

**TEN LARGEST VARIANCES BY AGENCY - 2005-07 BIENNIUM -  
FEDERAL FUNDS APPROPRIATED AND FEDERAL FUNDS ESTIMATED TO BE RECEIVED**

	<b>Agency</b>	<b>2005-07 Biennium Federal Funds Appropriated</b>	<b>2005-07 Biennium Federal Funds Estimated to Be Received</b>	<b>Variance</b>	<b>Variance Explanation</b>
1	Department of Human Services	\$1,097,885,452	\$1,047,202,056	(\$50,683,396)	The variance is primarily attributable to an estimated decrease of \$25 million from the 2005-07 biennium appropriation of \$746 million for the medical assistance program due to Medicaid management information system computer project expenditures being significantly lower than appropriated and changes in the Medicare Part D prescription drug program creating excess federal authority. The variance is also attributable to an estimated decrease of \$8.6 million from the 2005-07 biennium appropriation of \$105.8 million for food stamps and an estimated decrease of \$6.9 million from the 2005-07 biennium appropriation of \$51.4 million for temporary assistance for needy families, both due to actual caseloads being lower than estimated in the appropriations.
2	Adjutant General	\$30,733,798	\$49,793,798	\$19,060,000	The variance is primarily attributable to an estimated increase of \$18.2 million for Army National Guard contracts to construct two new facilities--one in Minot and one in Bismarck. The variance is also attributable to an estimated increase of \$860,000 for Air National Guard contracts to add temporary security forces to the Air National Guard in Fargo.
3	Department of Transportation	\$540,200,000	\$554,000,000	\$13,800,000	The variance is attributable to an estimated increase of \$13.8 million from the 2005-07 biennium appropriation of \$523.8 million from the Federal Highway Administration due to the end-of-year redistribution for highway planning and construction.
4	State Department of Health	\$99,256,696	\$112,551,859	\$13,295,163	The variance is primarily attributable to an estimated increase of \$10.1 million from the 2005-07 biennium appropriation of \$887,030 for grants relating to the arsenic trioxide superfund project to design and construct arsenic trioxide remedy sites in impacted counties. The variance is also attributable to an estimated increase of \$1.8 million for the supplemental food program and an estimated increase of \$1.2 million for the pandemic influenza program for preparedness.
5	Department of Public Instruction	\$222,008,183	\$232,689,736	\$10,681,553	The variance is primarily attributable to a higher than estimated allocation of \$10.8 million for special education grants.
6	Department of Commerce	\$47,687,580	\$37,433,731	(\$10,253,849)	The variance is primarily attributable to grant awards being less than estimated for low-income home energy assistance (\$4.1 million), community development block grants (\$2.2 million), and HOME investment partnership program (\$1.2 million).
7	State Water Commission	\$17,682,166	\$9,879,462	(\$7,802,704)	The variance is primarily attributable to an estimated decrease of \$9 million from the 2005-07 biennium appropriation of \$15.2 million in municipal, rural, and industrial water supply funds due to a decrease in the availability of federal funds.

	<b>Agency</b>	<b>2005-07 Biennium Federal Funds Appropriated</b>	<b>2005-07 Biennium Federal Funds Estimated to Be Received</b>	<b>Variance</b>	<b>Variance Explanation</b>
8	Parks and Recreation Department	\$8,742,555	\$3,910,566	(\$4,831,989)	The variance is primarily attributable to an estimated decrease of \$2.3 million from the 2005-07 biennium appropriation of \$3.7 million in land and water conservation funds and an estimated decrease of \$1.5 million from the 2005-07 biennium appropriation from the recreation trails program, both due to a reduction in funding.
9	Aeronautics Commission	\$4,975,000	\$1,498,000	(\$3,477,000)	The variance is attributable to an estimated decrease of \$3.5 million from the 2005-07 biennium appropriation of \$3.5 million from the federal airport block grant due to the delay in the transfer of the program to the state.
10	Upper Great Plains Transportation Institute	\$14,648,501	\$12,386,512	(\$2,261,989)	The variance is primarily attributable to an estimated decrease of \$1.6 million from the 2005-07 biennium appropriation of \$2 million for the rural transportation initiative and an estimated decrease of \$615,000 from the 2005-07 biennium appropriation of \$4 million for the Mountain Plains Consortium, both due to a decrease in federal funding due to a delay in passage of the federal transportation bill.

## TEN LARGEST VARIANCES BY AGENCY - FEDERAL FUNDS ESTIMATED TO BE RECEIVED FOR THE 2005-07 AND 2007-09 BIENNIUMS

	Agency	2005-07 Biennium Federal Funds Estimated to Be Received	2007-09 Biennium Federal Funds Estimated to Be Received	Variance	Variance Explanation
1	Department of Transportation	\$554,000,000	\$478,300,000	(\$75,700,000)	The variance is due to an estimated decrease of \$85.1 million from the 2005-07 biennium estimate of \$537,600,000 from the Federal Highway Administration for highway planning and construction. This is primarily due to emergency relief received during the 2005-07 biennium (\$44 million) and a decrease in the availability of formula funds.
2	Department of Human Services	\$1,047,202,056	\$1,089,794,584	\$42,592,528	<p>The variance is primarily attributable to changes in the following programs:</p> <ul style="list-style-type: none"> <li>• Food stamps - An estimated increase of \$9.8 million from the 2005-07 estimate of \$97.2 million.</li> <li>• Temporary assistance for needy families - An estimated increase of \$6.5 million from the 2005-07 estimate of \$44.4 million.</li> <li>• Low-income home energy assistance - An estimated increase of \$6.5 million from the 2005-07 biennium estimate of \$34.9 million.</li> <li>• State children's health insurance program - An estimated increase of \$6.5 million from the 2005-07 biennium estimate of \$11.7 million.</li> <li>• Medical assistance program - An estimated increase of \$5.5 million from the 2005-07 biennium of \$721 million.</li> </ul> <p><b>NOTE:</b> The variances may change upon completion of the department's 2007-09 biennium budget request.</p>
3	Department of Public Instruction	\$232,689,736	\$255,039,699	\$22,349,963	<p>The variance is primarily attributable to the Department of Public Instruction anticipating additional federal funds in the 2007-09 biennium for the programs listed below based on actual grant awards for fiscal year 2007:</p> <ul style="list-style-type: none"> <li>• USDA national school lunch - An estimated increase of \$7.8 million from the 2005-07 biennium estimate of \$24 million.</li> <li>• Mathematics incentives - The department anticipates receiving \$5 million in the 2007-09 biennium. No federal funds were received for this grant in the 2005-07 biennium.</li> <li>• Special education grants to states - An estimated increase of \$4.4 million from the 2005-07 biennium estimate of \$48.3 million.</li> <li>• USDA child care - An estimated increase of \$2.7 million from the 2005-07 biennium estimate of \$18.7 million.</li> </ul>

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4	Adjutant General	\$49,793,798	\$68,239,463	\$18,445,665	The variance is primarily attributable to an estimated increase of \$17.7 million from the 2005-07 biennium estimate of \$42.5 million for Army National Guard contracts for construction of an educational facility at Camp Grafton Training Center. The variance is also attributable to an estimated increase of \$715,180 from the 2005-07 biennium estimate of \$7.3 million for Air National Guard contracts for increases in utilities expenses at the Air National Guard facility in Fargo, salary increases for actual deployments in the 2005-07 biennium, and salary increases for 100% federally funded security and firefighter personnel that are paid based upon federal pay tables.
5	State Water Commission	\$9,879,462	\$27,465,844	\$17,586,382	The variance is attributable to an estimated increase of \$10.5 million from the 2005-07 biennium estimate of \$6.2 million in municipal, rural, and industrial water supply funds, an estimated increase of \$5.1 million from the 2005-07 biennium estimate of \$46,674 in Southwest Water Pipeline Project funds, and an estimated increase of \$1.5 million from the 2005-07 biennium estimate of \$0 in weather damage modification program funds, all due to additional funds expected to be available.
6	Department of Emergency Services	\$54,460,970	\$37,064,651	(\$17,396,319)	The variance is primarily attributable to an estimated decrease of \$17.7 million from the 2005-07 biennium estimate of \$36.5 million in state domestic preparedness equipment support program funds due to new strategies and allocation processes at the United States Department of Homeland Security.
7	State Historical Society	\$3,443,076	\$15,271,527	\$11,828,451	The variance is primarily attributable to estimated funding of \$12 million for the 2007-09 biennium for the Heritage Center Museum expansion project.
8	Department of Commerce	\$37,433,731	\$45,342,889	\$7,909,158	The variance is primarily attributable to an estimated increase of \$4 million from the 2005-07 biennium estimate of \$4.6 million for low-income home energy assistance. The variance is also attributable to an estimated increase of \$1.2 million from the 2005-07 biennium estimate of \$10.3 million for the community development block grant and an estimated increase of \$1.2 million from the 2005-07 biennium estimate of \$6.2 million for the HOME investment partnership program. These increases are due to an increase in the availability of federal funds.
9	Job Service North Dakota	\$55,422,446	\$48,672,277	(\$6,750,169)	The variance is primarily attributable to changes in the following programs: <ul style="list-style-type: none"> <li>• Employment service - An estimated decrease of \$1.7 million from the 2005-07 estimate of \$12.9 million due to declining federal resources.</li> <li>• Workforce Investment Act - The agency received one-time funding for an incentive grant of \$1.4 million for the 2005-07 biennium.</li> <li>• Workforce Investment Act - An estimated decrease of \$1 million from the 2005-07 biennium estimate of \$3 million for dislocated workers due to declining federal resources.</li> <li>• Unemployment insurance - The agency received one-time funding of \$927,912 in the 2005-07 biennium for special projects.</li> </ul>

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10	Department of Corrections and Rehabilitation	\$9,268,213	\$6,156,283	(\$3,111,930)	<p>The variance is primarily attributable to changes in the following items:</p> <ul style="list-style-type: none"> <li>• Youth Correctional Center - An estimated decrease of \$505,848 from the 2005-07 biennium estimate of \$1.7 million due to a decrease in the availability of federal funding. Programs where federal funding is anticipated to be reduced include school nutrition, juvenile accountability, and reentry.</li> <li>• Juvenile Community Services - An estimated decrease of \$988,513 from the 2005-07 biennium estimate of \$3.2 million due to a decrease in the availability of federal funding and declining juvenile numbers. Programs where federal funding is anticipated to be reduced include juvenile justice and delinquency prevention, juvenile accountability, Medicaid, foster care, and reentry.</li> <li>• Field Services - An estimated decrease of \$938,931 from the 2005-07 biennium estimate of \$3.7 million due to a decrease in the availability of federal funding. Programs where federal funding is anticipated to be reduced include crime victims, drug court, quarter house, female transition, and reentry.</li> <li>• Prisons Division - An estimated decrease of \$678,638 from the 2005-07 biennium estimate of \$678,638 due to a decrease in the availability of federal funding. Programs where federal funding is anticipated to be reduced include adult education, vocational education, workplace investment, workforce and community transition training for incarcerated youth, substance abuse treatment, and criminal alien assistance.</li> </ul>