

Top Issues for the West in Interim Committees

Presented by Geoff Simon
Western Roads Roundtable
December 18, 2019



2019-21 Budget Statistics

- The total state government budget is \$14.7 billion, which exceeds previous record of \$14.2 billion in 2015-17
- General Fund budget totals \$4.8 billion
- Forecast oil tax revenue of \$4.85 billion based on \$48.25/barrel and 1.42 million barrels per day



Operation Prairie Dog

- Hub City & School Funding moved from 1% to 4% side, freeing up \$59.1 million to the state. Revises split to: Williston 58.6% - Dickinson 28.3% - Minot 13.2%
- Preserves 70-30 state-local split on the 4% side
- Establishes separate \$115 million infrastructure grant buckets for non-oil cities, and for non-oil counties and townships
- Funds are to be used for essential infrastructure – streets, water and sewer – not buildings and recreation facilities
- Establishes \$20 million grant bucket for airports
- No Sunset Clause



Legacy Fund Earnings Committee



- Legislature established a mandatory study to examine potential uses for earnings from the Legacy Fund
- Study language suggests tax relief, reinvestment, research and technology, promote economic growth, workforce development and tech ed
- Current Legacy Fund balance as of September 30 is \$6.36 billion. Earnings of \$455 million transferred to general fund in July 2019. Most recent monthly deposit was \$53.9 million.
- Two committee meetings to date, Bismarck in August, and Fargo in November.
- Next meeting tentatively scheduled February 19 in Watford City.
- Senator Wardner has proposed 25% of earnings go to Highway Trust Fund, and is working on a plan to devote a portion of earnings to K-12 schools.

Education Funding

- 2019 legislation allows districts that receive GPT revenue to keep 100% of the amount earmarked toward a sinking and interest fund used for school construction
- Provides \$3 million for rapid enrollment grants
- Moves toward "on-time" funding in the second year of the biennium; districts now receive state aid payments based on the previous year's enrollment
- Legislature established an interim Education Funding Formula Review Committee. Its next meeting is January 8 in Bismarck.
- WDEA's focus is getting school construction dollars to districts in Western ND.



Other Big Issues for the West



- Tribal Taxation Issues Committee – Members will monitor the new 80-20 tax sharing agreement on Fort Berthold, address border well issue.
- EDT Committee is looking into electric transmission constraints, electric demand growth, crude pipeline capacity, natural gas processing and pipeline takeaway capacity, and wind energy impacts.
- Energy Research –\$6 million to study underground storage of produced natural gas; \$300,000 to study recycling produced water; \$4.5 million for a lignite marketing feasibility study; and funding to search for a local source of frac sand, and rare earth minerals in coal deposits.
- \$875,000 to update UGPTI's county and township road and bridge needs study.
- SIRN 2020 – Funds a statewide radio network for emergency responders. Total cost is \$206 million. Goal is 95% statewide coverage, 95% reliable for vehicles, and 85% for responders with portable radios. The legislature provided for an interim study of combined communications.
- Natural Resources Committee's main topic is to study access to public and private lands for hunting, trapping, fishing, and related issues, including trespass violations and penalties.
- Judiciary Committee interim topics include recreational marijuana and the ethics measure.

Contact information:

geoff@ndenergy.org

(701) 527-1832