Status of the General Fund

Presented to the

Government Finance Committee

June 16, 2016

Wild Horses in Theodore Roosevelt National Park

ND OMB
Office of Management and Budget

Pam Sharp, Director
Office of Management and Budget

GENERAL FUND STATUS STATEMENT
2015-17 BIENNIUM
AS OF MAY 31, 2016

Beginning balance:		
Beginning unobligated balance - July 1, 2015	$729,529,389	
Balance obligated for authorized carryover of appropriations	147,653,143	
Total beginning balance		$877,182,532
Revenues:		
Revenues collected to date	$2,402,358,938	
Remaining forecasted revenues - revised January 2016	2,071,840,365	
Total revenues		4,474,199,303
Total available		$5,351,381,835
Expenditures:		
Legislative appropriations - One time	($1,173,663,758)	
Legislative appropriations - Ongoing	(4,852,498,920)	
4.05% allotment (Executive Branch only)	239,120,391	
DOT contingent appropriation	(20,000,000)	
Authorized carryover from previous biennium	(147,653,143)	
2015-17 authority used in 2013-15 pursuant to emergency clause	9,858,196	
Total authorized expenditures		(5,944,837,234)
Estimated ending balance before transfer from budget stabilization		($593,455,399)
Transfer from budget stabilization fund		497,591,655
Intended turnback:		
Legislative Assembly	643,357	
Legislative Council	544,285	
Supreme Court	4,561,555	
Known turnback:		
Adjutant General - Firefighter Training Center	1,200,000	
DPI - State school aid	17,300,000	
OMB - Energy impact pool	1,137,774	
OMB - Temporary health insurance pool	1,000,000	
Total turnback		26,386,971
Estimated ending balance - June 30, 2017 - before additional transfer from budget stabilization fund		($69,476,773)
Amount available for additional transfer from budget stabilization fund		74,893,798
Estimated ending balance - June 30, 2017 - after additional transfer from budget stabilization fund		$5,417,025

SELECTED SPECIAL FUNDS
MAY 31, 2016 FUND BALANCES

Fund	**Balance**
Budget stabilization fund (before $497,591,655 transfer to the general fund)	$572,485,453
Legacy fund	$3,763,140,725
Foundation aid stabilization fund (After $71,758,143 transfer to DPI, transfer made 3/2/16)	$599,603,807
Tax relief fund	$127,243,516
4/30/16 Strategic investment and improvements fund *($216,176,658 committed)*	$339,678,343

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS

Compared to the January 2016 Revised Forecast /1

2015-17 Biennium

May 2016

		Fiscal Month				Biennium To Date		
Revenues and Transfers	**January 2016 Rev. Forecast**	**Actual**	**Variance**	**Percent**	**January 2016 Rev. Forecast /1**	**Actual**	**Variance**	**Percent**
Sales Tax	100,890,000	73,373,210	(27,516,790)	-27.3%	967,663,000	863,789,792	(103,873,208)	-10.7%
Motor Vehicle Excise Tax	11,098,000	7,879,385	(3,218,615)	-29.0%	106,343,000	99,096,639	(7,246,362)	-6.8%
Individual Income Tax	6,449,000	(1,424,944)	(7,873,944)	-122.1%	334,998,000	337,354,088	2,356,088	0.7%
Corporate Income Tax	2,727,000	4,154,428	1,427,428	52.3%	72,854,000	81,701,176	8,847,175	12.1%
Insurance Premium Tax	10,526,010	11,286,150	760,140	7.2%	44,763,182	53,001,959	8,238,777	18.4%
Financial Institutions Tax		212	212		244,614	324,145	79,531	-100.0%
Oil & Gas Production Tax*					83,379,176	83,379,177		
Oil Extraction Tax*					116,620,823	116,620,823		
Gaming Tax	609,220	621,268	12,048	2.0%	3,310,398	3,333,437	23,039	0.7%
Lottery								
Cigarette & Tobacco Tax	2,543,000	2,110,287	(432,713)	-17.0%	27,683,051	26,537,523	(1,145,528)	-4.1%
Wholesale Liquor Tax	815,000	730,861	(84,139)	-10.3%	8,399,136	8,258,323	(140,812)	-1.7%
Coal Conversion Tax	1,816,000	1,719,693	(96,307)	-5.3%	18,191,796	18,631,802	440,006	2.4%
Mineral Leasing Fees	819,488	663,299	(156,189)	-19.1%	12,439,876	12,673,355	233,479	1.9%
Departmental Collections	1,791,224	2,615,775	824,551	46.0%	34,990,325	37,138,765	2,148,440	6.1%
Interest Income	278,973	235,343	(43,630)	-15.6%	2,512,656	2,426,779	(85,877)	-3.4%
State Mill & Elevator-Transfer								
Major Special Fund Transfers					657,000,000	657,000,000		
Other Transfers		785	785		1,080,452	1,091,154	10,702	1.0%
Total Revenues and Transfers	**140,362,915**	**103,965,753**	**(36,397,162)**	**-25.9%**	**2,492,473,487**	**2,402,358,938**	**(90,114,550)**	**-3.6%**

/1 The January 2016 revised revenue forecast includes legislative estimates through December 31, 2015.

***** The general fund cap for oil and gas taxes contains two tiers. The first tier of $200.0 million was reached in January 2016. Additional oil taxes will flow to the tax relief fund until that fund receives $300 million, after which time the general fund will receive an additional $100.0 million.

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
Compared to the Previous Biennium Revenues
2015-17 Biennium
May 2016

	Fiscal Month				Biennium To Date			
Revenues and Transfers	**May 2014**	**May 2016**	**Variance**	**Percent**	**2013-15**	**2015-17**	**Variance**	**Percent**
Sales Tax	91,429,872	73,373,210	(18,056,661)	-19.7%	1,103,143,152	863,789,792	(239,353,360)	-21.7%
Motor Vehicle Excise Tax	13,253,877	7,879,385	(5,374,492)	-40.6%	125,935,074	99,096,639	(26,838,436)	-21.3%
Individual Income Tax	10,300,216	(1,424,944)	(11,725,160)	-113.8%	488,886,359	337,354,088	(151,532,271)	-31.0%
Corporate Income Tax	3,444,934	4,154,428	709,495	20.6%	193,121,225	81,701,176	(111,420,049)	-57.7%
Insurance Premium Tax	10,605,766	11,286,150	680,384	6.4%	41,855,383	53,001,959	11,146,576	26.6%
Financial Institutions Tax	15,852	212	(15,640)	-98.7%	(4,871,666)	324,145	5,195,811	-106.7%
Oil & Gas Production Tax					146,071,108	83,379,177	(62,691,931)	-42.9%
Oil Extraction Tax					153,928,892	116,620,823	(37,308,069)	-24.2%
Gaming Tax	610,803	621,268	10,465	1.7%	3,549,170	3,333,437	(215,734)	-6.1%
Lottery								
Cigarette & Tobacco Tax	2,346,168	2,110,287	(235,881)	-10.1%	26,912,679	26,537,523	(375,155)	-1.4%
Wholesale Liquor Tax	823,269	730,861	(92,408)	-11.2%	8,402,477	8,258,323	(144,154)	-1.7%
Coal Conversion Tax	2,033,722	1,719,693	(314,029)	-15.4%	15,593,018	18,631,802	3,038,785	19.5%
Mineral Leasing Fees	2,026,411	663,299	(1,363,112)	-67.3%	17,443,028	12,673,355	(4,769,673)	-27.3%
Departmental Collections	2,009,503	2,615,775	606,272	30.2%	36,703,570	37,138,765	435,195	1.2%
Interest Income	264,771	235,343	(29,428)	-11.1%	2,336,409	2,426,779	90,370	3.9%
State Mill & Elevator-Transfer								
Major Special Fund Transfers					341,790,000	657,000,000	315,210,000	92.2%
Other Transfers		785	785	-100.0%	1,067,934	1,091,154	23,220	2.2%
Total Revenues and Transfers	**139,165,163**	**103,965,753**	**(35,199,410)**	**-25.3%**	**2,701,867,811**	**2,402,358,938**	**(299,508,874)**	**-11.1%**

2017-19 Budget Guidelines

Agencies have been asked to develop general fund budget requests equal to 90 percent of their 2015-17 appropriation for ongoing expenditures as passed by the Legislature, with the exception of the Department of Human Services, Department of Corrections, and Department of Public Instruction state aid, transportation and special education funding. In addition, the state's traditional Medicaid program will not be subject to reductions beyond those implemented under the current budget allotment process.

Preliminary Cost to Continue

Continuation of salary increase	$ 11,600,000
K-12 – state aid due to increased enrollment	$ 81,076,153
Higher Education	$ 11,889,022
Department of Human Services	Unknown

Projected Health Insurance Increase

Projected health insurance cost increase of 15 percent	$ 26,850,000