Dakota sheep industry, the focus of one of its animal research programs, and in an area of rapidly growing livestock feeding ventures, another focus of animal

research at the HREC. Additionally, the HREC is located in a region where much of the land base is in the Conservation Reserve Program, which has resulted in additional research evaluating potential changes in the CRP program and how these changes may affect upland native and game bird populations. A new research program evaluating low-cost rangeland monitoring strategies on U.S. Forest Service lands and wildlife/livestock interactions has resulted in a significant increase in the quantity of rangeland research conducted at the HREC throughout the western Dakotas. Research at HREC involves the disciplines of animal science, range science, wildlife science, agronomy, and agri-business and applied economics. Collaboration is with Main Station scientists, Branch Station scientists, U.S. Forest Service, grazing associations, university scientists from WY, SD, and MT, and USDA research entities in these research disciplines to improve productivity of livestock, grazing, and cropping systems, and to improve economic development of the region.

Langdon Research Extension Center (LREC)

The Langdon Research Extension Center (LREC) is located one mile east of Langdon on US highway five. The agricultural land base at the station consists of 549 owned acres and an additional 206 acres under lease agreement. The LREC serves a nine-county region located in northeast North Dakota and has North Dakota's highest precipitation rates, coolest temperatures, and richest productive soils. The climate supports diverse crop production and recurring disease problems.

The LREC has a strong tradition of assisting the region's producers to meet agricultural production challenges throughout the course of its existence since 1909. In 1993, the LREC redirected much of its research programming to focus on the significant increase of disease and insect pressure associated with its climate. This redirected applied research programming has provided producers with information regarding disease minimizing cultural farming practices and trusted information regarding chemical applications and other inputs that minimize disease and insect pressures that give growers the best return on investment.

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

North Central Research Extension Center (NCREC)

The NCREC was established in 1945 and is located one mile south of Minot on Highway 83. The 1,200-acre center specializes in crop research and extension education activities and foundation seed production. Approximately 1,500 owned, rented, and contracted acres are planted for foundation seed production each year. The NCREC evaluates conventional and new crops for production in the region and explores weed management and cropping systems to improve the economic potential of crop production in the north central region. The NCREC is a leader in North Dakota on production and disease research of canola, pea, lentil, and chickpea crops, in addition to the conventional crops of hard red spring and durum wheat, barley, flax, sunflower, and oats. The NCREC works closely with business and economic development leaders in the region to improve the economic vitality of north central North Dakota.

Williston Research Extension Center (WREC)

The Williston Research Extension Center, established in 1907 and relocated to the present site in 1954, is an 800-acre rain-fed farm located in northwest North Dakota near the city of Williston. In 2001, an additional 160 acres were purchased in the Nesson Valley and an irrigated research and development project was established. WREC research studies are conducted on crop variety evaluation, herbicide performance and other cultural management research, cropping systems and soil and water conservation practices. The main dryland crops are spring wheat and durum. Barley, oats, safflower, pea, lentil, chickpea, canola, flax, alfalfa and other alternative crops are also grown as cash crops or for livestock feed.

WREC research is intended to increase the producer's net profit, support crop diversification and encourage more intensive cropping and irrigation development. Research on soil and crop management systems for sprinkler irrigation, on alternative irrigated high value and value-added crops and on western malting barley programs are conducted. WREC also conducts variety development research on safflower, winter wheat, and durum and variety evaluations in cooperation with NDSU Main Station scientists. WREC produces and supplies foundation seed to area farmers of new and old varieties adapted to the region.

Carrington Research Extension Center (CREC)

The Carrington Research Extension Center was established in 1960. CREC operates on a land base of around 1,700 acres and has infrastructure to irrigate about 260 acres with center-pivot systems and 120 acres by surface methods. The balance of the acreage is managed as traditional dryland and is utilized primarily for dryland field crop research activities.

The research effort at CREC focuses on these general program areas: traditional crop variety evaluation, crop production and management, plant disease management, alternative crop development, cropping systems, irrigation, integration of crop and livestock production, intensive cow/calf production, beef

cattle feeding, feedlot management, livestock waste and nutrient management, foundation seedstocks production, and development of new agricultural enterprises. Through these efforts, the CREC research program has gained a national reputation for its involvement in agriculturally-based economic development and study of a wide range of crops and cropping systems.

CREC maintains a strong Extension program as five extension specialists base their educational programming from the center. The extension program emphasis areas addressed by these specialists include: agronomy, plant pathology, irrigation, livestock, and livestock waste - nutrient management.

Major Accomplishments

Dickinson Research Extension Center (DREC)

1. Researched soil health research and education to show how soil health is improved by the microbial action of microorganisms.
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.
2. Expanded winter grazing research to include grazing of corn residues, cover crops, and bale grazing projects.
3. Studied impacts of supplementing enhanced mineral feeds to grazing developing heifers on pasture using radio frequency identification 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 alfalfa trials to assess varieties and explore enhancing a multi-harvested haying system to enhance forage production and retain grass in the mixture.

Hettinger Research Extension Center (HREC)

1. Evaluated new varieties and technologies (16 varieties) to grow drought tolerant crops and new and emerging bio-fuels.
2. Conducted weed science research evaluating new herbicides for weed control and crop safety for crops grown in SW North Dakota.
3. Evaluated the effects of patch-burning in post CRP lands on livestock, vegetation, pollinators, and wildlife in western ND.
4. Conducted a nationally recognized sheep research program.

5. Developed nation-wide training for the National Sheep Industry Improvement program.

Langdon Research Extension Center (LREC)

1. Continued to build strong 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 dependable 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 at Langdon 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 nine crops grown in the region consisting of 24 unique varieties.
2. Assisted in development of new varieties of economically important crops and evaluated production strategies for alternative crops.
3. Researched crop production products in order to improve efficiencies and maximize economic return for minor and major acreage crops grown in ND.
4. Provided transformational, extension education in the areas of livestock, soil health, crop protection, and cropping systems.
5. Conducted residue trials that lead to registration of new pesticides.

Williston Research Extension Center (WREC)

1. Produced over 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 and continue a high tunnel research project with vegetable crops and cut flowers.
5. Established and continue a saline seep reclamation research and demonstration project in collaboration with the Montana Salinity Control Association.

Carrington Research Extension Center (CREC)

1. Expanded research of using winter rye as a cover crop.
2. Established a new precision agriculture research concept of testing crop input combinations.
3. Produced, conditioned and delivered Foundation grade seed from an average of 33 varieties and 11 different crops the past two seasons.
4. Controlled the disease Sclerotinia in soybeans improved significantly.
5. Completed a study to evaluate the safety of spring wheat herbicides on subsequent cover crop plantings.

Executive Budget Recommendation

- Reduces the 2017-19 legislative General Fund on-going appropriation by \$1.2 million.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

628 Branch Research Centers

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Dickinson Research Center	7,811,181	6,825,551	(682,555)	(10.0%)	6,142,996	(118,534)	(1.7%)	6,707,017
Central Grasslands Research Center	3,367,465	3,423,624	(345,453)	(10.1%)	3,078,171	(33,939)	(1.0%)	3,389,685
Hettinger Research Center	4,144,231	4,975,133	(497,513)	(10.0%)	4,477,620	9,565	0.2%	4,984,698
Langdon Research Center	2,807,157	2,964,607	(296,461)	(10.0%)	2,668,146	3,810	0.1%	2,968,417
North Central Research Center	3,562,853	4,953,652	(500,400)	(10.1%)	4,453,252	35,851	0.7%	4,989,503
Williston Research Center	5,261,811	6,618,890	(2,011,889)	(30.4%)	4,607,001	(1,501,271)	(22.7%)	5,117,619
Carrington Research Center	9,306,396	9,175,491	(917,550)	(10.0%)	8,257,941	270,370	2.9%	9,445,861
Total Major Programs	36,261,094	38,936,948	(5,251,821)	(13.5%)	33,685,127	(1,334,148)	(3.4%)	37,602,800
By Line Item								
Dickinson Research Center	7,811,181	6,825,551	(682,555)	(10.0%)	6,142,996	(118,534)	(1.7%)	6,707,017
Central Grasslands Research Center	3,367,465	3,423,624	(345,453)	(10.1%)	3,078,171	(33,939)	(1.0%)	3,389,685
Hettinger Research Center	4,144,231	4,975,133	(497,513)	(10.0%)	4,477,620	9,565	0.2%	4,984,698
Langdon Research Center	2,807,157	2,964,607	(296,461)	(10.0%)	2,668,146	3,810	0.1%	2,968,417
North Central Research Center	3,562,853	4,953,652	(500,400)	(10.1%)	4,453,252	35,851	0.7%	4,989,503
Williston Research Center	5,261,811	6,618,890	(2,011,889)	(30.4%)	4,607,001	(1,501,271)	(22.7%)	5,117,619
Carrington Research Center	9,306,396	9,175,491	(917,550)	(10.0%)	8,257,941	270,370	2.9%	9,445,861
Total Line Items	36,261,094	38,936,948	(5,251,821)	(13.5%)	33,685,127	(1,334,148)	(3.4%)	37,602,800
By Funding Source								
General Fund	18,758,636	17,155,257	(1,723,651)	(10.0%)	15,431,606	(359,699)	(2.1%)	16,795,558
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	17,502,458	21,781,691	(3,528,170)	(16.2%)	18,253,521	(974,449)	(4.5%)	20,807,242
Total Funding Source	36,261,094	38,936,948	(5,251,821)	(13.5%)	33,685,127	(1,334,148)	(3.4%)	37,602,800
Total FTE	113.94	109.81	0.00	0.0%	109.81	0.00	0.0%	109.81

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. Reviewed by the State Board of Agricultural Research and education (SBARE) and implemented recommendations.
2. Provided research-based education to over 949,431 direct contacts in 2016 and 1,087,442 contacts in 2017.
3. Surveyed farmers and 90% used Extension's calculator in their farm bill decisions; farm bill payments returned \$1.10 billion to North Dakota since the 2014 training.
4. Prevented over 16,000 cattle from feeding on toxic forages due to Extension's education and testing in response to the 2017 drought.

5. Used high tech (twitter and video) and low tech (café talks) to engage producers and gain implementation of practices.
6. Assisted more than 27,000 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. Increased 4-H enrollment by 19% enrollment over the past 5 years and record enrollment at the ND 4-H Camp in 2017.
8. Engaged more than 300 people from 737 North Dakota organizations that attended Lead Local since 2016, helping them feel more confident to serve on boards, councils and committees.
9. Reached more than 154,000 people in 2017 through Extension nutrition education programs, helping participants learn to eat healthfully and decrease health-care costs.
10. Provided parent education classes to 7,500 North Dakota parents to strengthen families, that results in reduced costs spent on child welfare and lowers crime by adults.

Executive Budget Recommendation

- Reduces the original 2017-19 legislative General Fund on-going appropriation by \$733,332.
- Provides \$345,000 from the General Fund to develop a web strategy and reimage content.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

630 NDSU Extension Service

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
COOP Extension Service	48,944,952	52,295,009	(5,243,001)	(10.0%)	47,052,008	1,920,763	3.7%	54,215,772
Total Major Programs	48,944,952	52,295,009	(5,243,001)	(10.0%)	47,052,008	1,920,763	3.7%	54,215,772
By Line Item								
NDSU Extension Service	47,811,590	51,203,489	(5,243,001)	(10.2%)	45,960,488	1,920,763	3.8%	53,124,252
Soil Conservation Committee	1,133,362	1,091,520	0	0.0%	1,091,520	0	0.0%	1,091,520
Total Line Items	48,944,952	52,295,009	(5,243,001)	(10.0%)	47,052,008	1,920,763	3.7%	54,215,772
By Funding Source								
General Fund	27,837,061	25,648,320	(2,578,332)	(10.1%)	23,069,988	680,468	2.7%	26,328,788
Federal Funds	7,621,086	7,740,790	(806,197)	(10.4%)	6,934,593	(392,822)	(5.1%)	7,347,968
Special Funds	13,486,805	18,905,899	(1,858,472)	(9.8%)	17,047,427	1,633,117	8.6%	20,539,016
Total Funding Source	48,944,952	52,295,009	(5,243,001)	(10.0%)	47,052,008	1,920,763	3.7%	54,215,772
Total FTE	265.98	242.51	0.00	0.0%	242.51	0.00	0.0%	242.51

Statutory Authority

North Dakota Century Code Chapter 4.1-15.

Agency Description

The Northern Crops Institute (NCI) is a cooperative effort between North Dakota, Minnesota, Montana and South Dakota to support the promotion and market development of crops grown in this four-state region. NCI is an international meeting and learning center that brings together customers, commodity traders, technical experts, agricultural producers, and food and industrial processors for education, discussion and technical services. NCI provides technical and marketing assistance through specialized training courses and technical services that facilitate domestic and international market development and expanded sales of northern grown crops. Representatives from more than 130 countries have visited NCI since its inception. It is located on the campus of North Dakota State University.

Major Accomplishments

1. Offered a full array of educational short courses designed to educate foreign buyers about our crops. Courses held in conjunction with US Wheat, US Soy Export Council, US Grains Council, and the US Dry Pea and Lentil Council with

new purchasing courses being carried out and being developed supporting regional value added processing and core commodity price.

2. Introduced a new INT-SOY Educational Course in 2017 that led to a near capacity attendance in 2018. This course's success led to further course development with two new soy based courses planned with industry support in 2019, and additional courses being developed with other commodity groups.
3. Increased collaboration to utilize the equipment, facilities, and knowledge across the public sectors in the four states.
4. Re-evaluated positions and updated position descriptions to focus the organization on NCI core mission.
5. Assisted partners in expanding markets and worked closely with state and national commodity groups and partners. Hosted ten trade teams in 2017 and four in 2018 in conjunction with commodity groups and the North Dakota Trade Office. Worked with industry partners the world over to assist in developing markets for ND crops.

Executive Budget Recommendation

- Reduces the 2017-19 General Fund on-going legislative appropriation by \$94,345.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

638 Northern Crops Institute

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Farm Product Development, Mktg. and Util	3,480,960	3,642,721	(182,136)	(5.0%)	3,460,585	160,899	4.4%	3,803,620
Total Major Programs	3,480,960	3,642,721	(182,136)	(5.0%)	3,460,585	160,899	4.4%	3,803,620
By Line Item								
Northern Crops Institute	3,480,960	3,642,721	(182,136)	(5.0%)	3,460,585	160,899	4.4%	3,803,620
Total Line Items	3,480,960	3,642,721	(182,136)	(5.0%)	3,460,585	160,899	4.4%	3,803,620
By Funding Source								
General Fund	1,964,467	1,886,891	(94,345)	(5.0%)	1,792,546	18,876	1.0%	1,905,767
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	1,516,493	1,755,830	(87,791)	(5.0%)	1,668,039	142,023	8.1%	1,897,853
Total Funding Source	3,480,960	3,642,721	(182,136)	(5.0%)	3,460,585	160,899	4.4%	3,803,620
Total FTE	12.00	12.80	0.00	0.0%	12.80	0.00	0.0%	12.80

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. Continued advancement in plant breeding, disease and insect tests, fertility tests, responses to weed pressure, determination of desirable agronomic traits, quality traits for processing and food products, and economic impacts for 14 major crops and several new crops.

2. Provided insight into human health issues and made beef more palatable for consumers and helped ranchers improve the way they produce and market their cattle through meat science research.
3. Developed supplementation strategies to help producers prevent potentially negative consequences of poor maternal nutrition and increase cattle production.
4. Studied the impacts that cropping sequences had on soil health and crop performance on land with brine spills and in three disturbance areas: a pipeline trench, an area that had its topsoil stripped off and then was used as an access road during pipeline construction, and adjacent undisturbed land.
5. Conducted precision agriculture projects in invasive and noxious weeds, weed identification, herbicide injury, plant stand and herbicide resistance.
6. Opened new 30,000 square foot veterinary diagnostic lab under budge, including biosecurity level 3 suite.

Executive Budget Recommendation

- Reduces the 2017-19 legislative General Fund on-going appropriation by \$3.6 million.
- Provides \$1.4 million of one-time funding from the Strategic Investment and Improvement Fund for extraordinary repairs.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

640 NDSU Main Research Center

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Agricultural Research	121,433,814	109,217,936	(11,593,924)	(10.6%)	97,624,012	(2,185,887)	(2.0%)	107,032,049
Total Major Programs	121,433,814	109,217,936	(11,593,924)	(10.6%)	97,624,012	(2,185,887)	(2.0%)	107,032,049
By Line Item								
Main Research Center	121,433,814	109,217,936	(11,593,924)	(10.6%)	97,624,012	(2,185,887)	(2.0%)	107,032,049
Total Line Items	121,433,814	109,217,936	(11,593,924)	(10.6%)	97,624,012	(2,185,887)	(2.0%)	107,032,049
By Funding Source								
General Fund	55,123,128	50,133,108	(5,596,526)	(11.2%)	44,536,582	(1,154,699)	(2.3%)	48,978,409
Federal Funds	6,168,877	8,419,260	0	0.0%	8,419,260	343,551	4.1%	8,762,811
Special Funds	60,141,809	50,665,568	(5,997,398)	(11.8%)	44,668,170	(1,374,739)	(2.7%)	49,290,829
Total Funding Source	121,433,814	109,217,936	(11,593,924)	(10.6%)	97,624,012	(2,185,887)	(2.0%)	107,032,049
Total FTE	361.12	340.05	0.00	0.0%	340.05	0.00	0.0%	340.05

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: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Agricultural Research	1,334,202	1,536,129	(76,806)	(5.0%)	1,459,323	35,519	2.3%	1,571,648
Total Major Programs	1,334,202	1,536,129	(76,806)	(5.0%)	1,459,323	35,519	2.3%	1,571,648
By Line Item								
Agronomy Seed Farm	1,334,202	1,536,129	(76,806)	(5.0%)	1,459,323	35,519	2.3%	1,571,648
Total Line Items	1,334,202	1,536,129	(76,806)	(5.0%)	1,459,323	35,519	2.3%	1,571,648
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	1,334,202	1,536,129	(76,806)	(5.0%)	1,459,323	35,519	2.3%	1,571,648
Total Funding Source	1,334,202	1,536,129	(76,806)	(5.0%)	1,459,323	35,519	2.3%	1,571,648
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 \$11.3 million.

State Fair provides the facilities, administration, staffing judges, equipment, prizes and recognition for those who bring over 49,000 entries from every community in North Dakota.

The Association provides educational and entertaining exhibits along with special attractions that bring North Dakotan's together to celebrate their heritage and lifestyle each year.

Major Accomplishments

1. Generated revenues to operate facilities through admissions, rents and gifts from friends.
2. Solicited \$43.7 million in capital construction from non-state revenues for capital improvements.
3. Generated revenue of \$18.6 million for capital improvements from admissions and rents.
4. Received international awards for excellence in the fair agricultural program.
5. Hosted 93,000 competitive entries from 4H, FFA and open class in the 2015-17 biennium.
6. Received entries from 52 counties in North Dakota.
7. Recognized statewide, regionally and nationally as a great attraction and "The Show Place of North Dakota".

Executive Budget Recommendation

- Increases the 2017-19 General Fund on-going legislative appropriation by \$54,335.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

665 ND State Fair
Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
State Support	999,915	515,665	(25,783)	(5.0%)	489,882	54,335	10.5%	570,000
Total Major Programs	999,915	515,665	(25,783)	(5.0%)	489,882	54,335	10.5%	570,000
By Line Item								
Capital Assets	467,250	0	0	0.0%	0	0	0.0%	0
Premiums	532,665	515,665	(25,783)	(5.0%)	489,882	54,335	10.5%	570,000
Total Line Items	999,915	515,665	(25,783)	(5.0%)	489,882	54,335	10.5%	570,000
By Funding Source								
General Fund	999,915	515,665	(25,783)	(5.0%)	489,882	54,335	10.5%	570,000
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	0	0	0	0.0%	0	0	0.0%	0
Total Funding Source	999,915	515,665	(25,783)	(5.0%)	489,882	54,335	10.5%	570,000
Total FTE	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00

Statutory Authority

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

Agency Description

The North Dakota Racing Commission is the regulatory agency in charge of regulating live and simulcast racing, and account deposit wagering. The Commission administers four special funds for the benefit of the horse racing industry in North Dakota. The Commission is made up of five members appointed by the Governor and has an office staff of a Director and an Administrative Officer.

Major Accomplishments

1. Developed tax revenue to general fund sufficient to offset biennial appropriation.
2. Worked with the ND Horse Park in Fargo to establish a long term financially viable business plan, including payment of debts to the City of Fargo, and re-establish racing in the region with a sustainable business model.
3. Regulated live, simulcast, and account deposit wagering industry in North Dakota.
4. Provided support for developing account deposit wagering companies accounting for wagering and tax revenues significantly greater than the previous two fiscal years.
5. Worked with both racetracks on capital improvements.
6. Promoted and supported live horse racing.
7. Responded to issues related to live horse racing and account deposit wagering.

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

Executive Budget Recommendation

- Maintains current staffing levels and funding sources.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

670 ND Horse Racing Commission

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Horse Racing Administration	509,330	542,178	(27,109)	(5.0%)	515,069	28,031	5.2%	570,209
Total Major Programs	509,330	542,178	(27,109)	(5.0%)	515,069	28,031	5.2%	570,209
By Line Item								
Racing Commission	509,330	542,178	(27,109)	(5.0%)	515,069	28,031	5.2%	570,209
Total Line Items	509,330	542,178	(27,109)	(5.0%)	515,069	28,031	5.2%	570,209
By Funding Source								
General Fund	387,252	379,621	(18,981)	(5.0%)	360,640	24,221	6.4%	403,842
Federal Funds	0	0	0	0.0%	0	0	0.0%	0
Special Funds	122,078	162,557	(8,128)	(5.0%)	154,429	3,810	2.3%	166,367
Total Funding Source	509,330	542,178	(27,109)	(5.0%)	515,069	28,031	5.2%	570,209
Total FTE	2.00	2.00	0.00	0.0%	2.00	0.00	0.0%	2.00

Statutory Authority

North Dakota Century Code Chapters 55-01, 55-02, 55-03, 55-05, 55-06, 55-09, 55-10, 55-11, and 55-12.

Agency Description

The State Historical Society of North Dakota is responsible for identifying, preserving, interpreting, and promoting the heritage of ND and its people. The agency was founded in 1895 and accomplishes its mission through five divisions, as follows:

- Support Services Division provides support and coordination for all functions of the agency through budgeting, accounting, purchasing, human resource management, inventory control, concession sales, communications services, building and site security, custodial services, and general supervision.
- Communication and Education Division is responsible for agency publications, marketing, outreach services, visitor services, development of educational programs and curriculum, and building public awareness.
- Museum Division interprets the history of ND through planning, fabrication, and installation of exhibits, including traveling exhibits and those located in the Heritage Center, Pembina State Museum and Historic Sites. The Division collects, preserves, and manages history, ethnology, and natural history artifacts related to the history of North Dakota. Provides technical assistance to constituencies.
- State Archives preserves and makes accessible records of ND government; makes available the collections of books, microfilm, newspapers, maps, photographs, manuscripts, and other two-dimensional historical materials through reference services and programs of preservation. Provides technical assistance to constituencies.
- Historic Preservation Division services include evaluating architectural and archaeological properties, providing assistance to historic property owners,

nominating properties to the National Register of Historic Places and State Historic Sites Registry, administering the Preservation Tax Credit Program, reviewing the impact of federally-related projects on historic properties, and providing information about historic preservation and restoration. Provides for programming, management, maintenance, repair and operation of all Historical Society land and buildings, except the ND Heritage Center. Manages the archaeological artifact collections.

Major Accomplishments

1. Completed the Double Ditch State Historic Site riverbank stabilization project.
2. Continued migration of disparate data sets into ReDiscovery.
3. Implemented State Archives Digital Repository (SADR) utilizing Preservica software and the development of workflows to manage electronic records.
4. Continued identification of critical data sets and migration to stable, accessible environments.
5. Provided services to approximately 230,000 annual visitors at the ND Heritage Center and approximately 100,000 annual visitors at the Historic Sites.
6. Expanded and enhanced social media presence to better promote the Society and provide the public with additional access to the state's collections.
7. Developed and enhance exhibits, interpretative and educational programs for the public.

Executive Budget Recommendation

- Reduces the 2017-19 legislative on-going General Fund appropriation by \$498,246.
- Provides an appropriation of \$1.0 million for historic site repairs. Funding is split between the General Fund and special funds.
- Provides a General Fund appropriation of \$372,000 for one-time exhibit and collections care.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

701 Historical Society

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Support Services	4,586,105	4,619,451	(635,590)	(13.8%)	3,983,861	188,822	4.1%	4,808,273
Museum	1,831,820	2,089,863	(249,106)	(11.9%)	1,840,757	240,914	11.5%	2,330,777
Communication and Education	2,261,257	1,957,796	(91,221)	(4.7%)	1,866,575	114,980	5.9%	2,072,776
SA & HRL	2,353,316	2,948,758	(1,537)	(0.1%)	2,947,221	138,898	4.7%	3,087,656
Historic Sites	8,452,779	8,193,830	(4,631,889)	(56.5%)	3,561,941	(2,625,392)	(32.0%)	5,568,438
Historic Preservation Division	2,485,434	3,625,820	(33,697)	(0.9%)	3,592,123	112,127	3.1%	3,737,947
Total Major Programs	21,970,711	23,435,518	(5,643,040)	(24.1%)	17,792,478	(1,829,651)	(7.8%)	21,605,867
By Line Item								
Salaries and Wages	13,365,825	13,595,892	(1,424,874)	(10.5%)	12,171,018	820,848	6.0%	14,416,740
Operating Expenses	3,097,589	3,885,895	(89,977)	(2.3%)	3,795,918	55,690	1.4%	3,941,585
Capital Assets	3,858,189	1,747,653	(522,111)	(29.9%)	1,225,542	527,889	30.2%	2,275,542
Capital Construction Carryover	364,005	848,135	(848,135)	(100.0%)	0	(848,135)	(100.0%)	0
Double Ditch Historic Site	742,057	2,757,943	(2,757,943)	(100.0%)	0	(2,757,943)	(100.0%)	0
Grants	190,939	600,000	0	0.0%	600,000	0	0.0%	600,000
Cultural Heritage Grants	261,454	0	0	0.0%	0	0	0.0%	0
Exhibits	90,653	0	0	0.0%	0	372,000	100.0%	372,000
Total Line Items	21,970,711	23,435,518	(5,643,040)	(24.1%)	17,792,478	(1,829,651)	(7.8%)	21,605,867
By Funding Source								
General Fund	19,764,557	17,521,780	(2,870,947)	(16.4%)	14,650,833	328,601	1.9%	17,850,381
Federal Funds	1,686,202	3,155,795	(14,150)	(0.4%)	3,141,645	49,691	1.6%	3,205,486
Special Funds	519,952	2,757,943	(2,757,943)	(100.0%)	0	(2,207,943)	(80.1%)	550,000
Total Funding Source	21,970,711	23,435,518	(5,643,040)	(24.1%)	17,792,478	(1,829,651)	(7.8%)	21,605,867
Total FTE	78.00	75.00	(3.00)	(4.0%)	72.00	0.00	0.0%	75.00

Statutory Authority

North Dakota Century Code Chapter 54-54.

Agency Description

The North Dakota Council on the Arts (NDCA) was established by state statute in 1967. Its board is comprised of nine citizens appointed by the Governor to serve five-year terms. The purpose of the Council is to establish policies, programs, and partnerships to encourage the study and presentation of the performing and fine arts and to encourage public interest in the cultural heritage of the state. NDCA functions as a community partner and a catalyst for artists and organizations. The Council re-grants National Endowment for the Arts funds and state appropriated funds to North Dakota communities, schools, individuals, and organizations through its various grant programs. It offers educational opportunities and technical advice, collects and disseminates arts information, and acts as the state's foremost arts supporter.

Major Accomplishments

1. Transitioned the new executive director in January 2018.
2. Participated in the Governor's Main Street Initiative programs.
3. Collected and made available resources from NDCA constituents related to Veterans arts programs and related offerings throughout the state.
4. Adopted "Diversity, Inclusion and Cultural Equity Statement" and is integrated into all levels of the organization.
5. Nominated Norik Astvatsaturov to received the NEA National Heritage Fellowship in Washington, DC.
6. Completed the Art for Life Toolkit, supported by \$100,000 grant from the Bush Foundation's *Community Creativity Cohort Grant*.

7. Reprinted 1,200 copies of *Sundogs and Sunflowers: Folklore and Folk Art of the Northern Great Plains*, and finished the text and design for an accompanying guidebook.
8. Worked to integrate NDCA's efforts and resources into the American Indian Public Health Program through the distribution of a CD, *Un de' che cha pi: The Way We Are*.
9. Provided funding for three international music groups to perform in Dickinson and Devils Lake through two Arts Midwest Touring Programs, World Fest and Folkefest.
10. Provided professional development for ND teachers through *Picturing Writing, Image Making and Healing Children Through Creativity* workshops.
11. Expanded partnerships with artist and arts organizations within communities.
12. Hired a new local program director who will implement culturally relevant learning in and through the arts at partner schools in Standing Rock.
13. Realized an increase in participating schools in ND Poetry Out Loud (POL) and the use of Poets in Schools grant, funded by the National Endowment for the Arts.
14. Transitioned the monthly *e-Prairie Arts* e-newsletter, and all press releases to the Mailchimp system for ease of design, mailing and reporting.
15. Worked with the Historical Society of Clay County to help fund continuation of *Arts Access for All*.

Executive Budget Recommendation

- Reduces the 2017-19 General Fund on-going legislative appropriation by \$15,244.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

709 Council on the Arts

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Council on the Arts	3,134,904	3,351,798	(126,244)	(3.8%)	3,225,554	(1,897)	(0.1%)	3,349,901
Total Major Programs	3,134,904	3,351,798	(126,244)	(3.8%)	3,225,554	(1,897)	(0.1%)	3,349,901
By Line Item								
Salaries and Wages	899,097	905,453	6,833	0.8%	912,286	76,180	8.4%	981,633
Operating Expenses	433,842	355,851	(69,190)	(19.4%)	286,661	(69,190)	(19.4%)	286,661
Grants	1,801,965	2,090,494	(63,887)	(3.1%)	2,026,607	(8,887)	(0.4%)	2,081,607
Total Line Items	3,134,904	3,351,798	(126,244)	(3.8%)	3,225,554	(1,897)	(0.1%)	3,349,901
By Funding Source								
General Fund	1,629,722	1,564,876	(78,244)	(5.0%)	1,486,632	46,102	2.9%	1,610,978
Federal Funds	1,431,050	1,675,407	0	0.0%	1,675,407	1	0.0%	1,675,408
Special Funds	74,132	111,515	(48,000)	(43.0%)	63,515	(48,000)	(43.0%)	63,515
Total Funding Source	3,134,904	3,351,798	(126,244)	(3.8%)	3,225,554	(1,897)	(0.1%)	3,349,901
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 450 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. Enhanced the Private Land Open to Sportsmen (PLOTS) program to focus more on quality tracts; have 1.0 million acre goal; completed a survey of hunters and landowners which indicated high ratings in efforts to provide hunting opportunities in the state.
3. Implemented electronic, paperless licensing and lotteries.

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. Initiated 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 223 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 MOU with Three Affiliated Tribes and the elk MOU with Standing Rock.

Executive Budget Recommendation

- Provides federal fund authority of \$500,000 for shooting range grants.
- Changes the funding source of \$1.9 million from federal funds to special funds.
- Restores \$115,600 of special funds for wildlife services grant.
- Restores 5.00 FTE positions.
- Restores \$6.5 million for salaries and operations of the agency from special and federal funds.
- Transfers 3.00 FTE positions to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

720 Game and Fish Department

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administrative Services	15,683,588	19,765,344	(6,161,524)	(31.2%)	13,603,820	(5,224,538)	(26.4%)	14,540,806
Fisheries	9,417,614	11,204,327	(857,938)	(7.7%)	10,346,389	944,274	8.4%	12,148,601
Enforcement	8,491,778	9,266,879	938,375	10.1%	10,205,254	1,528,076	16.5%	10,794,955
Communications and Conservation	6,825,573	9,191,319	173,077	1.9%	9,364,396	1,042,062	11.3%	10,233,381
Wildlife	28,124,118	36,465,803	(5,079,115)	(13.9%)	31,386,688	42,624	0.1%	36,508,427
Total Major Programs	68,542,671	85,893,672	(10,987,125)	(12.8%)	74,906,547	(1,667,502)	(1.9%)	84,226,170
By Line Item								
Salaries and Wages	27,922,468	30,076,669	(1,071,752)	(3.6%)	29,004,917	1,259,864	4.2%	31,336,533
Operating Expenses	11,488,788	15,615,059	(1,377,504)	(8.8%)	14,237,555	889,798	5.7%	16,504,857
Capital Assets	4,128,619	6,330,956	(1,853,065)	(29.3%)	4,477,891	(413,065)	(6.5%)	5,917,891
Capital Construction Carryover	244,996	757,024	(757,024)	(100.0%)	0	(757,024)	(100.0%)	0
Grants-Game and Fish	6,251,962	9,650,184	(2,998,019)	(31.1%)	6,652,165	(1,103,019)	(11.4%)	8,547,165
Shooting Sports Grant Program	0	250,000	0	0.0%	250,000	0	0.0%	250,000
Land Habitat & Deer Depredation	15,129,515	18,984,603	(2,516,960)	(13.3%)	16,467,643	(1,307,611)	(6.9%)	17,676,992
Noxious Weed Control	600,240	725,000	0	0.0%	725,000	0	0.0%	725,000
Missouri River Enforcement	279,120	283,857	0	0.0%	283,857	5,456	1.9%	289,313
Grant-Gift-Donation	442,623	802,201	(277,201)	(34.6%)	525,000	(266,711)	(33.2%)	535,490
Nongame Wildlife Conservation	32,502	120,000	(20,000)	(16.7%)	100,000	(20,000)	(16.7%)	100,000
Lonetree Reservoir	1,637,438	1,798,119	0	0.0%	1,798,119	44,810	2.5%	1,842,929
Wildlife Services	384,400	500,000	(115,600)	(23.1%)	384,400	0	0.0%	500,000
Total Line Items	68,542,671	85,893,672	(10,987,125)	(12.8%)	74,906,547	(1,667,502)	(1.9%)	84,226,170
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	30,595,608	38,222,467	(3,820,448)	(10.0%)	34,402,019	(871,391)	(2.3%)	37,351,076
Special Funds	37,947,063	47,671,205	(7,166,677)	(15.0%)	40,504,528	(796,111)	(1.7%)	46,875,094
Total Funding Source	68,542,671	85,893,672	(10,987,125)	(12.8%)	74,906,547	(1,667,502)	(1.9%)	84,226,170
Total FTE	163.00	163.00	(8.00)	(4.9%)	155.00	(3.00)	(1.8%)	160.00

Statutory Authority

North Dakota Century Code Chapters 39-24, 39-29, 55-08 and 55-11.

Agency Description

The North Dakota Park Service was created in 1965. In 1977, it was renamed the North Dakota Parks and Recreation Department (NDPRD) when it merged with the State Outdoor Recreation Agency. NDPRD currently operates within four major program areas, as follows:

- Administration, which provides support services, such as accounting, human resource management, information technology, media relations, risk management, ADA coordination, and budget functions.
- 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.
- Natural Resources (also called Field improvements and enhancements, state nature preserve oversight, and state park natural resource management)
- Lewis and Clark Interpretive Center, which also includes Fort Mandan, Fahlgren Park, and the Dakota Institute primarily offers interpretive programming and rental facilities for family and business gatherings.

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

Major Accomplishments

1. Improved central office support of field operations and customer service through reorganization and the creation of middle management positions dedicated to staff supervision and support.
2. Developed 2018-22 strategic plan.
3. Invested in technology, including a new Point of Sale system that have led to improved business practices, data management, and service to the customer.
4. Improved process for agency website tracking for launch prior to 2019 park season.
5. Increased park visitation by 33 percent since the 2009-11 biennium.
6. Increased overnight accommodation rental nights by 9 percent over the past 5 years.
7. Upgraded seasonal employee campers at Cross Ranch, Little Missouri, Sully Creek state parks and added Work Camper camp pads at Lake Sakakawea and Ft Stevenson to help attract summer employees to rural parks. Maintained seasonal employee base salary at \$12/hour.
8. Completed 4 miles of sustainable design multi use trails at Turtle River State Park, cooperative trail rehabilitation on 6 miles of Turtle Mountain State Forest

trails with the ND Forest Service, completed a youth OHV skills course at the "Archery Range" OHV trail – Bottineau County.

9. Assisted staff at the International Peace Garden in developing management strategies for the garden facilities and infrastructure.
10. Implemented initiatives outlined in the Pembina Gorge State Recreation Area Master Plan including development of a mountain bike terrain course.
11. Granted over \$4.0 million dollars in federal funds to over 30 projects statewide since FY17.
12. Completed the asset transfer of for the Dakota Institute to Bismarck State College.
13. Completed major siding and roof renovation at the Lewis and Clark Interpretive Center.
14. Completed anchor/cable replacement on Bayfront docks – Lake Sakakawea State Park. Replaced half of cables/anchors on the 360' protective concrete floating breakwater – Lake Sakakawea State Park. Repaired and re-anchored protective 500' concrete floating breakwater at Ft Stevenson State Park.
15. Hosted the Rocky Mountain State Park Executives Conference.

Executive Budget Recommendation

- Restores 2.00 FTE positions with \$246,676 from the General Fund and restores 1.00 FTE position with no additional funding.
- Restores partial funding for operations:
 - \$100,819 in other funds for park operations.
 - \$138,867 from the General Fund for Lewis and Clark Interpretive Center operations.
 - \$87,633 from the General Fund for International Peace Garden operations.
- Restores extraordinary repair of \$1.1 million and equipment of \$740,000 from other and federal funds.
- Provides one-time funding from other funds for:
 - \$634,126 for additional extraordinary repairs.
 - \$622,000 for additional equipment.
 - \$150,000 for a state park visitor survey.
 - \$75,000 for state wide recreational mapping.
 - \$75,000 for traffic counter replacements.
- Provides one-time capital project funding of \$1.7 million from the Strategic Investment and Improvement Fund.
- Provides one-time capital project funding of \$5.0 million for various projects at the International Peace Gardens from the Strategic Investment and Improvement Fund.
- Transfers 1.00 FTE position to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

750 Parks and Recreation Department

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	2,763,006	3,668,728	(1,253,331)	(34.2%)	2,415,397	(1,045,791)	(28.5%)	2,622,937
Grants, Trails & Planning Division	6,067,352	7,190,879	1,700,535	23.6%	8,891,414	2,069,479	28.8%	9,260,358
Field Operations Division	27,117,224	24,525,852	(6,203,775)	(25.3%)	18,322,077	(428,731)	(1.7%)	24,097,121
Peace Garden	1,540,944	2,015,271	(1,226,575)	(60.9%)	788,696	3,861,058	191.6%	5,876,329
Lewis and Clark Interpretive Center	1,144,833	1,604,505	(478,891)	(29.8%)	1,125,614	(297,088)	(18.5%)	1,307,417
Total Major Programs	38,633,359	39,005,235	(7,462,037)	(19.1%)	31,543,198	4,158,927	10.7%	43,164,162
By Line Item								
Capital Construction Carryover	1,054,988	3,724,531	(3,724,531)	(100.0%)	0	(3,724,531)	(100.0%)	0
Administration	2,763,006	3,668,728	(1,253,331)	(34.2%)	2,415,397	(1,045,791)	(28.5%)	2,622,937
Natural Resources	26,062,236	20,801,321	(2,479,244)	(11.9%)	18,322,077	3,295,800	15.8%	24,097,121
Recreation	6,067,352	7,190,879	1,700,535	23.6%	8,891,414	2,069,479	28.8%	9,260,358
Peace Garden	1,540,944	2,015,271	(1,226,575)	(60.9%)	788,696	3,861,058	191.6%	5,876,329
Lewis & Clark	1,144,833	1,604,505	(478,891)	(29.8%)	1,125,614	(297,088)	(18.5%)	1,307,417
Total Line Items	38,633,359	39,005,235	(7,462,037)	(19.1%)	31,543,198	4,158,927	10.7%	43,164,162
By Funding Source								
General Fund	26,252,816	20,012,892	(6,830,811)	(34.1%)	13,182,081	(5,544,244)	(27.7%)	14,468,648
Federal Funds	3,726,878	5,477,782	1,836,917	33.5%	7,314,699	1,845,855	33.7%	7,323,637
Special Funds	8,653,665	13,514,561	(2,468,143)	(18.3%)	11,046,418	7,857,316	58.1%	21,371,877
Total Funding Source	38,633,359	39,005,235	(7,462,037)	(19.1%)	31,543,198	4,158,927	10.7%	43,164,162
Total FTE	66.00	62.50	(3.00)	(4.8%)	59.50	(1.00)	(1.6%)	61.50

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 seven 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 large 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 supply systems, irrigation, dams, dikes, and drains. The third primary function of the agency involves educating teachers and the public regarding the nature and occurrence of the state's water resources and the agency's functions.

Major Accomplishments

1. Received a favorable decision by the courts in August 2017, allowing design and construction on Northwest Area Water Supply to proceed.
2. Continued to operate two Devils Lake outlets that combined have removed over 1.1 million acre-feet of floodwater since 2005.
3. Contributed toward the advancement of large-scale community flood control projects in the Mouse, Sheyenne, and Red River basins.
4. Completed the development of processes to conduct life cycle cost analyses of municipal water supply projects, and economic analyses of flood control and water conveyance projects. Both will help with more efficient allocation of state funds.

5. Provided financial support to the Garrison Diversion Conservancy District as required by House Bill 1020 to advance the Red River Valley Water Supply project.
6. Continued design, construction, and operation of the Southwest Pipeline and Northwest Area Water Supply Projects.
7. Conducted extensive ground and surface water evaluations in several areas throughout the state.
8. Continued to maintain a strong water right permitting process that provides for the orderly development of water resources in the state.
9. Conducted research and deployment of advanced technologies such as Airborne Electromagnetic (AEM) surveys, Precision Sensing (PRESENS), and drones for data collection efforts.
10. 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.
11. Managed the Drought Disaster Livestock Water Supply Program to mitigate drought related impacts to the state's livestock industry.
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 2019-21 biennium and beyond.
15. Provided support for water education opportunities involving thousands of grade school students from various grade levels.
16. Utilized state-of-the-art technologies to provide hail suppression and rainfall enhancement cloud seeding services to participating counties.
17. Continued development and deployment of innovative IT infrastructure to address complex water resource management initiatives.

Executive Budget Recommendation

- Provides special fund authority to support the current FTE level and operations of the agency.
- Adds \$174,000 of federal funds and 1.00 FTE position to assist with the Risk Map program.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

770 Water Commission

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
State Water Commission Budget	546,373,965	785,332,094	(93,452,793)	(11.9%)	691,879,301	50,866,092	6.5%	836,198,186
Total Major Programs	546,373,965	785,332,094	(93,452,793)	(11.9%)	691,879,301	50,866,092	6.5%	836,198,186
By Line Item								
Salaries and Wages	18,766,036	19,651,385	(971,706)	(4.9%)	18,679,679	460,179	2.3%	20,111,564
Operating Expenses	35,641,877	47,608,165	(4,820,612)	(10.1%)	42,787,553	(3,820,612)	(8.0%)	43,787,553
Capital Assets	60,824,321	112,219,442	994,316	0.9%	113,213,758	994,316	0.9%	113,213,758
Capital Const Carryover	0	63,158,619	(63,158,619)	(100.0%)	0	(63,158,619)	(100.0%)	0
Grants - Local Cost Share	431,141,731	542,694,483	(333,829,990)	(61.5%)	208,864,493	(191,942,990)	(35.4%)	350,751,493
Grants - Carryover	0	0	308,333,818	100.0%	308,333,818	308,333,818	100.0%	308,333,818
Total Line Items	546,373,965	785,332,094	(93,452,793)	(11.9%)	691,879,301	50,866,092	6.5%	836,198,186
By Funding Source								
General Fund	0	0	0	0.0%	0	0	0.0%	0
Federal Funds	5,347,163	27,473,887	11,427,166	41.6%	38,901,053	11,648,930	42.4%	39,122,817
Special Funds	541,026,802	757,858,207	(104,879,959)	(13.8%)	652,978,248	39,217,162	5.2%	797,075,369
Total Funding Source	546,373,965	785,332,094	(93,452,793)	(11.9%)	691,879,301	50,866,092	6.5%	836,198,186
Total FTE	97.00	93.00	(4.00)	(4.3%)	89.00	(3.00)	(3.2%)	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 8,518 miles of roadway and 4,858 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. Provided transportation and motorist services and maintained and improved state highways.
2. Began implementation of REAL ID driver's license.
3. Completed a pilot for Motor Vehicle Renewal Self Service Kiosks.
4. Selected as one of 10 participants in the Federal Aviation Administration's Unmanned Aircraft System (UAS) Integration Pilot Program.

5. Completed the first public mission of North Dakota's UAS Integration Pilot Program.
6. Held a transportation funding symposium in March, 2018.
7. Held a transportation expo in May, 2018 commemorating NDDOT's 100th anniversary.
8. Began the Vision Zero initiative that seeks to establish a culture of personal responsibility where motor vehicle fatalities and serious injuries are recognized as preventable and not tolerated.
9. Completed major construction projects including:
 - Lewis and Clark Bridge near Williston
 - Broadway Bridge in Minot
 - Reconstruction and widening on US Highway 281 from west of Fort Totten to south of Minnewaukan
 - Concrete pavement repair on I-29 northbound from north of Grand Forks to Oslo
 - Several road projects in Williston, Dickinson, Bismarck, Minot, Devils Lake, Valley City, Grand Forks and Fargo Districts.

Executive Budget Recommendation

- Provides \$771.0 million in federal and matching funds for roadway and bridge construction.
- Provides \$39.0 million for upgrades and maintenance of information technology applications.
- Removes 26.00 FTE positions.
- Transfers 41.00 FTE positions to ITD for IT unification.

REQUEST/RECOMMENDATION COMPARISON SUMMARY

801 Department of Transportation

Biennium: 2019-2021

Description	Expenditures Prev Biennium 2015-2017	Present Budget 2017-2019	2019-2021 Requested		Requested Budget 2019-2021	2019-2021 Recommended		Executive Recommendation 2019-2021
			Incr(Decr)	% Chg		Incr(Decr)	% Chg	
By Major Program								
Administration	38,784,783	41,269,390	347,610	0.8%	41,617,000	42,383,011	102.7%	83,652,401
Drivers and Vehicle Services	55,230,083	48,323,835	(3,535,901)	(7.3%)	44,787,934	1,017,271	2.1%	49,341,106
Highways	2,638,587,745	1,508,020,739	(389,564,658)	(25.8%)	1,118,456,081	(281,022,433)	(18.6%)	1,226,998,306
Fleet Services	62,764,580	72,696,379	(2,673,381)	(3.7%)	70,022,998	(1,616,986)	(2.2%)	71,079,393
Total Major Programs	2,795,367,191	1,670,310,343	(395,426,330)	(23.7%)	1,274,884,013	(239,239,137)	(14.3%)	1,431,071,206
By Line Item								
Salaries and Wages	196,825,430	201,765,341	(11,306,745)	(5.6%)	190,458,596	(2,259,821)	(1.1%)	199,505,520
Operating Expenses	195,730,115	229,267,671	(7,922,835)	(3.5%)	221,344,836	45,417,434	19.8%	274,685,105
Capital Assets	607,221,469	753,217,219	25,108,725	3.3%	778,325,944	107,808,725	14.3%	861,025,944
Capital Improvements-Carryover	23,853,330	12,537,147	(12,537,147)	(100.0%)	0	(12,537,147)	(100.0%)	0
Enhanced State Highway Investment	827,402,349	341,686,578	(341,686,578)	(100.0%)	0	(341,686,578)	(100.0%)	0
Grants	37,828,504	86,254,637	(1,500,000)	(1.7%)	84,754,637	9,600,000	11.1%	95,854,637
County & Township Road Program	226,648,255	10,661,144	(10,661,144)	(100.0%)	0	(10,661,144)	(100.0%)	0
Non-Oil Producing Counties	183,999,350	34,920,606	(34,920,606)	(100.0%)	0	(34,920,606)	(100.0%)	0
General Fund Transfer	489,038,389	0	0	0.0%	0	0	0.0%	0
General License Plate Issue	6,820,000	0	0	0.0%	0	0	0.0%	0
Total Line Items	2,795,367,191	1,670,310,343	(395,426,330)	(23.7%)	1,274,884,013	(239,239,137)	(14.3%)	1,431,071,206
By Funding Source								
General Fund	590,062,032	25,016,031	(25,016,031)	(100.0%)	0	(25,016,031)	(100.0%)	0
Federal Funds	548,928,654	673,484,369	63,684,364	9.5%	737,168,733	65,430,106	9.7%	738,914,475
Special Funds	1,656,376,505	971,809,943	(434,094,663)	(44.7%)	537,715,280	(279,653,212)	(28.8%)	692,156,731
Total Funding Source	2,795,367,191	1,670,310,343	(395,426,330)	(23.7%)	1,274,884,013	(239,239,137)	(14.3%)	1,431,071,206
Total FTE	1,080.50	1,047.00	(52.00)	(5.0%)	995.00	(67.00)	(6.4%)	980.00

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
101	Office of the Governor					
	Base Budget Request	18.00	3,872,370	0	0	3,872,370
	01 Boards & Commissions IT Project	0.00	139,808	0	0	139,808
	02 Increase Temp Staff Funding	0.00	30,000	0	0	30,000
	03 Increase Agency Operating	0.00	60,000	0	0	60,000
	Total	18.00	4,102,178	0	0	4,102,178
108	Secretary of State					
	Base Budget Request	31.00	5,227,859	0	2,509,425	7,737,284
	01 SOS Operational Increases	0.00	527,002	0	752,748	1,279,750
	02 Restore FTE	1.00	104,923	0	0	104,923
	03 Overtime and Temporary Salaries	0.00	0	0	330,048	330,048
	04 Voting System & Electronic Pollbook	0.00	9,000,000	3,000,000	0	12,000,000
	Total	32.00	14,859,784	3,000,000	3,592,221	21,452,005
110	Office of Management and Budget					
	Base Budget Request	112.00	27,616,489	0	8,490,674	36,107,163
	01 Operating Request - FMD	0.00	1,067,650	0	0	1,067,650
	02 Restore Maintenance Worker	0.00	114,188	0	0	114,188
	03 FTE Request	0.00	1,284,849	0	44,957	1,329,806
	04 Operating Request - Fiscal	0.00	483,360	0	0	483,360
	06 Extraordinary Repairs	0.00	1,400,000	0	0	1,400,000
	07 IT Risk Project	0.00	0	0	170,000	170,000
	08 Student Internship	0.00	250,000	0	0	250,000
	09 Central Services Study	0.00	50,000	0	0	50,000
	10 Special Assessments	0.00	1,000,000	0	0	1,000,000
	11 South Entrance Remodel	0.00	1,800,000	0	0	1,800,000
	12 Restore Pass through grants	0.00	346,405	0	0	346,405
	13 Optionals requested by Pass throughs	0.00	1,074,600	0	0	1,074,600
	14 Prairie Public One-time Projects	0.00	2,400,000	0	0	2,400,000
	Total	112.00	38,887,541	0	8,705,631	47,593,172
112	Information Technology					
	Base Budget Request	327.30	18,479,100	2,575,000	146,449,667	167,503,767
	01 K-12 Education Operations	1.00	2,076,340	0	511,363	2,587,703
	02 ITD Baseline Operations	11.00	0	0	11,875,416	11,875,416
	03 Cyber Security	37.00	21,024,640	0	0	21,024,640
	04 Service Management	0.00	0	0	2,000,000	2,000,000
	05 ND Gateway	0.00	6,000,000	0	0	6,000,000
	06 Automation/Orchestration	0.00	0	0	900,000	900,000
	07 Development platform - aPaaS	0.00	0	0	1,325,000	1,325,000
	08 Unified Data Platform	0.00	1,000,000	0	0	1,000,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
09 Customer Relationship Management	0.00	4,500,000	0	0	4,500,000
10 Legacy Lift	0.00	5,000,000	0	0	5,000,000
11 SIRN	0.00	122,000,000	0	38,000,000	160,000,000
12 GIS - Statewide Land Parcel	0.00	1,150,000	0	0	1,150,000
Total	376.30	181,230,080	2,575,000	201,061,446	384,866,526
117 Office of the State Auditor					
Base Budget Request	54.00	8,548,747	1,454,530	1,850,791	11,854,068
04 Restore General, Special, FTE Cuts	2.00	959,829	0	40,638	1,000,467
05 Multi-function Machine	0.00	12,000	0	0	12,000
06 University System Auditors (7)	7.00	1,308,306	0	0	1,308,306
07 Political Sub Auditors (3)	3.00	0	0	529,357	529,357
08 IT Security Reviews	0.00	450,000	0	0	450,000
Total	66.00	11,278,882	1,454,530	2,420,786	15,154,198
120 Office of the State Treasurer					
Base Budget Request	7.00	1,660,029	0	0	1,660,029
Total	7.00	1,660,029	0	0	1,660,029
125 Office of the Attorney General					
Base Budget Request	225.00	40,184,345	12,599,852	18,680,740	71,464,937
01 Restore criminal agents and intelligence analyst	6.00	992,989	115,114	0	1,108,103
02 Narcotics buy fund	0.00	100,000	0	0	100,000
03 Automated Fingerprint Identification System replacement	0.00	0	158,000	158,000	316,000
03 Lottery Narcotics task force increase	0.00	0	0	756,664	756,664
04 Undercover vehicle replacement	0.00	300,000	0	0	300,000
05 Fire Marshal administrative assistant	1.00	0	0	155,316	155,316
06 Criminal History Improvement project	0.00	0	0	400,000	400,000
07 Deputy Fire Marshal funding	0.00	0	0	227,173	227,173
08 CJIS - Common Statute Table	0.00	0	0	40,000	40,000
09 CJIS - Portal Improvement	0.00	0	0	50,000	50,000
10 CJIS - Broker Implementation	0.00	0	0	50,000	50,000
11 Funding source change	0.00	0	0	1,755,809	1,755,809
12 State Fleet charges	0.00	0	0	41,040	41,040
13 Office 365 due to ITD change	0.00	168,000	0	0	168,000
Total	232.00	41,745,334	12,872,966	22,314,742	76,933,042
127 Office of State Tax Commissioner					
Base Budget Request	127.00	48,564,068	125,000	0	48,689,068
01 Operating expenses rate and usage increases	0.00	45,606	0	0	45,606
02 Level 3 Gentax support	0.00	1,130,000	0	0	1,130,000
03 Reinvent package	0.00	2,681,057	0	0	2,681,057

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
04 Disabled Veteran Credit program increase	0.00	889,800	0	0	889,800
05 Homestead Tax Credit program increase	0.00	1,200,000	0	0	1,200,000
06 Litigation Contingency	0.00	1,200,000	0	0	1,200,000
Total	127.00	55,710,531	125,000	0	55,835,531
140 Office of Administrative Hearings					
Base Budget Request	5.00	0	0	2,772,702	2,772,702
Total	5.00	0	0	2,772,702	2,772,702
150 Legislative Assembly					
Base Budget Request	0.00	15,957,552	0	0	15,957,552
Total	0.00	15,957,552	0	0	15,957,552
160 Legislative Council					
Base Budget Request	36.00	12,513,175	0	70,000	12,583,175
Total	36.00	12,513,175	0	70,000	12,583,175
180 Judicial Branch					
Base Budget Request	363.00	105,205,714	1,605,248	482,700	107,293,662
Total	363.00	105,205,714	1,605,248	482,700	107,293,662
188 Commission on Legal Counsel for Indigents					
Base Budget Request	38.00	16,185,488	0	1,823,760	18,009,248
03 Restore Budget Reduction of General Fund	0.00	1,632,788	0	0	1,632,788
04 Restore 5% FTE count	2.00	165,600	0	0	165,600
05 Restore Budget reduction to Special Fund	0.00	0	0	95,987	95,987
06 Funding to bring salaries to equivalent positions	0.00	943,346	0	0	943,346
07 Funding to increase contractor hourly rate	0.00	1,200,000	0	0	1,200,000
Total	40.00	20,127,222	0	1,919,747	22,046,969
190 Retirement and Investment Office					
Base Budget Request	16.00	0	0	4,806,047	4,806,047
01 Reinstate Base Budget FTE Reduction	3.00	0	0	550,194	550,194
02 TFFR Pension Administration System Project	0.00	0	0	9,139,000	9,139,000
03 Additional Investment Position	1.00	0	0	309,446	309,446
Total	20.00	0	0	14,804,687	14,804,687
192 Public Employees Retirement System					
Base Budget Request	32.50	0	0	8,332,551	8,332,551
02 Restore Services	2.00	0	0	346,522	346,522
03 IT Risk Assessment	0.00	0	0	40,000	40,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
04 Upgrade Business System to MVVM	0.00	0	0	190,000	190,000
05 Mobile App	0.00	0	0	71,280	71,280
06 Restore Temporary Positions	0.00	0	0	182,853	182,853
07 Add Self Funded Staff	2.00	0	0	436,678	436,678
Total	36.50	0	0	9,599,884	9,599,884
201 Department of Public Instruction					
Base Budget Request	87.75	1,432,977,511	307,331,172	598,043,531	2,338,352,214
01 Computer Science - Cyber Security Science	0.00	6,000,000	0	0	6,000,000
02 Family Engagement Initiatives	0.00	500,000	0	0	500,000
03 Restore FTE	1.00	272,692	0	0	272,692
04 Restore operating funds	0.00	200,000	0	0	200,000
05 Foreign Language Standards	0.00	125,000	0	0	125,000
06 Reinventing Government - QRIS from DHS	0.00	150,000	0	0	150,000
07 Education Strategic Planning	0.00	200,000	0	0	200,000
08 Special Education Grants Increase	0.00	5,700,000	0	0	5,700,000
09 Federal Grant Line Increase	0.00	0	15,000,000	0	15,000,000
Total	88.75	1,446,125,203	322,331,172	598,043,531	2,366,499,906
215 ND University System					
Base Budget Request	148.90	101,113,048	0	25,395,128	126,508,176
01 Academic / CTE Scholarship Funding	0.00	2,939,803	0	0	2,939,803
02 Replace Student Loan Trust Fund Dollars	0.00	1,504,744	0	(1,504,744)	0
03 Envision 2030 Initiatives	0.00	15,500,000	0	0	15,500,000
04 SB2003 Task Force Initiatives	2.50	3,770,000	0	0	3,770,000
05 Systemwide Technology Initiatives	2.00	480,000	0	0	480,000
06 System Governance Initiatives	2.00	440,000	0	0	440,000
07 Financial Aid Systems - Development	0.00	500,000	0	0	500,000
07 Financial Aid Systems Licensing & Maintenance	0.00	100,000	0	0	100,000
08 MHEC Dues	0.00	230,000	0	0	230,000
09 Reduce Audit & Compliance Campus Assessments	0.00	300,000	0	(300,000)	0
10 Transfer TSLF Program to DPI	0.00	(2,103,393)	0	0	(2,103,393)
Total	155.40	124,774,202	0	23,590,384	148,364,586
226 Department of Trust Lands					
Base Budget Request	27.00	0	0	7,110,704	7,110,704
New FTE	2.00	0	0	415,492	415,492
Restore Operating Costs	0.00	0	0	40,300	40,300
01 Financial Management/Accounting System	0.00	0	0	175,000	175,000
02 Reclassify Investment Analysis	0.00	0	0	19,272	19,272
03 Mineral Estate Evaluation	0.00	0	0	350,000	350,000
Total	29.00	0	0	8,110,768	8,110,768

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
227 Bismarck State College					
Base Budget Request	323.93	31,104,984	0	69,414,177	100,519,161
01 Card Access System	0.00	500,000	0	0	500,000
02 Campus Academic, Technology, Infrastructure Needs	0.00	1,000,000	0	0	1,000,000
03 College and Career Development Coordinator	1.00	121,500	0	0	121,500
Total	324.93	32,726,484	0	69,414,177	102,140,661
228 Lake Region State College					
Base Budget Request	118.10	12,897,302	0	24,994,509	37,891,811
01 Campus Academic, Technology, Infrastructure Needs	0.00	1,000,000	0	0	1,000,000
02 College and Career Development Coordinator 1 FTE	0.00	121,500	0	0	121,500
Total	118.10	14,018,802	0	24,994,509	39,013,311
229 Williston State College					
Base Budget Request	100.48	9,901,737	0	23,605,810	33,507,547
01 Academic, Technology, Infrastructure Campus Needs	0.00	1,000,000	0	0	1,000,000
02 SB2003 Task Force Position	0.00	121,500	0	0	121,500
Total	100.48	11,023,237	0	23,605,810	34,629,047
230 University of North Dakota					
Base Budget Request	2,132.17	147,025,713	0	743,915,129	890,940,842
01 Systemwide Technology Initiatives - Digital Initiative	0.00	2,850,000	0	0	2,850,000
02 SB2003 Task Force - College & Career Development Coordin	1.00	121,500	0	0	121,500
03 Academic, Technology, Infrastructure Campus needs	0.00	1,000,000	0	0	1,000,000
04 Major Capital Projects	0.00	0	0	115,000,000	115,000,000
Total	2,133.17	150,997,213	0	858,915,129	1,009,912,342
232 UND Medical Center					
Base Budget Request	485.32	65,518,637	0	160,066,386	225,585,023
Total	485.32	65,518,637	0	160,066,386	225,585,023
235 North Dakota State University					
Base Budget Request	1,870.16	133,335,881	0	617,598,428	750,934,309
01 Major Capital Projects	0.00	51,350,000	0	79,800,000	131,150,000
02 Campus Academic, Technology, Infrastructure Needs	0.00	1,000,000	0	0	1,000,000
03 Digital initiative	0.00	2,850,000	0	0	2,850,000
04 College & Career Development Coordinator	0.00	121,500	0	0	121,500
Total	1,870.16	188,657,381	0	697,398,428	886,055,809

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
238 ND State College of Science					
Base Budget Request	310.73	36,525,241	0	59,934,249	96,459,490
01 Capital Project Request	0.00	6,708,000	0	30,000,000	36,708,000
02 Campus Infrastructure Needs	0.00	1,000,000	0	0	1,000,000
03 College and Career Development Coordinator	0.00	121,500	0	0	121,500
Total	310.73	44,354,741	0	89,934,249	134,288,990
239 Dickinson State University					
Base Budget Request	213.26	18,465,369	0	30,230,913	48,696,282
01 academic, technology, infrastructure needs	0.00	1,000,000	0	0	1,000,000
02 SB2003 task force career	0.00	121,500	0	0	121,500
Total	213.26	19,586,869	0	30,230,913	49,817,782
240 Mayville State University					
Base Budget Request	209.27	16,246,441	0	31,207,804	47,454,245
01 Academic, Technology, Infrastructure needs	0.00	1,000,000	0	0	1,000,000
02 Deferred Maint/Life Safety Projects	0.00	400,000	0	0	400,000
03 College & Career Development Coordinator	0.00	121,500	0	0	121,500
Total	209.27	17,767,941	0	31,207,804	48,975,745
241 Minot State University					
Base Budget Request	407.58	39,721,167	0	63,302,467	103,023,634
01 Major Capital Projects	0.00	1,820,335	0	0	1,820,335
02 Campus Academic Technology Infrastructure Needs	6.50	1,000,000	0	0	1,000,000
03 College and Career Development Coordinator	1.00	121,500	0	0	121,500
Total	415.08	42,663,002	0	63,302,467	105,965,469
242 Valley City State University					
Base Budget Request	180.68	21,009,824	0	25,938,619	46,948,443
01 Communication & Fine Arts Building	0.00	32,275,887	0	0	32,275,887
02 Life Safety Projects	0.00	2,529,323	0	0	2,529,323
03 Academic, Technology, and Infrastructure campus needs	0.00	1,000,000	0	0	1,000,000
04 Task Force - College & Career Development Coordinators	0.00	121,500	0	0	121,500
Total	180.68	56,936,534	0	25,938,619	82,875,153
243 Dakota College at Bottineau					
Base Budget Request	82.29	7,728,117	0	13,674,670	21,402,787
01 Major Capital Projects	0.00	1,615,250	0	0	1,615,250
02 Campus Academic Technology Infrastructure Needs	5.00	1,000,000	0	0	1,000,000
03 College and Career Development Coordinator	1.00	121,500	0	0	121,500
Total	88.29	10,464,867	0	13,674,670	24,139,537

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
244	ND Forest Service					
	Base Budget Request	27.00	4,609,258	0	10,726,768	15,336,026
	Total	27.00	4,609,258	0	10,726,768	15,336,026
250	State Library					
	Base Budget Request	26.75	5,337,386	2,126,833	87,259	7,551,478
	01 Accept federal grant	0.00	0	124,500	0	124,500
	02 Add professional position	1.00	181,278	0	0	181,278
	03 Increase state aid to 100%	0.00	222,000	0	0	222,000
	Total	27.75	5,740,664	2,251,333	87,259	8,079,256
252	School for Deaf/Res Ctr for Deaf and HoH					
	Base Budget Request	43.61	6,739,674	322,332	2,007,778	9,069,784
	Add Special Funding for DOT budgeted use rates	0.00	0	0	45,000	45,000
	Add special funding food supplies	0.00	0	0	10,000	10,000
	Add Special Funding for Cold Heating Season	0.00	0	0	30,000	30,000
	Add Special Funding for Information Technology Equip	0.00	0	0	15,000	15,000
	Add Special Funding for Speech and Audiology	0.00	0	0	20,000	20,000
	01 Replace Existing Kitchen Dish Washing Unit	0.00	0	0	20,000	20,000
	01 Add Special Funding for Existing Position	0.00	0	0	160,000	160,000
	02 Add Special Funds To Increase temporary Salaries	0.00	0	0	27,500	27,500
	05 Special Funding to continue Extraordinary Campus Repairs	0.00	0	0	250,000	250,000
	08 Request General Funding for Contract Teachers Scale	0.00	112,678	0	0	112,678
	Total	43.61	6,852,352	322,332	2,585,278	9,759,962
253	ND Vision Services/School for the Blind					
	Base Budget Request	27.50	4,174,439	0	1,025,285	5,199,724
	01 Repair Roof West Wing	0.00	0	0	39,000	39,000
	02 Glycol, Sprinkler Heads, Carpeting	0.00	0	0	18,500	18,500
	03 Garage Door Replacement	0.00	0	0	16,000	16,000
	04 Remodel Daily Living Skills Area	0.00	0	0	25,000	25,000
	05 Adaptive Technology Equipment	0.00	0	0	20,000	20,000
	06 Replace Gymnasium Floor	0.00	0	0	42,000	42,000
	07 Remodel South Wing Restrooms	0.00	0	0	120,000	120,000
	08 Teacher Increases Optional	0.00	119,203	0	0	119,203
	Total	27.50	4,293,642	0	1,305,785	5,599,427
270	Career and Technical Education					
	Base Budget Request	23.50	28,372,368	11,548,147	2,574,225	42,494,740
	02 Funding for New & Expanding Programs	0.00	700,000	0	0	700,000
		242				

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
04 Reinststate one-time funding for Marketplace	0.00	250,000	0	0	250,000
06 Maintain Current Funding	0.00	1,304,752	0	0	1,304,752
09 Increase Reimbursement Rates to Schools	0.00	5,500,000	0	0	5,500,000
Total	23.50	36,127,120	11,548,147	2,574,225	50,249,492
301 ND Department of Health					
Base Budget Request	201.00	41,399,120	100,849,204	10,681,719	152,930,043
01 Vital Records - Funded With Special Funds	0.00	0	0	1,923,322	1,923,322
02 Suicide Prevention Program	1.00	720,540	0	0	720,540
03 Microbiology Lab - Capital Improvements	0.00	1,220,000	0	0	1,220,000
04 Food and Lodging - Environmental Health Practitioner	1.00	185,922	0	0	185,922
05 Microbiology Lab - Informations System Upgrade	0.00	450,000	0	0	450,000
06 Emergency Medical Systems - Data Systems Implementation	0.00	126,000	0	0	126,000
07 Vital Records - Restore Funding from General Fund	0.00	1,542,106	0	0	1,542,106
08 Reinstating the Office of the Forensic Examiner	3.00	1,861,602	0	0	1,861,602
Total	206.00	47,505,290	100,849,204	12,605,041	160,959,535
303 Department of Environmental Quality					
Base Budget Request	145.00	9,323,977	27,386,869	10,912,544	47,623,390
01 Oil Field / Spill Response Restoration	4.50	733,673	0	0	733,673
02 Operator Expense Reimbursement Restoration	0.00	180,000	0	0	180,000
03 Volkswagen Settlement Funds - Special Fund Restoration	0.00	0	0	4,655,000	4,655,000
04 Petroleum Tank Compensation Fund	2.00	0	0	575,069	575,069
Total	151.50	10,237,650	27,386,869	16,142,613	53,767,132
313 Veterans Home					
Base Budget Request	114.72	5,356,295	0	16,780,414	22,136,709
01 Utilities	0.00	458,027	0	0	458,027
02 Pharmacy expenses	0.00	282,086	0	171,457	453,543
03 Food	0.00	0	0	300,000	300,000
04 Medical Supplies	0.00	50,000	0	0	50,000
05 Flooring	0.00	0	0	138,700	138,700
06 Utility Task Vehicle	0.00	0	0	24,500	24,500
07 Surveillance and Security Upgrades	0.00	0	0	52,500	52,500
08 Strategic Plan	0.00	25,000	0	0	25,000
09 Snowblower	0.00	0	0	5,800	5,800
10 Maintenance Building Roofing	0.00	0	0	25,000	25,000
Total	114.72	6,171,408	0	17,498,371	23,669,779

316 Indian Affairs Commission

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Request	4.00	1,056,505	0	0	1,056,505
01 Restore Funding for Tribal Engaement	0.00	35,000	0	0	35,000
Total	4.00	1,091,505	0	0	1,091,505
321 Department of Veterans Affairs					
Base Budget Request	7.00	1,079,734	1,074,309	0	2,154,043
01 Salary Funding	0.00	100,053	0	0	100,053
02 Loan and Grant Programs Position	1.00	151,794	0	0	151,794
03 Veterans Benefit Specialist Training	0.00	18,310	0	0	18,310
04 Veterans Benefits Specialist Position	1.00	127,753	0	0	127,753
05 CVSO and Tribal Outreach	0.00	38,400	0	0	38,400
06 CVSO and Tribal Training	0.00	27,088	0	0	27,088
07 Grant Database Functionality	0.00	15,000	0	0	15,000
07 Stand Downs	0.00	20,000	0	0	20,000
08 Service Dogs	0.00	50,000	0	0	50,000
09 Transport Vans - DAV	0.00	18,600	0	0	18,600
10 Veterans Organizations National Service Office	0.00	150,000	0	0	150,000
Total	9.00	1,796,732	1,074,309	0	2,871,041
325 Department of Human Services					
Base Budget Request	2,054.23	1,435,360,167	2,051,658,314	132,634,492	3,619,652,973
03 Expand Access to Community-Based Behavioral Health Suppo	3.00	2,833,361	4,256,428	0	7,089,789
04 Enable Access to Peer Support by Certifying Peer Support	1.00	275,000	0	0	275,000
05 Sustain Social Service Funding and Support 2206 Social S	0.00	0	0	182,300,000	182,300,000
06 Create Compensation Equity for DHS Staff Relative to Oth	0.00	9,911,559	2,502,720	0	12,414,279
07 Expand Crisis Services Capacity Accross Regions to Meet	27.00	5,775,000	0	0	5,775,000
08 Sustain Behavioral Health Prevention and Early Intervent	0.00	300,000	0	0	300,000
09 Sustain Health Service Research Institute Behavioral Hea	0.00	300,000	0	0	300,000
10 Add Residential Habilitation and Community Residence Ser	1.00	3,365,022	3,382,543	0	6,747,565
11 Increase Reimbursement for Providers through 2%/2% Provi	0.00	28,025,705	31,965,459	0	59,991,164
12 Redesign the Aging And Disability Rersource Llnk (ADRL)	5.00	831,936	292,794	0	1,124,730
13 Expand TANF Kinship Care Funding Coverage to Include Chi	0.00	2,935,800	0	0	2,935,800

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2019-2021**

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
14 Expand Access to Substance Use Disorder (SUD) Voucher Se	2.00	3,053,523	0	0	3,053,523
15 Expand CARES Team Capacity to Enhance LSTC Community Out	7.50	484,829	484,829	0	969,658
16 Restore Funding for Behavioral Health-Related FTE Positi	7.00	483,818	453,030	184,125	1,120,973
17 Expand Access to HCBS Through SPED by Amending Functiona	1.00	2,939,296	72,152	0	3,011,448
18 Restore Funding for Parents Lead Prevention Program	0.00	260,000	0	0	260,000
19 Replace Broken Coal Boiler with Natural Gas Boiler and B	0.00	1,931,000	0	0	1,931,000
20 Replace Child Welfare Information Technology IT Systems	0.00	12,000,000	13,000,000	0	25,000,000
21 Leverage the National Core Indicators to Measure Service	0.00	100,000	100,000	0	200,000
22 Enable LaGrave"s Residents to Access On-Site Mental Hea	0.00	550,000	0	0	550,000
23 Sustain transition assistance initiated through Money Fo	0.00	240,000	0	0	240,000
24 Expand Access to Behavioral Health Supports Through Medi	0.50	432,287	563,906	0	996,193
25 Upgrade Medicaid Management Information System (MMIS) Te	0.00	1,776,000	5,328,000	0	7,104,000
26 Expansion Capacity of Guardianship Services for Vulnerab	0.00	1,349,218	0	0	1,349,218
27 Expand Access to the Free Through Recovery Program	6.00	7,000,000	0	0	7,000,000
28 Replace One-Time Federal Revenue Adjust Due to MMIS Cert	0.00	8,021,771	0	0	8,021,771
29 Provide Financial Support Foster Care Relative Caregiver	0.00	600,000	0	0	600,000
30 Expand Access to HCBS through SPED by Lowering Client Co	0.00	624,051	0	0	624,051
31 Expand Access to Children"s Medically Fragile Waiver by	0.00	3,040,380	3,040,396	0	6,080,776
32 Expand Community Grants to Support Older Adults	0.00	1,080,000	0	0	1,080,000
33 Increase Reimbursement for Physical Therapy, Occupationa	0.00	1,507,876	1,770,535	0	3,278,411
34 Increase Medicaid Reimbursement to Providers of Behavior	0.00	655,264	655,264	0	1,310,528
35 Expand the SNAP Employment & Training Program (E&T)	0.00	1,364,700	4,280,700	0	5,645,400
36 Fund the Bahavioral Health Recovery Home Grant Program	0.00	200,000	0	0	200,000
37 Transfer State Hospital services to a new 80-Bed State C	0.00	36,253,730	0	0	36,253,730

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
38 Invest in Life Skills and Transitional Center (LSTC) Mai	0.00	2,161,595	0	0	2,161,595
39 Replace New Roof for GM Building at State Hospital	0.00	562,500	0	0	562,500
40 Create Consistency and Quality in Mental Health Technici	0.00	175,000	0	0	175,000
41 Evaluate Options for New Eligibility Tools for Developme	0.00	175,000	175,000	0	350,000
42 Extend SPACES Functionality to Include the Basic Care Ap	0.00	1,918,392	0	0	1,918,392
43 Restore Post Production Support Increase for SPACES	0.00	4,630,175	5,923,909	0	10,554,084
44 Extend SPACES Functionality to Include Disaster SNAP (DS	0.00	1,057,938	1,057,938	0	2,115,876
45 Demolish Refectory and Pleasant View Buildings at LSTC	0.00	915,570	0	0	915,570
46 Migrate Child Welfare Information Technology System (CCW	0.00	575,000	675,000	0	1,250,000
47 Evaluate Opportunities to Utilize MCI/MDM to Improve Pro	0.00	664,320	0	0	664,320
48 Evaluate Opportunities to Migrate Application off the Ma	0.00	1,223,040	0	0	1,223,040
Total	2,115.23	1,589,919,823	2,131,638,917	315,118,617	4,036,677,357
360 Protection and Advocacy					
Base Budget Request	26.50	2,811,049	3,692,008	0	6,503,057
01 Restore FTE	1.00	147,950	0	0	147,950
02 Retirement Payouts	0.00	64,550	68,000	0	132,550
03 Olmstead Commission	1.00	164,314	74,615	0	238,929
Total	28.50	3,187,863	3,834,623	0	7,022,486
380 Job Service North Dakota					
Base Budget Request	172.61	423,503	62,645,116	886,492	63,955,111
Total	172.61	423,503	62,645,116	886,492	63,955,111
401 Office of the Insurance Commissioner					
Base Budget Request	41.00	0	177,500	22,656,060	22,833,560
01 NDFA and fire district approp to 100%	0.00	0	0	4,192,323	4,192,323
02 Moving North office to Capitol	0.00	0	0	(55,740)	(55,740)
Total	41.00	0	177,500	26,792,643	26,970,143
405 Industrial Commission					
Base Budget Request	96.25	22,868,089	238,004	12,308,748	35,414,841
01 Restore 3% Reduction	2.00	762,271	0	0	762,271
02 Inflation/Restoration	12.00	2,456,538	0	50,000	2,506,538
03 RBDMS Upgrade	0.00	4,000,000	0	0	4,000,000
04 Computer Replacements	0.00	70,400	0	0	70,400

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
05 Impact of DOT Hands-Free Policy	2.00	437,577	0	0	437,577
06 Rare Earth Project	0.00	160,000	0	0	160,000
07 Proppant Sand Project	0.00	110,000	0	0	110,000
08 Litigation Expenses	0.00	1,500,000	0	0	1,500,000
Total	112.25	32,364,875	238,004	12,358,748	44,961,627
406 Department of Labor and Human Rights					
Base Budget Request	14.00	2,188,787	480,681	0	2,669,468
Remove HUD Funds	0.00	240,554	(240,554)	0	0
01 Paperless System	0.00	69,659	0	0	69,659
02 Retirement	0.00	25,000	0	0	25,000
Total	14.00	2,524,000	240,127	0	2,764,127
408 Public Service Commission					
Base Budget Request	43.00	5,967,686	10,235,564	1,510,185	17,713,435
01 Restore Grain Licensing & Weights and Measures	2.00	603,585	0	0	603,585
02 Restore Operating	0.00	33,000	8,300	4,700	46,000
03 Temporary Salaries	0.00	55,000	0	0	55,000
04 Optional Capital Assets	0.00	15,000	0	0	15,000
05 Accounting/Budget Specialist	0.00	170,493	0	0	170,493
06 Natural Gas Pipeline Inspector	0.00	165,301	165,303	0	330,604
07 Specialized Legal Services	0.00	100,000	336,000	0	436,000
Total	45.00	7,110,065	10,745,167	1,514,885	19,370,117
412 Aeronautics Commission					
Base Budget Request	7.00	855,000	935,000	7,822,488	9,612,488
04 Restoration for airport grants	0.00	4,145,000	0	0	4,145,000
07 Energy Impact grants	0.00	22,000,000	0	0	22,000,000
Total	7.00	27,000,000	935,000	7,822,488	35,757,488
413 Department of Financial Institutions					
Base Budget Request	29.00	0	0	7,568,921	7,568,921
01 Main Street Initiative FTE (Credit Union)	1.00	0	0	334,184	334,184
02 Main Street Initiative - Operating	0.00	0	0	277,000	277,000
03 Cybersecurity/Money Transmitter Examiner New FTE	1.00	0	0	326,618	326,618
04 Reinventing Government	0.00	0	0	451,305	451,305
Total	31.00	0	0	8,958,028	8,958,028
414 Securities Department					
Base Budget Request	9.00	2,075,478	0	161,500	2,236,978
01 Financial Technology Research & Investigations Division	2.00	450,674	0	0	450,674
03 Restore 5% Reduction Request by the Governor	0.00	109,236	0	8,500	117,736

OPTIONAL ADJUSTMENT REQUESTS

OPTIONAL ADJUSTMENT PACKAGE

Biennium: 2019-2021

Priority	Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
	05 Change agency appropriation from general funded to speci	9.00	(494,369)	0	2,407,036	1,912,667
	Total	20.00	2,141,019	0	2,577,036	4,718,055
471	Bank of North Dakota					
	Base Budget Request	172.50	0	0	53,369,236	53,369,236
	01 Change in Operating Expense - Optional Package	9.00	0	0	8,350,727	8,350,727
	02 Purchase or Replacement of IT Equipment - Optional Packa	0.00	0	0	700,000	700,000
	Total	181.50	0	0	62,419,963	62,419,963
473	ND Housing Finance Agency					
	Base Budget Request	42.00	0	32,896,600	11,959,697	44,856,297
	Mortgage Activity	2.00	0	0	2,113,081	2,113,081
	Total	44.00	0	32,896,600	14,072,778	46,969,378
475	ND Mill and Elevator Association					
	Base Budget Request	146.00	0	0	61,392,167	61,392,167
	01 restore budget	7.00	0	0	12,837,865	12,837,865
	02 Increase FTE"s	4.00	0	0	570,165	570,165
	03 inflationary increases and business growth	0.00	0	0	1,642,000	1,642,000
	Total	157.00	0	0	76,442,197	76,442,197
485	Workforce Safety and Insurance					
	Base Budget Request	247.14	0	0	57,125,755	57,125,755
	01 Reinstate 5% FTE Reduction	13.00	0	0	2,193,256	2,193,256
	02 CAPS System Replacement Project	0.00	0	0	7,010,000	7,010,000
	03 MyWSI Enhancement Project - Extranet	0.00	0	0	850,000	850,000
	04 Contingency Funding for Increased Workload	0.00	0	0	1,465,488	1,465,488
	Total	260.14	0	0	68,644,499	68,644,499
504	Highway Patrol					
	Base Budget Request	181.00	38,274,685	6,447,002	7,453,863	52,175,550
	01 Restore 18 sworn FTEs	18.00	3,787,217	0	616,398	4,403,615
	02 Bldg lease rate increases	0.00	26,000	0	4,000	30,000
	03 Mileage rate increase	0.00	313,000	0	51,000	364,000
	04 Projected salary step increases	0.00	328,520	0	53,480	382,000
	05 Body Armor	0.00	86,000	0	14,000	100,000
	06 Taser Replacement Cartridges	0.00	28,000	0	4,000	32,000
	07 AED Pad Replacements	0.00	12,000	0	2,000	14,000
	08 Smartphones for Troopers	0.00	67,000	0	11,000	78,000
	09 Aircraft Engine Overhaul	0.00	110,000	0	0	110,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
10 ID card funding	0.00	10,000	0	2,000	12,000
11 Construction - Addition to indoor range	0.00	1,220,000	0	0	1,220,000
12 Operating Costs for addition to indoor range	0.00	60,000	0	10,000	70,000
Total	199.00	44,322,422	6,447,002	8,221,741	58,991,165
530 Department of Corrections and Rehabilitation					
Base Budget Request	803.29	193,250,209	16,464,477	23,723,592	233,438,278
01 DOCR Core Functions	42.00	15,308,226	0	0	15,308,226
02 Convert Temporary Positions to FTE Status	40.00	5,031,551	248,551	0	5,280,102
03 Targeted Salary Equity	0.00	1,286,102	0	0	1,286,102
04 Teacher Salary Composite Schedule	0.00	1,357,790	0	0	1,357,790
05 Day Treatment Expansion	0.00	437,500	0	0	437,500
06 MRCC Female Facility	8.60	(6,299,552)	0	0	(6,299,552)
07 MRCC Female Facility - Renovations	0.00	1,500,000	0	0	1,500,000
08 JRCC Male Minimum Facility	36.20	11,169,114	0	0	11,169,114
09 RRI - JRCC Industries Building	0.00	0	0	1,140,000	1,140,000
10 JRCC Nurse"s Bldg	27.50	5,031,223	0	0	5,031,223
11 NDSH TRCC Beds	0.00	3,873,750	0	0	3,873,750
12 ORACLE Upgrade	0.00	165,000	0	0	165,000
13 Pre-Trial Services	17.00	1,656,424	0	0	1,656,424
14 YCC Comprehensive Campus Study	0.00	250,000	0	0	250,000
15 JRCC / NDSH Comprehensive Campus Study	0.00	500,000	0	0	500,000
16 DOCR Electronics Tech	1.00	213,992	0	0	213,992
17 Community Resource Manager	2.00	345,470	0	0	345,470
18 Effective Practices in Community Supervision (EPICS)	0.00	217,525	0	0	217,525
19 Inmate Tracking and Management System	0.00	160,000	0	0	160,000
20 NDSP Case Managers	3.00	542,208	0	0	542,208
21 Portable Property X-Ray JRCC	0.00	22,000	0	0	22,000
22 B-Scan Body Detection and Mail Screening Device	0.00	230,000	0	0	230,000
23 Medication Assisted Therapy (MAT)	0.00	1,584,015	0	0	1,584,015
24 Institutional Security Positions	53.00	6,916,700	0	0	6,916,700
25 Contract Payment and Procurement Management System	0.00	100,000	0	0	100,000
26 Intake / Legal / Movement Application	0.00	240,000	0	0	240,000
27 DOCR Extraordinary Repairs - Optional	0.00	141,000	0	0	141,000
28 Eliminate Supervision Fees	0.00	2,030,889	0	(2,030,889)	0
29 Drug Court Expansion	3.00	652,687	0	0	652,687
30 NDSP Redundant Fence Protection	0.00	160,000	0	0	160,000
31 DWCR Optional Request	0.00	1,601,551	0	0	1,601,551
32 MRCC Multi-Purpose Building	0.00	1,420,000	0	0	1,420,000
Total	1,036.59	251,095,374	16,713,028	22,832,703	290,641,105

540 Office of the Adjutant General

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Request	223.00	23,297,780	104,314,409	8,381,857	135,994,046
01 Tuition Increases NG Priority #1	0.00	1,170,000	0	0	1,170,000
02 Camp Grafton South Expansion Project NG Priority #2	0.00	30,000,000	0	0	30,000,000
03 Camp Grafton Expansion Project Manager NG Priority #3	0.00	221,598	0	0	221,598
05 Fargo Readiness Center Equip/Ops/3 FTE NG Priority #5	3.00	131,028	131,029	0	262,057
12 Maintenance & Repair - NG Operations NG Priority #6	0.00	900,000	0	0	900,000
15 ANG Operational Increase NG Priority #7	0.00	175,000	0	0	175,000
16 ARNG Operation Increase NG Priority #8	0.00	300,000	0	0	300,000
17 State Radio Operational Increases DES Priority #1	0.00	1,212,253	0	0	1,212,253
18 Computer Aided Dispatch Upgrade DES Priority #2	0.00	450,000	0	0	450,000
18 Fund and Restore HR Counselor NG Priority #4	1.00	179,105	0	0	179,105
19 Fund and Restore Reg Coordinator DES Priority #3	1.00	169,838	0	0	169,838
20 Intergraph XML Change DMP 2020 DES Priority #4	0.00	95,000	0	0	95,000
21 UPS Battery Replacements DES Priority #5	0.00	20,000	0	0	20,000
22 Message Switch Hardware Upgrade DES Priority #6	0.00	240,000	0	0	240,000
23 CAD PC and Monitor Replacement DES Priority #7	0.00	66,000	0	0	66,000
Total	228.00	58,627,602	104,445,438	8,381,857	171,454,897

601 Department of Commerce

Base Budget Request	61.80	27,308,411	44,012,699	10,643,127	81,964,237
01 Beyond Visual Line of Sight (BVLOS)	0.00	15,000,000	0	0	15,000,000
01 State Marketing Initiatives	0.00	10,000,000	0	0	10,000,000
01 UAS & Enhanced Use Lease	0.00	6,000,000	0	0	6,000,000
02 Census	0.00	200,000	0	0	200,000
03 Restore Pre-K Community Grants	0.00	1,348,716	0	0	1,348,716
04 Innovate ND	0.00	4,000,000	0	0	4,000,000
05 Toursim Marketing	0.00	5,000,000	0	0	5,000,000
06 Research ND	0.00	6,000,000	0	0	6,000,000
07 Autonomous Farm Accelerator	0.00	5,000,000	0	0	5,000,000
08 Trade Office	0.00	400,000	0	0	400,000
09 Individual Development Accounts (IDA)	0.00	100,000	0	0	100,000
10 Base Retention	0.00	600,000	0	0	600,000
Total	61.80	80,957,127	44,012,699	10,643,127	135,612,953

602 Department of Agriculture

Base Budget Request	70.00	8,198,191	11,728,283	8,098,506	28,024,980
01 Funding for Employee Compensation Package	0.00	309,052	116,740	138,173	563,965
02 Funding for USDA Wildlife Services	0.00	67,810	0	0	67,810
03 Funding for Grape and Wine Grants	0.00	80,000	0	0	80,000
04 Funding for Apiary Grants	0.00	75,000	0	0	75,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
05 Request for FTE and Funding for Pride of Dakota Marketin	1.00	159,097	0	0	159,097
06 Request for FTE and Funding for Meat Inspector	1.00	81,001	74,773	0	155,774
07 Funding for Johnes Disease Control Program	0.00	68,000	0	0	68,000
08 Funding for Information Technology Master Customer Datab	0.00	110,000	0	0	110,000
09 Funding for Noxious Weed Control Grants	0.00	0	0	298,582	298,582
10 Funding for ND Mediation Service	0.00	112,445	144,330	74,671	331,446
Total	72.00	9,260,596	12,064,126	8,609,932	29,934,654
627 Upper Great Plains Transportation Institute					
Base Budget Request	43.88	3,271,015	12,478,218	5,524,965	21,274,198
Main Street Initiative	0.00	1,475,000	0	0	1,475,000
Restoration of 3 Pct Base Reduction	0.00	103,295	0	0	103,295
Restoration of 5/10 Pct Base Reduction	0.00	172,159	0	613,885	786,044
Total	43.88	5,021,469	12,478,218	6,138,850	23,638,537
628 Branch Research Centers					
Base Budget Request	109.81	15,431,606	0	18,253,521	33,685,127
Restoration of 10 Pct Budget Reduction	0.00	1,700,560	0	2,028,170	3,728,730
Restoration of 3 Pct Budget Reduction	0.00	510,168	0	0	510,168
SBARE Initiatives	0.00	480,000	0	0	480,000
Total	109.81	18,122,334	0	20,281,691	38,404,025
630 NDSU Extension Service					
Base Budget Request	242.51	23,069,988	6,934,593	17,047,427	47,052,008
Restore 10% base budget reduction	0.00	2,563,332	0	2,664,669	5,228,001
Restore 3% optional budget reduction	0.00	769,000	0	0	769,000
SBARE Extension Operating	0.00	870,000	0	0	870,000
SBARE One-time Operating	0.00	345,000	0	0	345,000
Total	242.51	27,617,320	6,934,593	19,712,096	54,264,009
638 Northern Crops Institute					
Base Budget Request	12.80	1,792,546	0	1,668,039	3,460,585
Optional Restoration of Cuts	0.00	150,952	0	87,791	238,743
Total	12.80	1,943,498	0	1,755,830	3,699,328
640 NDSU Main Research Center					
Base Budget Request	340.05	44,536,582	8,419,260	44,668,170	97,624,012
Major Capital Projects	0.00	74,150,000	0	0	74,150,000
Restoration of 3 Pct Base Reduction	0.00	1,486,722	0	0	1,486,722
Restoration of 5/10 Pct Base Reduction	0.00	4,955,742	0	0	4,955,742

OPTIONAL ADJUSTMENT REQUESTS

OPTIONAL ADJUSTMENT PACKAGE

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
SBARE Initiatives	4.00	2,170,000	0	0	2,170,000
SBARE One-time	0.00	1,440,465	0	0	1,440,465
Total	344.05	128,739,511	8,419,260	44,668,170	181,826,941
649 Agronomy Seed Farm					
Base Budget Request	3.00	0	0	1,459,323	1,459,323
01 Optional restoration of funding	0.00	0	0	76,806	76,806
Total	3.00	0	0	1,536,129	1,536,129
665 ND State Fair					
Base Budget Request	0.00	489,882	0	0	489,882
01 Restore funding for premiums as part of Main Street Init	0.00	95,588	0	0	95,588
Total	0.00	585,470	0	0	585,470
670 ND Horse Racing Commission					
Base Budget Request	2.00	360,640	0	154,429	515,069
01 Tribal Engagement	0.00	13,555	0	0	13,555
02 Main Street Initiative	0.00	5,426	0	8,128	13,554
Total	2.00	379,621	0	162,557	542,178
701 Historical Society					
Base Budget Request	72.00	14,650,833	3,141,645	0	17,792,478
01 Historic Site Repairs and Maintenance - One Time	0.00	1,050,000	0	0	1,050,000
01 Restore 10% Base Budget and 3% Optional Cuts	4.00	1,950,931	0	0	1,950,931
02 Exhibits and Collections Care - One Time	0.00	372,000	0	0	372,000
03 Heritage Center Auditorium Seating - One Time	0.00	128,000	0	32,000	160,000
04 Cultural Heritage Grants	0.00	500,000	0	0	500,000
Total	76.00	18,651,764	3,141,645	32,000	21,825,409
709 Council on the Arts					
Base Budget Request	5.00	1,486,632	1,675,407	63,515	3,225,554
01 Restore PD & SP Grant Funds Cut to meet 5% and 3% Limit	0.00	94,000	0	0	94,000
02 Administrative Assistant FTE	1.00	122,325	0	0	122,325
03 Transfer Poetry Out Loud Funds for PT Temp Work	0.00	0	0	0	0
Total	6.00	1,702,957	1,675,407	63,515	3,441,879
720 Game and Fish Department					
Base Budget Request	155.00	0	34,402,019	40,504,528	74,906,547
01 Restore FTE's and Related Operating	8.00	0	281,781	1,133,287	1,415,068
02 Restore some 10% Reduction	0.00	0	3,457,750	1,988,470	5,446,220

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE**

Biennium: 2019-2021

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
03 Funding Source Change	0.00	0	(1,974,400)	1,974,400	0
04 Main Street Initiative	0.00	0	500,000	300,000	800,000
05 Request Base Budget Reduction Back	0.00	0	0	224,043	224,043
Total	163.00	0	36,667,150	46,124,728	82,791,878
750 Parks and Recreation Department					
Base Budget Request	59.50	13,182,081	7,314,699	11,046,418	31,543,198
01 Restore FTE and Salaries	3.00	366,672	0	276,596	643,268
02 Restore Special Funds Operating	0.00	0	0	100,819	100,819
03 Restore LCIC Operating Funds	0.00	88,867	0	0	88,867
04 Restore Base Extraordinary Repairs	0.00	947,794	0	194,126	1,141,920
05 Restore Base Equipment	0.00	0	0	440,000	440,000
06 Optional Extraordinary Repairs	0.00	4,513,200	0	0	4,513,200
07 Add Capital Projects	0.00	1,680,000	0	75,000	1,755,000
08 Equipment Over \$5,000	0.00	765,500	0	0	765,500
10 State Park Visitor Customer Survey	0.00	150,000	0	0	150,000
11 Recreation Opportunity Mapping	0.00	75,000	0	0	75,000
12 Continuous Improvement Program	0.00	25,000	0	0	25,000
13 Traffic Counters	0.00	75,000	0	0	75,000
14 Restore Peace Garden Funds	0.00	87,633	0	0	87,633
15 Little Missouri River Commission	0.00	5,000	0	0	5,000
Total	62.50	21,961,747	7,314,699	12,132,959	41,409,405
770 Water Commission					
Base Budget Request	89.00	0	38,901,053	652,978,248	691,879,301
01 Optional Grant Authority	0.00	0	0	170,000,000	170,000,000
Total	89.00	0	38,901,053	822,978,248	861,879,301
801 Department of Transportation					
Base Budget Request	995.00	0	737,168,733	537,715,280	1,274,884,013
01 Restore Match on Federal Funds	0.00	0	0	26,550,000	26,550,000
02 Restore 5% FTE Reduction - Run - 36 FTE	36.00	0	0	7,000,000	7,000,000
03 Restore 5% FTE Reduction - Grow and Transform - 16 FTE	16.00	0	0	3,000,000	3,000,000
04 Motor Vehicle Call Center and Title Quality Review Servi	0.00	0	0	1,300,000	1,300,000
05 Drivers License Rewrite - \$22,500,000	0.00	0	0	22,500,000	22,500,000
06 Drivers License Facilities	0.00	0	0	1,300,000	1,300,000
07 Snow and Ice Control	0.00	0	0	750,000	750,000
08 TDEA Replacement - \$1,525,838	0.00	0	0	1,525,838	1,525,838
09 State Funded Contractor Payments	0.00	0	0	12,500,000	12,500,000
10 Performance Based Pay Increases - 3.5% each year	0.00	0	1,134,729	7,002,839	8,137,568
11 Buildings	0.00	0	0	3,000,000	3,000,000

OPTIONAL ADJUSTMENT REQUESTS**OPTIONAL ADJUSTMENT PACKAGE****Biennium: 2019-2021**

Priority Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
12 Regional Pay Differential	0.00	0	0	760,000	760,000
13 Additional State Match	0.00	0	0	7,400,000	7,400,000
14 Rail Loan Program	0.00	688,677	0	10,411,323	11,100,000
15 Increase in Local Match	0.00	7,200,000	0	0	7,200,000
16 Contract Patch	0.00	2,400,000	0	0	2,400,000
17 AVL - \$2,650,709	0.00	2,650,709	0	0	2,650,709
18 RIMS - \$9,100,000	0.00	9,100,000	0	0	9,100,000
19 Rest Areas	0.00	22,537,696	0	0	22,537,696
20 Snow and Ice Control - Maintenance Section Optimization	0.00	1,100,000	0	0	1,100,000
21 Two New Rest Areas - \$8,000,000	0.00	8,000,000	0	0	8,000,000
22 Transformation Innovation	0.00	6,000,000	0	0	6,000,000
23 MMS - \$3,850,000	0.00	3,850,000	0	0	3,850,000
Total	1,047.00	63,527,082	738,303,462	642,715,280	1,444,545,824
Total All Agencies	15,856.17	5,250,505,798	3,768,264,944	5,324,297,517	14,343,068,259

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
108 Secretary of State			
HHS-HAVA	83,521	0	0
Title II Fed Election Funds	319,134	0	0
Title II HAVA Fund - Received 7/2018	0	0	3,000,000
Total	402,655	0	3,000,000
112 Information Technology			
FirstNet	1,600,000	1,500,000	1,503,179
FirstNet 2	200,000	0	0
GIS Grant	75,000	75,000	75,000
HIE Grant	500,000	500,000	500,000
RUS Grant	500,000	500,000	0
Total	2,875,000	2,575,000	2,078,179
117 Office of the State Auditor			
Royalty Audit Program	1,463,285	1,454,530	1,540,422
Total	1,463,285	1,454,530	1,540,422
125 Office of the Attorney General			
2006 Project Safe Neighborhood	218,362	509,594	509,594
Automated Fingerprint ID System-Ge	6,700	6,700	6,700
Cops Rural Meth Initiative 06	0	1,560,980	1,560,981
Coverdell	0	193,808	193,808
Crime Lab Forensic Casework DNA	1,409,668	878,968	878,968
DNA Enhanced Capacity	30,000	30,000	30,000
DOT HW Safety Grant	30,000	566,437	566,437
DOT Hwy. Safety Plan	7,000	7,000	7,000
Federal Fund Budget	0	0	1,210,360
Human Trafficking-Fed	231,602	433,532	444,529
Internet Crimes Against Children 20	1,257,330	1,429,602	1,429,602
JAG Grant	2,338,895	1,321,773	1,321,774
Justice Assistance Grant	394,893	394,893	394,893
Justice Assistance Grants	0	286,901	286,901
Midwest HIDTA 2010	1,125,901	877,282	996,506
NARIP - National Instant Check Syst	123,358	123,358	123,358
North Dakota Criminal History Impro	0	488,328	646,328
Paul Coverdell Grant	121,000	121,000	121,000
SEARCH	550,000	550,000	550,000
SMART (Sex Offenses)	5,000	370,000	370,000
SMART Grant	1,993,854	1,814,854	1,814,854
SORNA	9,494	9,494	9,494

**SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021**

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
SORNA	55,550	55,550	55,550
State Domestic Preparedness Grant	412,234	469,697	469,698
Statistical Analysis Center	100,101	100,101	100,101
Total	10,420,942	12,599,852	14,098,436
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	1,313,141	1,200,933	1,269,668
Crt. Improvement Basic	8,342	148,368	148,368
Crt. Improvement Data Share	7,980	132,081	132,081
Crt. Improvement Training	9,675	123,866	123,866
Total	1,339,138	1,605,248	1,673,983
201 Department of Public Instruction			
21st Century/After School Learning	26,667	26,667	26,667
Adult Education	0	46,171	49,792
Child Nutr/Distrib-Cnp Team Nutr	173,371	130,371	130,371
Enhanced Assessment Grant	29,158	29,158	29,158
Federal Fund Budget	0	0	47,145
HHS Federal	325,414	109,414	109,414
HHS9 Federal	58,201	2,608	2,608
Homeless Children	1,333	1,333	1,333
IDEA B	918,344	914,988	914,988
Improving Teacher Quality	114,044	114,044	114,044
Incentive Award Grans	199,596	186,654	186,654
Indirect Cost Pool	3,861,885	5,339,673	5,520,123
Indiv w/Disabil Educ Act/Preschool	200,827	200,827	200,827
Katrina Impact Aid	165,000	128,000	128,000
SAE School Food And Nutrition	676,977	2,468,894	2,600,004
School Equipment Grant	110,893,798	108,015,205	108,015,205
Special Education Grant	184,165,517	185,485,988	200,953,838
Statewide Longitudinal Data System	2,603,000	2,603,000	2,603,000
Striving Readers	0	49,647	52,986
TEFAP-Supplemental	24,000	23,000	23,000
Title I Grants To Lea'S	3,180	3,180	3,180
Title I Migrant Education	39,959	25,385	25,385
Title I State Administration	315,473	315,473	315,473
Title II/No Child Left/Math & Scien	422,401	418,401	418,401

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
Title VI-Rural & Low-Income Schools	6,900	900	900
Title VI/State Assessmnts/Related A	1,081,925	692,191	692,191
Total	306,306,970	307,331,172	323,164,687
215 ND University System			
Title II	1,006,472	0	0
Total	1,006,472	0	0
250 State Library			
Libraries LSTA	133,946	133,946	133,946
Public Libraries	2,021,762	1,825,827	1,983,202
Public Library Services	0	167,060	167,062
Total	2,155,708	2,126,833	2,284,210
252 School for Deaf/Res Ctr for Deaf and HoH			
Deaf/Blind IDEA-B	175,373	75,186	75,186
Deaf/Blind Services Project	152,000	171,996	12,000
IDEA-B	0	50,530	53,706
School Breakfast	12,620	12,620	12,620
School Lunch	12,000	12,000	12,000
Total	351,993	322,332	165,512
270 Career and Technical Education			
Carl Perkins Funds	9,236,692	11,273,147	11,273,148
Federal Fund Budget	0	0	500,000
Mine Safety	275,000	275,000	275,000
Total	9,511,692	11,548,147	12,048,148
301 ND Department of Health			
Administrative Services Federal Fun	5,060,390	4,747,557	4,928,126
Community Health Federal Funds	54,186,148	59,297,933	59,218,075
Emergency Prep & Response Fed Fd	11,706,973	12,190,738	12,316,566
Federal Fund Budget	0	0	1,014,177
Health Resources Federal Funds	5,775,878	5,576,674	5,644,993
Medical Services Federal Funds	15,751,929	19,036,302	19,067,111
Total	92,481,318	100,849,204	102,189,048
303 Department of Environmental Quality			
Environmental Health Federal Funds	26,650,771	27,386,869	28,244,491
Total	26,650,771	27,386,869	28,244,491

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
321 Department of Veterans Affairs			
Rural Transportation Grant	1,819,573	800,000	800,000
State Approving Agency	271,998	274,309	288,124
Total	2,091,571	1,074,309	1,088,124
325 Department of Human Services			
Aging Services	14,869,871	14,008,476	14,254,728
Behavioral Health	41,201,641	45,834,677	46,700,122
Child Welfare	44,349,547	51,010,795	51,667,425
Disability Services	40,158,752	41,487,440	42,253,236
Economic Assistance	318,272,164	301,117,977	305,951,252
Federal Fund Budget	0	0	4,429,634
Medicaid	134,499	0	7,728,751
Medical Assistance	1,812,068,574	1,598,198,949	1,597,869,251
Mental Health And Substance Abuse	36,500	0	0
Total	2,271,091,548	2,051,658,314	2,070,854,399
360 Protection and Advocacy			
Assistive Technology	136,350	140,457	151,308
Client Assistance	255,832	248,654	269,850
DD Council Grant	0	(40,000)	(40,000)
DD Program	859,760	903,694	1,009,472
HAVA Program	215,035	364,593	376,052
MI Program	925,000	941,243	1,048,268
Medicaid Title 19	196,624	204,546	220,832
PABSS Program	275,000	242,879	263,235
PAIR Program	390,000	392,701	426,318
Rep Payee Program	55,000	115,341	123,907
Supported Decision Making	40,000	40,000	40,000
TBI Program	140,000	137,900	147,034
Total	3,488,601	3,692,008	4,036,276
380 Job Service North Dakota			
Department of Human Services Funds	1,973,017	2,059,176	2,184,951
Labor Statistics	1,575,165	1,684,667	1,771,239
Other Federal Grants	773,027	584,903	606,252
Reed Act Distribution	11,209,557	11,086,966	11,086,966
Trade Assistance	467,640	1,087,649	1,099,615
Unemployment Insurance	17,086,423	25,155,477	27,013,698
Veterans Programs	1,243,767	1,111,484	1,164,597

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
Wagner-Peyser	8,483,759	9,123,141	9,597,887
Workforce Investment Act	11,039,563	10,751,653	10,980,981
Total	53,851,918	62,645,116	65,506,186
401 Office of the Insurance Commissioner			
State Health Insurance Counseling	619,326	177,500	177,500
Total	619,326	177,500	177,500
405 Industrial Commission			
NCRDS-Coal	8,000	0	0
PSC Coal	20,000	20,010	20,010
Statemap	0	7,990	7,990
UIC Oil & Gas	210,004	210,004	210,004
Total	238,004	238,004	238,004
406 Department of Labor and Human Rights			
EEOC 17-19	198,672	240,127	240,130
HUD 17-19	241,244	240,554	(3)
Total	439,916	480,681	240,127
408 Public Service Commission			
AML Admin Grant	1,384,161	938,979	974,155
AML Construction	0	158,752	158,752
AML Construction Grant	6,529,720	6,053,148	6,053,148
AML Construction Grant	32,128	571,041	600,467
Gas Safety Grant	295,238	306,918	498,536
Indirect Cost Recovery	1,081,101	727,308	775,988
One Call	39,000	20,000	20,000
Reclamation Grant	1,370,000	1,459,418	1,885,979
Total	10,731,348	10,235,564	10,967,025
412 Aeronautics Commission			
5010 Inspection Program	30,000	0	0
Aviation Economic Impact Study	0	(91,350)	(91,350)
Aviation Economic Impact Study	270,000	270,000	270,000
International Peach Garden Apt 03	180,000	180,000	180,000
Master Plan Study Update-SG	0	31,350	31,350
Pavement Condition Study - 2015	545,000	545,000	545,000
Total	1,025,000	935,000	935,000

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
473 ND Housing Finance Agency			
Housing Counseling Assistance	170,000	120,000	120,000
Housing Trust Fund	5,400,000	5,600,000	5,600,000
Lower Inc Housing Assist Prog Sec 8	1,186,030	1,021,100	1,021,100
Rent Supplements Contract Admin	24,488,798	26,155,500	26,155,500
Total	31,244,828	32,896,600	32,896,600
504 Highway Patrol			
Alcohol Saturation OT	282,000	282,003	282,003
Border Inspection Program	84,000	84,000	84,000
Construction Zone OT	80,000	79,997	79,997
Federal NDDOT Equipment	892,000	892,000	892,000
Fusion Center Program	240,000	240,000	253,971
Mtr Carrier Safety Assistance Progr	4,425,209	4,451,005	4,668,749
New Entrant Program	120,000	120,000	120,000
Seat Belt OT	298,000	297,997	297,997
Total	6,421,209	6,447,002	6,678,717
530 Department of Corrections and Rehabilitation			
(WIA) Youth Services - YCC	1,138	0	0
Adult Educ/Pen	263,702	271,996	277,867
Adult Education - YCC	70,766	86,000	86,000
Crime Victims Advocacy-DJS	267,601	263,737	278,864
FY 01 Fed Voca Grant	6,128,301	13,124,949	13,128,730
FY 2000 Federal Cvc Grant	500,000	300,000	300,000
Federal Fund Budget	0	0	110,208
IV-E/IV-A Reimbursements	1,195,748	900,096	961,232
Institutional Care (Federal) - YCC	247,263	208,320	218,606
JRI	500,000	0	0
Library Services And Tech	300	0	0
OJJDP - Formula Funds	800,000	800,394	800,394
SCAAP-BJA	29,244	29,244	29,244
School Lunch - YCC	201,306	168,000	168,000
Team Nutrition Education	1,345	0	0
Title I - YCC	217,956	210,162	210,162
Victory Garden	3,246	3,246	3,246
Voc Ed (Carl Perkins) - YCC	16,758	14,096	14,096
Voc Ed (Incarcerated) - YCC	40,000	39,600	39,600
Vocational/Tech Education	54,373	44,637	45,922
Total	10,539,047	16,464,477	16,672,171

**SCHEDULE OF FEDERAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021**

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
540 Office of the Adjutant General			
Air Guard Contracts	7,207,475	7,194,475	7,484,793
Army Guard Contracts	88,657,631	44,528,291	45,246,851
Emergency Mgmt Performance Grants	10,441,691	9,436,955	9,597,907
Hazard Mitigation Grants	27,080,629	11,529,450	11,547,586
Hazardous Material Emergency Prep	867,558	1,101,825	1,103,328
Homeland Security Grants	10,966,037	10,612,108	10,704,876
Pre Disaster Mitigation	3,100,000	9,100,000	9,109,413
Public Assistance Grants	22,000,000	10,811,305	10,859,525
Total	170,321,021	104,314,409	105,654,279
601 Department of Commerce			
AmeriCorps Competitive Funding	150,000	150,000	150,000
Apprenticeship USA Grants	71,901	0	0
Community Development Block Grant	8,407,986	8,379,974	8,395,636
Community Services Block Grt.	7,142,795	7,066,025	7,078,989
Dept of Energy Weatherization	2,078,145	1,989,266	1,996,944
Disaster Community Dev Block Grant	5,203,702	1,950	1,950
Emergency Solutions Grants Program	1,130,046	1,144,382	1,149,948
Federal Fund Budget	0	0	17,190
HOME Program	7,306,600	7,252,982	7,268,583
Ind Cost Division of Comm Services	70,386	70,386	70,386
Indirect Cost	0	245,349	251,530
LI Energy Assist - Weatherization	0	11,104	11,860
LIHEAP	7,477,357	7,504,097	7,515,402
Low Inc Energy Asst Prog Emer Rprs	4,840,893	4,835,212	4,837,073
NASA-AFRC-UAS	0	1,000,000	1,000,000
Neighborhood Stabilization Prog	1,152,941	1,022,562	1,022,562
SAA	32,867	30,946	31,690
Shelter Plus Care	750,000	750,000	750,000
State Energy Program	804,252	813,035	816,331
State Heating Oil and Propane Prog	8,101	9,105	9,305
State Heating Oil and Propane Prog	0	2,322	2,485
Tr & ND Has Jobs	1,212,318	1,212,318	1,212,318
WFD NDCNCS	366,781	521,684	528,622
Total	48,207,071	44,012,699	44,118,804
602 Department of Agriculture			
Ag Mediation Services	0	0	377
Animal Disease Trace (ADT)	717,620	605,495	616,067
Coop Agricultural Pest Survey Prog	596,233	641,538	652,567
Meat Inspection	2,179,327	1,828,149	1,980,497

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
Pesticide Enforcement	862,091	1,114,005	1,170,238
Specialty Crop Grant	7,734,065	7,539,096	7,560,578
Total	12,089,336	11,728,283	11,980,324
627 Upper Great Plains Transportation Institute			
University Transportation Centers	12,478,218	12,478,218	12,785,620
Total	12,478,218	12,478,218	12,785,620
630 NDSU Extension Service			
USDA/CREES Smith Lever	7,740,790	6,934,593	7,347,968
Total	7,740,790	6,934,593	7,347,968
640 NDSU Main Research Center			
USDA/CREES Animal Health	147,051	147,051	147,051
USDA/CREES Hatch 7 Multi-State	7,845,026	7,845,026	8,164,466
USDA/CREES Mcintire Stennis	427,183	427,183	451,294
Total	8,419,260	8,419,260	8,762,811
701 Historical Society			
Beacon Island - SAT	20,000	0	0
Bureau of Land Management Grant	150,000	150,000	150,000
Bureau of Reclamation	150,000	100,000	100,000
Comfort Station Buford	15,000	0	0
Corp of Eng	80,000	50,000	50,000
Curation Project - USDA	45,894	45,894	45,894
Historic Preservation 6100	1,892,901	1,995,751	2,059,592
NDHC River Basin Surveys	2,000	0	0
Newspaper Digitization	800,000	800,000	800,000
Total	3,155,795	3,141,645	3,205,486
709 Council on the Arts			
Final Descriptive Report	95	95	95
NEA Partnership Grants	35,000	35,000	35,000
NEA Partnership Grants	1,296,112	1,297,067	1,297,068
NEA Partnership Grants	67,800	67,800	67,800
NEA Partnership Grants	70,000	70,000	70,000
NEA Partnership Grants	206,400	205,445	205,445
Total	1,675,407	1,675,407	1,675,408
720 Game and Fish Department			

SCHEDULE OF FEDERAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
DOI - Sportfish Restoration	8,610,539	8,283,464	8,621,012
DOI - Wildlife Restoration	23,021,365	21,239,154	24,125,559
DOI-Bureau of Reclamation	1,801,731	1,791,731	1,836,541
Misc Federal Funds	248,983	223,801	86,250
State Wildlife Grants	290,006	287,313	306,745
State Wildlife Grants	950,000	1,156,000	947,545
USCG-Boating Safety	3,299,843	1,420,556	1,427,424
Total	38,222,467	34,402,019	37,351,076
750 Parks and Recreation Department			
LWCF 1992 Projects	487,793	487,793	487,793
RTP	4,989,989	6,826,906	6,835,844
Total	5,477,782	7,314,699	7,323,637
770 Water Commission			
2002 ND Weather Damage Modificatio Cap Program	1,500,000	1,500,000	1,500,000
FEMA Cooperating Technical Partn	273,863	284,413	293,534
FEMA Map Modernization Mgmt	4,600,000	6,036,500	6,036,500
FEMA Map Modernization Mgmt	274,533	266,592	465,212
Fed Fund Transfer from Another Agen	3,696	64	64
MR&I Administration	103,611	95,862	102,384
Northwest Area Water Supply (NAWS)	15,000,000	30,000,000	30,000,000
Southwest Pipeline	5,000,000	0	0
State Dam Safety Grant Program	230,828	230,267	230,267
USGS National Grants	250,000	250,000	250,000
Wet Non-Point Source Program	237,356	237,355	244,856
Total	27,473,887	38,901,053	39,122,817
801 Department of Transportation			
FTA Bus Bus Fac	3,200,000	3,200,000	3,200,000
Fed Hwy Admin Planning & Construc	649,094,866	712,543,136	714,199,651
Fed Transit Admin Cap Asst Program	900,000	900,000	900,000
Fed Transit Admin Cap Invest Grants	1,000,000	1,000,000	1,000,000
Fed Transit Admin Formula Grants No	10,050,000	10,071,006	10,074,783
Fed Transit Admin Metro Planning G	1,300,000	1,300,000	1,300,000
National Priority Safety Program	5,384,503	5,384,503	5,384,503
State & Community Highway Safety	35,000	82,110	87,853
State and Comm Highway Safety	2,520,000	2,687,978	2,767,685
Total	673,484,369	737,168,733	738,914,475
Total All Agencies	3,855,618,663	3,665,359,780	3,719,144,950

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
101 Office of the Governor				
Special Fund	304	133,648	0	0
Total		133,648	0	0
108 Secretary of State				
SOS General Services Fund 263	263	2,866,173	1,718,247	3,429,886
HAVA Election Ref. Matching Fund 283	283	790,000	791,178	803,155
Strategic Investment & Improvement Fund	493	0	0	8,000,000
Total		3,656,173	2,509,425	12,233,041
110 Office of Management and Budget				
Special Fund Budget	003	0	0	700,000
Capital Grounds Planning Fund 251	251	25,000	25,000	1,925,000
Risk Management Workers' Comp Fund	275	320,000	350,554	535,983
State Risk Management Fund 288	288	2,366,482	1,208,992	1,264,875
OMB Unemp/Payroll CI Fund 461	461	2,000,000	1,800,000	1,800,000
Strategic Investments & Improvement Fund	493	0	0	6,430,000
Central Dup Serv Fund 790	790	6,572,605	5,106,128	5,320,587
Capitol Renovation Fund 902	902	3,448,629	0	0
Total		14,732,716	8,490,674	17,976,445
112 Information Technology				
Independent Study Operating Fd 274	274	3,050,000	2,745,000	271,410
PowerSchool Fund 300	300	5,542,930	4,988,637	740,138
Health Information Exchange Fd 325	325	48,370,642	4,333,958	4,396,415
EduTech Fund 408	408	1,021,588	883,429	883,429
Interoperable Radio Network	476	30,252,000	13,882,000	17,885,978
SIIF	493	0	0	66,050,000
ITD Service Fund 780	780	133,454,828	119,616,643	188,068,758
Total		221,691,988	146,449,667	278,296,128
117 Office of the State Auditor				
State Auditors Operating Fund 246	246	1,948,202	1,850,791	2,379,331
Total		1,948,202	1,850,791	2,379,331
125 Office of the Attorney General				
Insurance Regulatory Trust Fund	239	660,000	660,000	660,000
Attorney General Refund Fund 250 F	250	5,871,272	3,625,535	5,667,100
Lottery Fund 292	292	5,394,079	5,095,310	5,977,286
AG Sobriety Fund	310	0	0	435,979
Attorney General Fund 322	322	26,269,690	8,463,131	9,408,636

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
AG Multijurisdictional Taskforce	367	53,686	63,141	63,141
Reduced Cigarette Ignition Propensi	374	252,877	263,623	304,663
Gaming And Excise Tax Alloc 446	446	510,000	510,000	510,000
Total		39,011,604	18,680,740	23,026,805
140 Office of Administrative Hearings				
Administrative Hearings Fund 266	266	2,918,634	2,772,702	2,850,420
Total		2,918,634	2,772,702	2,850,420
160 Legislative Council				
Insurance Regulatory Trust Fund 239	239	70,000	70,000	70,000
Total		70,000	70,000	70,000
180 Judicial Branch				
State Courts Fund 312	312	1,500,000	0	0
Judicial Conduct Comm. Fund 328	328	482,701	482,700	508,699
Total		1,982,701	482,700	508,699
188 Commission on Legal Counsel for Indigents				
Indigent Defense Admin. Fund	282	2,869,988	1,823,760	1,933,660
Total		2,869,988	1,823,760	1,933,660
190 Retirement and Investment Office				
Retirement and Investment Fund 207	207	5,340,054	4,806,047	5,981,230
Total		5,340,054	4,806,047	5,981,230
192 Public Employees Retirement System				
Group Insurance Plan PERS 470	470	0	1,839,896	1,966,207
Flexcomp Plan 472	472	0	454,712	486,152
Deferred Compensation Plan 481	481	0	906,500	968,964
Public Employee Retirement Sys 483	483	9,258,390	5,131,443	5,820,906
Total		9,258,390	8,332,551	9,242,229
201 Department of Public Instruction				
Displaced Homemakers Fund 201F	235	236,258	226,790	226,899
Public Instruction Fund 201F	391	609,003,837	597,816,741	614,097,806
Total		609,240,095	598,043,531	614,324,705
215 ND University System				
NDUS Other Unrestricted Funds	2000	25,015,479	25,395,128	24,124,339

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
Grants & Contracts	4000	190,155	0	0
Strategic Investment & Improvement Fund	493	0	0	5,000,000
NDUS Other Restricted Funds	7000	200,000	0	0
Total		25,405,634	25,395,128	29,124,339
226 Department of Trust Lands				
Trust Lands Maint. Fund	206	11,481,273	7,110,704	8,674,631
Energy Development Impact Fund	238	101,552,792	0	0
SIIF	493	187,000,000	0	0
Total		300,034,065	7,110,704	8,674,631
227 Bismarck State College				
Special Fund Budget	003	0	0	1,862,469
BSC -Auxiliary Funds	1000	8,789,649	8,934,164	8,934,164
BSC - Other Unrestricted Funds	2000	10,691,777	11,818,976	11,235,177
BSC - Grants and Contracts	4000	26,773,155	19,578,981	19,578,981
BSC - Tuition Funds	6000	26,737,417	29,082,056	28,102,768
Total		72,991,998	69,414,177	69,713,559
228 Lake Region State College				
Special Fund Budget	003	0	0	671,473
LRSC - Auxiliary Funds	1000	4,058,415	4,050,566	4,050,566
LRSC - Other Unrestricted Funds	2000	3,550,128	3,938,696	3,691,711
LRSC - Other Unrestricted Plant Funds	2800	63,600	63,600	63,600
LRSC - Grants and Contracts	4000	6,078,097	6,126,934	6,126,934
LRSC - Tuition Funds	6000	9,759,588	10,214,519	9,816,965
LRSC - Other Restricted Funds	7000	601,264	600,194	600,194
Total		24,111,092	24,994,509	25,021,443
229 Williston State College				
Special Fund Budget	003	0	0	632,262
WSC - Auxiliary Funds	1000	4,625,741	4,500,953	4,500,953
WSC - Other Unrestricted Funds	2000	10,355,100	10,603,856	10,220,005
WSC - Grants and Contracts	4000	3,881,772	2,867,029	2,867,029
WSC - Tuition Funds	6000	5,435,679	5,633,972	5,426,562
Total		24,298,292	23,605,810	23,646,811
230 University of North Dakota				
Special Fund Budget	003	0	0	17,687,910
UND - Auxiliary Funds	1000	87,000,000	87,369,016	86,181,674
UND - Other Unrestricted Funds	2000	257,384,691	265,730,422	259,325,110

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
UND - Other Unrestricted Plant Funds	2800	108,732,439	9,491,380	124,491,380
UND - Grants and Contracts	4000	171,065,420	172,388,208	171,250,892
UND - Tuition Funds	6000	201,505,221	206,589,507	200,258,722
UND - Other Restricted Funds	7000	2,423,738	2,346,596	2,301,675
Total		828,111,509	743,915,129	861,497,363
232 UND Medical Center				
Special Fund Budget	003	0	0	3,775,798
UND SMHS - Other Unrestrict Funds	2000	63,956,635	65,741,979	62,905,782
UND SMHS - Grants and Contracts	4000	51,274,814	53,261,065	53,261,065
UND SMHS - Tuition Funds	6000	37,466,972	39,622,133	38,366,179
UND SMHS - Other Restrict Funds	7000	1,380,199	1,441,209	1,441,209
Total		154,078,620	160,066,386	159,750,033
235 North Dakota State University				
Special Fund Budget	003	0	0	14,981,953
NDSU - Auxiliary Funds	1000	81,220,360	78,397,343	78,397,343
NDSU - Other Unrestricted Funds	2000	201,525,025	207,196,310	308,180,329
NDSU - Other Unrestricted Plant Funds	2800	84,501,668	4,919,652	4,919,652
NDSU - Grants and Contracts	4000	71,015,893	66,384,649	66,384,649
Strategic Invest & Improvement Fund	493	0	0	25,675,000
NDSU - Tuition Funds	6000	250,966,860	258,505,521	250,966,860
NDSU - Other Restricted Funds	7000	2,233,539	2,194,953	2,194,953
Total		691,463,345	617,598,428	751,700,739
238 ND State College of Science				
Special Fund Budget	003	0	0	1,609,281
NDSCS - Auxiliary Funds	1000	15,076,942	15,814,218	15,814,218
NDSCS - Other Unrestricted Funds	2000	13,507,402	13,552,483	42,861,772
NDSCS - Other Unrestricted Plant Funds	2800	1,425,536	1,425,536	1,425,536
NDSCS - Grants and Contracts	4000	11,387,185	10,769,158	10,769,158
NDSCS - Tuition Funds	6000	15,282,908	17,577,655	17,000,233
NDSCS - Other Restricted Funds	7000	925,640	795,199	795,199
Total		57,605,613	59,934,249	90,275,397
239 Dickinson State University				
Special Fund Budget	003	0	0	933,565
DSU - Auxiliary Funds	1000	7,158,770	5,358,770	5,358,770
DSU - Other Unrestricted Funds	2000	6,735,669	6,798,208	6,705,764
DSU - Grants and Contracts	4000	2,940,794	2,940,794	2,940,794
DSU - Tuition Funds	6000	14,702,594	15,133,141	14,702,594

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
Total		31,537,827	30,230,913	30,641,487
240 Mayville State University				
Special Fund Budget	003	0	0	1,203,070
MaSU - Auxiliary Funds	1000	4,258,791	4,355,051	4,355,051
MaSU - Other Unrestricted Funds	2000	4,649,943	6,528,041	6,063,966
MaSU - Grants and Contracts	4000	9,348,916	8,039,848	8,039,848
MaSU - Tuition Funds	6000	12,049,498	12,284,864	11,985,125
MaSU - Other Restricted Funds	7000	724,361	0	0
Total		31,031,509	31,207,804	31,647,060
241 Minot State University				
Special Fund Budget	003	0	0	2,304,429
MiSU - Auxiliary Funds	1000	6,256,565	6,106,179	6,106,179
MiSU - Other Unrestricted Funds	2000	10,843,511	11,495,614	10,799,978
MiSU - Other Unrestricted Plant Funds	2800	3,254,604	243,968	243,968
MiSU - Grants and Contracts	4000	11,037,272	12,046,368	12,046,368
MiSU - Tuition Funds	6000	33,199,516	32,924,667	31,676,667
MiSU - Other Restricted Funds	7000	478,084	485,671	485,671
Total		65,069,552	63,302,467	63,663,260
242 Valley City State University				
Special Fund Budget	003	0	0	730,643
VCSU - Auxiliary Funds	1000	5,807,165	5,605,954	5,605,954
VCSU - Other Unrestricted Funds	2000	5,306,976	3,276,637	3,055,382
VCSU - Other Unrestricted Funds	2800	22,540,000	40,000	1,040,000
VCSU - Grants and Contracts	4000	2,917,059	2,334,235	2,334,235
Strategic Investment & Improvement Fund	493	0	0	2,900,000
VCSU - Tuition Funds	6000	14,399,457	14,681,793	14,225,872
Total		50,970,657	25,938,619	29,892,086
243 Dakota College at Bottineau				
Special Fund Budget	003	0	0	288,801
DCB - Auxiliary Funds	1000	2,502,111	2,473,674	2,473,674
DCB - Other Unrestricted Funds	2000	1,828,977	2,397,729	4,810,302
DCB - Other Unrestricted Plant Funds	2800	23,341	0	0
DCB - Grants and Contracts	4000	4,588,331	3,833,302	3,833,302
DCB - Tuition Funds	6000	4,043,700	4,968,665	4,862,742
DCB - Other Restricted Funds	7000	1,300	1,300	1,300
Total		12,987,760	13,674,670	16,270,121

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
244 ND Forest Service				
Forest Svc - Other Unrestrict	2000	1,128,840	1,162,635	1,101,267
Forest Service Fund 244c	326	1,000,000	1,000,000	1,000,000
Forest Svc - Grants and Contracts	4000	7,614,448	7,656,673	7,656,673
Cent. Tree Prog. Trust Fund	451	900,000	900,000	900,000
Forest Svc - Othr Restricted	7000	7,460	7,460	7,460
Total		10,650,748	10,726,768	10,665,400
250 State Library				
Library Commission Fund - 390	390	91,852	87,259	87,259
Total		91,852	87,259	87,259
252 School for Deaf/Res Ctr for Deaf and HoH				
School for the Deaf Fund - 353	353	2,869,946	2,007,778	2,535,296
Total		2,869,946	2,007,778	2,535,296
253 ND Vision Services/School for the Blind				
School for the Blind Fund - 354	354	1,214,747	1,025,285	1,331,624
Total		1,214,747	1,025,285	1,331,624
270 Career and Technical Education				
Vocational Education Fund - 393	393	2,581,974	2,574,225	97,225
Total		2,581,974	2,574,225	97,225
301 ND Department of Health				
Insurance Tax Distribution Fund 240	240	1,250,000	1,125,000	1,125,000
Env Health Pract Lic Fund 313	313	1,750	1,750	1,750
Community Health Trust Fund 316	316	4,000,000	4,000,000	10,500,000
Dept of Health Operating 370	370	18,976,502	5,214,969	7,259,028
Domestic Violence Prev Fund 462	462	340,000	340,000	340,000
Medical Marijuana	474	837,500	0	(2)
Strategic Investment & Improve Fund 493	493	0	0	1,220,000
Total		25,405,752	10,681,719	20,445,776
303 Department of Environmental Quality				
Abandoned Vehicle Fund 202	202	250,000	250,000	250,000
Petroleum Tank Rel. Comp Fund	233	0	0	598,343
Wastewater Oper Cert 371	371	29,844	26,500	26,723
Environ Rangeland and Protect 376	376	250,000	250,000	250,002
Environmental Quality Operations 485	485	12,306,905	10,386,044	15,471,544

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
Strategic Investment & Improvement Fund	493	0	0	1,040,000
Total		12,836,749	10,912,544	17,636,612
313 Veterans Home				
Soldiers Home Fund 380	380	19,018,874	16,780,414	18,117,565
Total		19,018,874	16,780,414	18,117,565
325 Department of Human Services				
Employment - People W/ Disabil 254	254	11,907	11,520	11,520
Compuls Gambling & Prevention 285	285	632,800	632,800	632,800
ND Health Care Trust Fund 315	315	1,686,191	0	0
Community Health Trust Fund 316	316	18,000,000	0	0
Provider Assessment Fund 355	355	11,292,600	10,696,864	10,696,864
Human Services Operating Fund 360	360	146,501,110	121,018,307	134,328,440
Tobacco Prevention and Control 269	369	37,779,159	0	0
Childrens Trust Fund 419	419	524,542	275,001	280,736
Soc Serv Prop Tax Relief 457	457	134,700,000	0	182,300,000
Strategic Investment & Improvement Fund	493	0	0	10,290,695
Total		351,128,309	132,634,492	338,541,055
380 Job Service North Dakota				
Job Service North Dakota Fund	362	1,047,238	886,492	890,670
Total		1,047,238	886,492	890,670
401 Office of the Insurance Commissioner				
Unsatisfied Judgement Fund 209	209	29,703	26,654	28,390
State Bonding Fund 210	210	52,004	0	1,881
State Fire & Tornado Fund 211	211	1,797,218	0	1,485,496
Petroleum Rel. Comp. Fund 233	233	119,472	0	93,299
Insurance Reg. Trust Fund 239	239	8,111,621	9,071,729	8,737,312
Insurance Tax Distrib. Fund 240	240	15,064,086	13,557,677	15,064,086
Total		25,174,104	22,656,060	25,410,464
405 Industrial Commission				
Industrial Commission Fund 305	305	16,262,374	11,556,760	11,693,660
Abandoned Oil & Gas Recl. Fund 448	448	5,000,000	0	0
Strategic Investment & Improvement Fund	493	0	0	5,270,000
Public Finance Authority	900	791,567	751,988	813,283
Total		22,053,941	12,308,748	17,776,943

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
408 Public Service Commission				
PSC Valuation Revolving Fund 248	248	125,000	125,000	125,000
State Rail Fund 277	277	900,000	790,954	790,954
Rail Safety Fund 449	449	564,668	594,231	632,186
Strategic Investment & Improvement Fund	493	100,000	0	0
Total		1,689,668	1,510,185	1,548,140
412 Aeronautics Commission				
Aeronautics Comm. Spec Fund 324	324	11,460,412	7,822,488	7,917,524
Strategic Investment & Improvement Fund	493	0	0	22,000,000
Total		11,460,412	7,822,488	29,917,524
413 Department of Financial Institutions				
Financial Inst Regulatory Fund 242	242	8,409,912	7,568,921	8,978,343
Total		8,409,912	7,568,921	8,978,343
414 Securities Department				
Investor Education & Technology	244	170,000	161,500	170,000
Total		170,000	161,500	170,000
471 Bank of North Dakota				
Bank of North Dakota	998	59,299,205	53,369,236	64,825,329
Total		59,299,205	53,369,236	64,825,329
473 ND Housing Finance Agency				
Housing Finance Agency-Fees	473	13,285,411	11,959,697	14,631,925
Strat Invest Imprv Fund	493	0	0	20,000,000
Total		13,285,411	11,959,697	34,631,925
475 ND Mill and Elevator Association				
Mill and Elevator Fund	475	68,213,519	61,392,167	77,226,931
Total		68,213,519	61,392,167	77,226,931
485 Workforce Safety and Insurance				
Workmens Compensation Fund 213	213	72,481,659	57,125,755	69,357,551
Total		72,481,659	57,125,755	69,357,551
504 Highway Patrol				
MC Electronic Permit Trans. Fund	276	1,369,165	1,232,249	1,380,937
Highway Tax Distribution Fund - 400	400	8,615,796	6,221,614	7,263,861

SCHEDULE OF SPECIAL FUNDS**REQUEST AND RECOMMENDATION**

Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
Strat invest improv fund	493	358,000	0	1,220,000
Total		10,342,961	7,453,863	9,864,798
530 Department of Corrections and Rehabilitation				
Probation Violation Transp - 321	321	206,925	270,803	270,803
Penitentiary Industries - 365	365	14,763,043	13,777,248	15,246,883
Pen.- Land Replacement - 366	366	0	300,000	300,000
Crime Victims Gift Fund - 372	372	148,385	170,636	170,636
Dept of Corrections Oper - 379	379	13,606,490	9,204,905	9,265,026
Strategic inv & imprv fund	493	0	0	4,411,077
Total		28,724,843	23,723,592	29,664,425
540 Office of the Adjutant General				
Disaster Relief Fund 352	352	8,523,161	3,023,161	3,023,161
Radio Communications Fund 373	373	1,911,518	2,405,264	2,447,905
Emergency Management Fund 375	375	23,937,513	65,000	65,000
State Hazardous Chemical Fund 378	378	1,349,950	1,349,949	1,379,710
National Guard Fund 383	383	726,107	727,401	755,340
Nat. Guard Military Grounds Fund	385	1,000,000	0	0
Veterans Cemetery Fund 433	433	583,565	811,082	854,220
Strategic Investment and Improvement	493	0	0	1,902,253
Total		38,031,814	8,381,857	10,427,589
601 Department of Commerce				
APUC Fund 224	224	5,353,295	661,704	682,454
Economic Dev. Fund 330	330	6,603,027	1,408,326	1,463,470
Intergovernmental Assist. Fund 342	342	7,069,325	7,031,097	7,040,920
Research North Dakota Fund 382	382	3,200,000	0	0
Unmanned Aircraft Systems Fund 394	394	0	1,000,000	1,000,000
Department of Tourism Fund 443	443	500,000	542,000	542,000
Strategic Invest & Improvement Fund	493	0	0	9,600,000
Total		22,725,647	10,643,127	20,328,844
602 Department of Agriculture				
State Waterbank Fund 236	236	389,817	0	0
Agriculture Department Fund 308	308	3,167,590	1,603,812	1,622,810
Game and Fish Funds	309	614,430	615,481	615,480
Environment & Rangeland Prot 376	376	6,446,503	5,879,213	6,357,407
Federal Env Law Impact Fund 409	409	1,000,000	0	0
Total		11,618,340	8,098,506	8,595,697

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
627 Upper Great Plains Transportation Institute				
Transportation Institute Fund 352	352	6,338,850	5,524,965	6,171,602
Total		6,338,850	5,524,965	6,171,602
628 Branch Research Centers				
Central Grasslands Expr. Station	323	1,432,019	1,288,817	1,436,595
Hettinger Expr. Station Fund	332	2,807,632	2,526,869	2,843,684
Langdon Expr. Station Fund	333	1,405,097	1,264,587	1,412,656
North Central Expr. Station Fund	335	3,077,752	2,769,977	3,140,796
Williston Expr. Station Fund	336	3,881,577	2,143,419	2,423,667
Carrington Expr. Station Fund	337	5,735,925	5,162,332	6,092,981
Dickinson Exper. Station Fund	359	3,441,689	3,097,520	3,456,863
Total		21,781,691	18,253,521	20,807,242
630 NDSU Extension Service				
Extension Division Fund 357	357	18,905,899	17,047,427	20,539,016
Total		18,905,899	17,047,427	20,539,016
638 Northern Crops Institute				
Northern Crops Institute Fund 243	243	1,755,830	1,668,039	1,897,853
Total		1,755,830	1,668,039	1,897,853
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	49,665,568	43,668,170	46,850,364
SIIF	493	0	0	1,440,465
Total		50,665,568	44,668,170	49,290,829
649 Agronomy Seed Farm				
Agronomy Seed Farm Fund 226	226	1,536,129	1,459,323	1,571,648
Total		1,536,129	1,459,323	1,571,648
670 ND Horse Racing Commission				
Horse Racing Operating Funds 334	334	162,557	154,429	166,367
Total		162,557	154,429	166,367
701 Historical Society				
State Hist. Revolving Fund - 327	327	2,757,943	0	0
Historical Society Fund - 377	377	0	0	550,000
Total		2,757,943	0	550,000

SCHEDULE OF SPECIAL FUNDS
REQUEST AND RECOMMENDATION
Biennium: 2019-2021

Agency/Fund Source	Fund No	2017-2019 Appropriation	2019-2021 Request	2019-2021 Recommendation
709 Council on the Arts				
Arts & Humanities Fund - 399	399	111,515	63,515	63,515
Total		111,515	63,515	63,515
720 Game and Fish Department				
Non-Game Wildlife Fund 216	216	120,000	100,000	100,000
Game & Fish Department Fund 222	222	40,486,447	33,951,671	40,230,162
Habitat and Depredation Fund 488	488	7,064,758	6,452,857	6,544,932
Total		47,671,205	40,504,528	46,875,094
750 Parks and Recreation Department				
Snowmobile Fund - 261	261	869,760	950,958	955,100
State Parks Gift Fund - 265	265	160,000	2,079	2,703
Parks & Recreation Fund - 398	398	11,932,271	9,176,566	12,730,550
Trail Tax Transfer Fund - 441	441	552,530	916,815	928,524
Strategic Investment & Improvement	493	0	0	6,755,000
Total		13,514,561	11,046,418	21,371,877
770 Water Commission				
Water Development Trust Fund 267	267	42,449,628	72,792,076	72,792,076
NAWS Operations Fund 381	381	2,026,114	2,000,000	2,011,851
Water Commission Fund 397	397	713,032,465	578,111,172	722,196,442
NAWS Project Reserve Fund 413	413	350,000	75,000	75,000
Total		757,858,207	652,978,248	797,075,369
801 Department of Transportation				
Special Fund Budget	003	0	0	697,399
Highway Fund - 200	200	871,789,613	442,205,253	552,830,009
Motor Vehicle Operating - 201	201	24,629,394	22,760,398	25,011,846
Motorcycle Safety Fund - 205	205	500,000	500,000	500,000
Dealer Enforcement Fund	217	233,229	265,303	277,192
Special Road Fund - 230	230	750,000	750,000	750,000
State Rail Fund - 277	277	1,211,328	1,211,328	1,211,328
Strat Inv Impr Fund	493	0	0	39,626,547
Fleet Services Fund - 700	700	72,696,379	70,022,998	71,252,410
Total		971,809,943	537,715,280	692,156,731
Total All Agencies		5,997,949,189	4,504,278,122	5,637,951,150

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 2019-21 budget covers the period July 1, 2019 to June 30, 2021.

Budget – The complete financial plan for the state for the fiscal period, as proposed in the executive recommendation and modified and adopted by the Legislature in appropriation and revenue acts.

Budget Account Code – A six digit code used for accounting and budgeting purposes, in lieu of a written description, to describe the specific items anticipated to be purchased in the budget, or purchased within various expenditure categories. Codes are assigned by OMB. A budget account code is a rollup of detail account codes.

Budget Document – The instrument used by OMB and the Governor to present a comprehensive financial program to the Legislature. The budget document consists of three parts. The first contains a summary of proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. The third part is the necessary legislation to put the budget into effect including appropriation, revenue, and borrowing measures.

Budget Message – A general discussion of the proposed budget as presented in writing by the Governor to the Legislature. The budget message contains an explanation of the principal budget items, an outline of the government's experience during the past period, its financial status at the time of the message and recommendations regarding the financial policy for the coming biennium.

Budget Request – The statement with accompanying explanations that a state agency uses to set forth its financial requirements and plans for a biennium.

Budget Request Summary – The IBARS subschedule that summarizes the budget request by reporting level.

Budget Stabilization Fund (Rainy Day Fund) – A special fund with reserve dollars to be used only in time of great need.

Capital Assets – Expenditures for capital projects, extraordinary repairs and equipment over \$5,000. In IBARS, capital assets are the subschedules that summarize the budget request for capital projects, extraordinary repairs, equipment over \$5,000, IT equipment and software over \$5,000, and other capital payments.

Capital Budget – The portion of the budget devoted to proposed additions and repair of buildings and land and the means of financing those assets. The capital budget portion of the budget includes money for building new state facilities and making improvements to existing facilities.

Capital Projects – Expenditures for new construction, additions, restorations, and demolitions of buildings and infrastructure.

Capital Carryover – The unexpended balance of an appropriation, remaining at the end of the biennium, approved for expenditure by the carryover committee.

Comprehensive Annual Financial Report (CAFR) – The official annual report of a government, prepared in conformity with GAAP and organized into a financial reporting pyramid.

Continuing Appropriation – Statutory authorization for an agency to accept revenue and make expenditures that are not subject to the biennial appropriation process. In IBARS, the subschedule that provides the statutory authority and the estimated revenues and expenditures for each continuing appropriation fund.

Debt Limitation – Constitutionally or statutorily imposed limits on state obligations.

Debt Service – A category of appropriations and expenditures used for the payment of principal and interest on debt.

Dedicated Fund – A fund that receives and expends revenue collected by the state for a specific purpose.

Dedicated Tax – A tax levied to support a specific government program or purpose.

Deficiency Appropriation – An appropriation used to meet obligations not foreseen when the biennial budget was enacted and for which the costs would exceed available spending authorizations. It might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists.

Deficit – The amount by which spending exceeds income within a given fiscal period.

Demolition – All expenditures associated with tearing down an existing building or structure.

Department ID – Provides a means for entering and tracking accounting data. It is the lowest level of detail for accumulating costs.

Direct Costs – Costs specifically traceable to certain goods, services, units, programs, activities, or functions. Direct costs differ from indirect costs in that the latter cannot be specifically traced and so must be allocated on some systematic and rational basis.

Enterprise Resource Planning (ERP) – An administrative software system that covers the entire enterprise.

Executive Recommendation – The Governor's constitutionally mandated plan of appropriations, expenditures, and cash disbursements, along with estimates of revenues and cash receipts expected to be available to support those expenditures.

Expenditure – Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues. An expenditure occurs when the liability is incurred for goods and services received regardless of when the money is disbursed.

Extraordinary Repair – Relatively large expenditures for repairs that benefit more than one operating cycle or period. Extraordinary repairs are non-recurring in nature and increase the value or service life of the asset.

Federal Funds – Funds received or requested directly from the federal government, or federal funds passed through from another state entity.

Fiscal Note – The statement of fiscal impact (revenue and/or expenditure) that a proposed bill will have on the state, its political subdivisions, or the citizens of the state.

Fiscal Year – The state fiscal year runs from July 1 through June 30. The federal fiscal year runs from October 1 through September 30. The fiscal year for counties and cities is the calendar year.

Fringe Benefits – Payments made by the state for retirement, social security, health insurance, workers compensation, and unemployment insurance.

Full-time Equivalent (FTE) Position – A full-time position approved by the Legislature. A full-time work year is 40 hours per week, 52 weeks per year.

Fund – A fiscal entity segregating the financial resources of the state. Monies in a fund may be used for a specific purpose as provided by law. Each fund is a self-balancing set of accounts recording resources, obligations, reserves, and equities in accordance with GAAP.

Fund Number – A three-digit code assigned by OMB to each fund for accounting purposes.

Funding – The source of operating revenue for a department. The three categories for funding are general, federal, and special.

General Fund – The major operating fund of the state that receives all state income not earmarked for a particular program or activity and not specified by law to be deposited into another fund.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting.

Goal – A long-term (multi-year) vision of the future; the general end towards which efforts are directed.

Governmental Accounting Standards Board (GASB) – An independent, professional body that establishes standards for accounting and financial reporting applicable to state and local governmental entities.

Improvement (or betterment) – The removal of a major part or component of an asset and the substitution of a different part or component having significantly improved and superior performance capabilities.

Indirect Costs – The elements of cost necessary in the production of goods or services that are not directly traceable to the product or service.

Internal Controls – Methods and measures adopted within an organization to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial

policies. Internal controls encompass both internal administrative controls and internal accounting controls.

Large IT Project – Information Technology (IT) projects with a budget in excess of \$500,000. In IBARS, these projects are reported through the Large IT Projects subschedule.

Line Item (Class [PS]) – A line item is a subdivision of an appropriation such as salaries and wages, operating expenses, and capital assets.

Matching Funds – A type of grant requiring the government or agency receiving the grant to commit a certain amount of funding to the program before funds will be made available by the granting entity.

Mission – A broad statement of the overall purpose of an agency's existence including what they do, why they do it, and for whom they do it.

Non-appropriated – Revenues or expenditures of governmental entities that are not subject to the appropriation process.

Non-recurring Revenues – Revenues available during a fiscal period that will not be available in subsequent fiscal periods.

Operating Budget – Plans of current expenditures and the proposed means of financing them. For the State of North Dakota, this is the proposed plan of funds necessary to run a program, excluding the cost of capital construction.

Operating Maintenance – Expenditures for maintenance and ordinary repairs to keep assets in usable condition. Operating maintenance is either recurring or incurred on a continuous basis, not capitalized, and involves dollar amounts less than \$1,500. Examples include paint, floor wax, lubrication, cleaning supplies, and air filters.

Optional Request – The statement with accompanying explanations in which a state agency sets forth its financial requirements that exceed the base budget constraints set by the Governor.

Other Funds – Non-general fund amounts appropriated by the Legislature, which include all federal and special funds.

Peoplesoft Financials – Name of the computerized system used in North Dakota state government to account for all financial transactions.

Peoplesoft HR/Payroll – Name of the computerized system used in North Dakota state government to account for all human resource and payroll transactions.

Performance Measure – The gauge used to measure progress towards a stated goal.

Program – A functional unit of activity representing the basic budget unit used to describe and account for services provided by state government. Programs have an identifiable objective that can be evaluated for performance.

Program Objective – The ultimate purpose of a program, towards which efforts are directed, stated in terms of a measurable result.

Receipts – A general term for cash received which may either satisfy a receivable, or be a conversion of another asset or a refund of a prior expenditure.

Receivable – An anticipated sum of money treated as revenue even though it is not in hand. Such sums are available for expenditure by state agencies when properly authorized. The establishment of a receivable amount results in an increase in an asset balance.

Renovation – Substantial changes to an asset bringing it to a condition better than it was when originally built.

Replacement – Involves the removal of a major part or component of an asset and the substitution of a new part or component of essentially the same type and performance capabilities.

Restoration – An expenditure to bring an asset back to its original condition or state.

Revenue Estimates – Projections of anticipated state revenue for the current and future biennia.

Revolving Fund (Account) – A fund (or an account within any fund) established to finance (1) state activities of a business or commercial nature or (2) the operation of an intra governmental service agency or enterprise, which generates receipts (income) from the sale of commodities or services. Such receipts are available for the continuing operation of the activity or enterprise.

Special Funds – Monies derived from sources such as local governmental units, special funds, departmental collections, and private contributors.

Strategic Plan – An action-oriented guide developed through an examination of internal and external factors that directs goal-setting and resource allocation to achieve meaningful results over time.

Success Indicator – The gauge used to measure progress towards a stated goal.

Surplus – The amount income exceeds spending within a given fiscal period.

Transfers – The movement of cash or other resources between funds, as legally authorized.

Trust Funds – Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, or other funds.

Unexpended Appropriated Balance – The appropriated authority minus actual expenditures. The same amount as the portion of an appropriation not yet expended.

User Taxes and Fees – Charges associated with using a particular service or facility (e.g., park entrance fees, highway tolls).

Veto – The constitutional authority of the Governor to disapprove bills passed by the Legislature. The *line item veto* is the authority of the Governor to disapprove any item or items of appropriation while approving the rest of the appropriation bill. The Legislature may override a veto or line item veto with a vote of at least two-thirds of the members of each House.

MANAGEMENT AND FISCAL ANALYSTS

Budget No.	Agency	OMB Analyst	Leg Council Analyst
101	Office of the Governor	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	Renae Bloms	Sheila M. Sandness
120	Office of the State Treasurer	Renae Bloms	Adam Mathiak
125	Office of the Attorney General	Becky Deichert	Levi Kinnischtzke
127	Office of State Tax Commissioner	Becky Keller	Adam Mathiak
140	Office of Administrative Hearings	Larry Martin	Brady Larson
150	Legislative Assembly	Becky Keller	Sheila M. Sandness
160	Legislative Council	Becky Keller	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	Levi Kinnischtzke
192	Public Employees Retirement System	Becky Deichert	Levi Kinnischtzke
201	Department of Public Instruction	Becky Deichert	Sheila M. Sandness
215	ND University System	Renae Bloms	Alex Cronquist
226	Department of Trust Lands	Becky Keller	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	Renae Bloms	Levi Kinnischtzke
316	Indian Affairs Commission	Larry Martin	Chris J. Kadrmas
321	Department of Veterans Affairs	Renae Bloms	Levi Kinnischtzke
325	Department of Human Services	Stephanie M. Gullickson	Brady Larson
360	Protection and Advocacy	Larry Martin	Levi Kinnischtzke
380	Job Service North Dakota	Larry Martin	Levi Kinnischtzke
401	Office of the Insurance Commissioner	Larry Martin	Alex Cronquist
405	Industrial Commission	Becky Keller	Adam Mathiak
406	Department of Labor and Human Rights	Larry Martin	Levi Kinnischtzke

MANAGEMENT AND FISCAL ANALYSTS

Budget No.	Agency	OMB Analyst	Leg Council Analyst
408	Public Service Commission	Stephanie M. Gullickson	Chris J. Kadrmas
412	Aeronautics Commission	Stephanie M. Gullickson	Chris J. Kadrmas
413	Department of Financial Institutions	Stephanie M. Gullickson	Chris J. Kadrmas
414	Securities Department	Stephanie M. Gullickson	Chris J. Kadrmas
471	Bank of North Dakota	Becky Keller	Adam Mathiak
473	ND Housing Finance Agency	Becky Keller	Adam Mathiak
475	ND Mill and Elevator Association	Becky Keller	Adam Mathiak
485	Workforce Safety and Insurance	Stephanie M. Gullickson	Levi Kinnischtzke
504	Highway Patrol	Becky Keller	Brady Larson
530	Department of Corrections and Rehabilitation	Becky Keller	Alex Cronquist
540	Office of the Adjutant General	Becky Deichert	Alex Cronquist
601	Department of Commerce	Rena Bloms	Levi Kinnischtzke
602	Department of Agriculture	Larry Martin	Levi Kinnischtzke
627	Upper Great Plains Transportation Institute	Larry Martin	Alex Cronquist
628	Branch Research Centers	Larry Martin	Alex Cronquist
630	NDSU Extension Service	Larry Martin	Alex Cronquist
638	Northern Crops Institute	Larry Martin	Alex Cronquist
640	NDSU Main Research Center	Larry Martin	Alex Cronquist
649	Agronomy Seed Farm	Larry Martin	Alex Cronquist
665	ND State Fair	Larry Martin	Sheila M. Sandness
670	ND Horse Racing Commission	Larry Martin	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	Rena Bloms	Chris J. Kadrmas
750	Parks and Recreation Department	Stephanie M. Gullickson	Chris J. Kadrmas
770	Water Commission	Becky Keller	Chris J. Kadrmas
801	Department of Transportation	Becky Keller	Chris J. Kadrmas