



# EXECUTIVE BUDGET ADDRESS

**Gov. Doug Burgum**  
December 7, 2022

NORTH  
**Dakota**  
Be Legendary.



**DECEMBER 7, 1941**



Season's  
Greetings  
U.S.S. WREN



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# GRATITUDE

A person is riding a brown and white spotted horse through a vast field of tall, golden-brown grass. The scene is set during sunset or sunrise, with a warm, orange glow on the horizon and a clear blue sky above. The text "EMPOWER PEOPLE IMPROVE LIVES INSPIRE SUCCESS" is overlaid in large, white, sans-serif capital letters across the upper portion of the image.

EMPOWER PEOPLE  
IMPROVE LIVES  
INSPIRE SUCCESS



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# STRATEGY DRIVING BUDGET



Leveraging investments in infrastructure and economic development for the future



Reducing taxes



Addressing our No. 1 barrier to economic growth: our workforce challenge



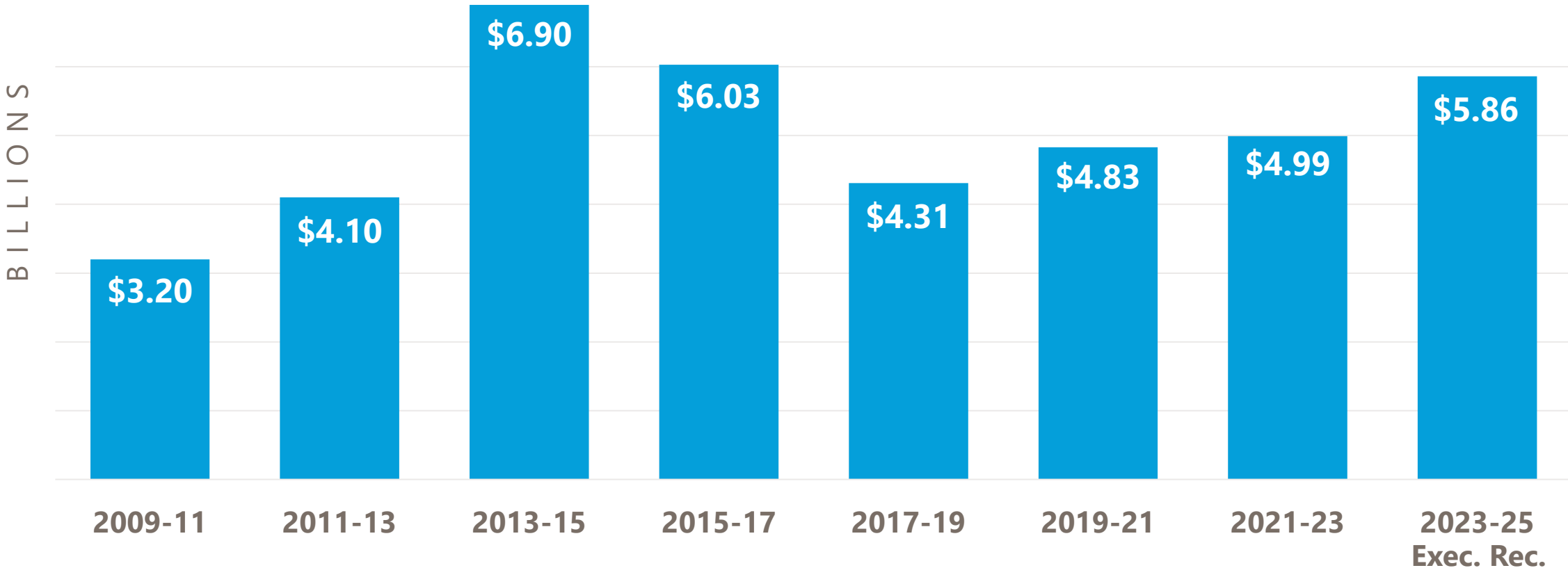
# CHALLENGES AND OPPORTUNITIES



# RESTRAINED GROWTH

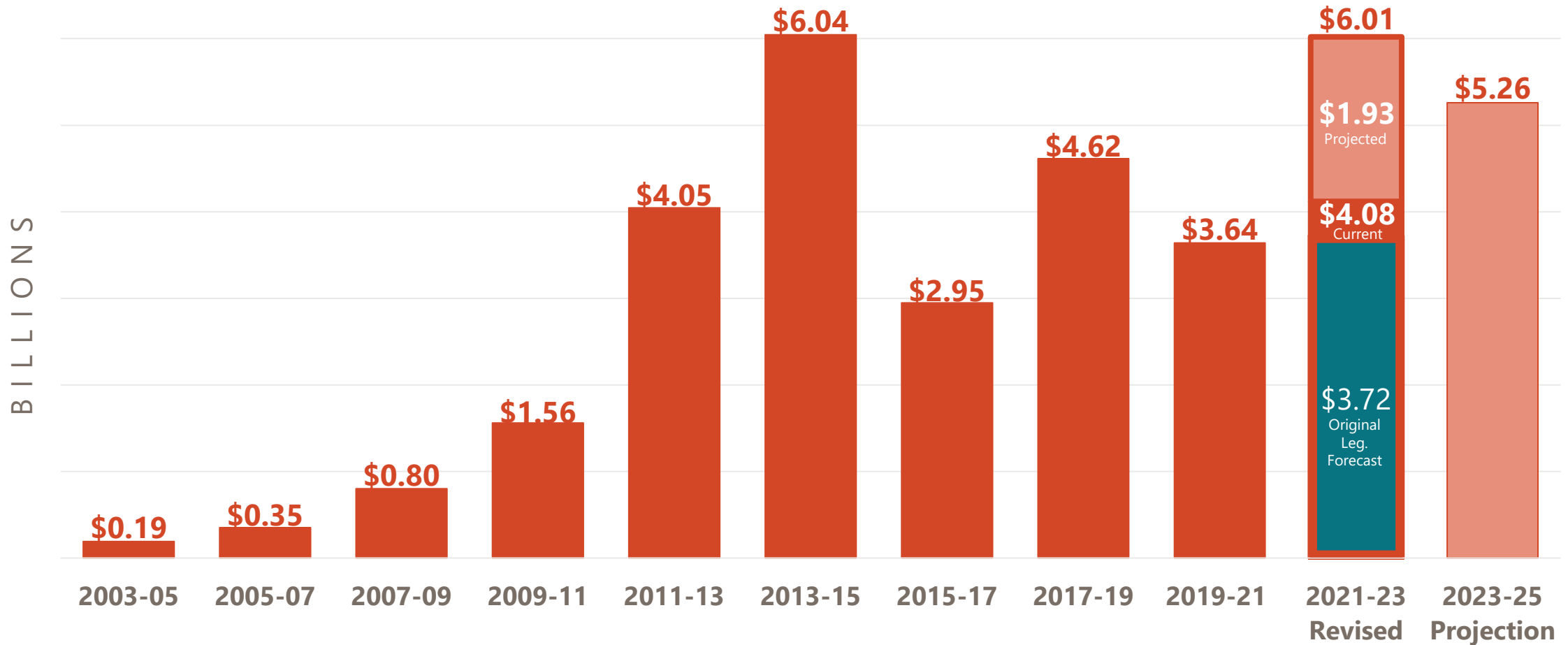
## GENERAL FUND APPROPRIATIONS

RESTRAINED GROWTH SINCE HISTORIC CUTS OF 2015-17



# OIL TAXES ON NEAR-RECORD PACE

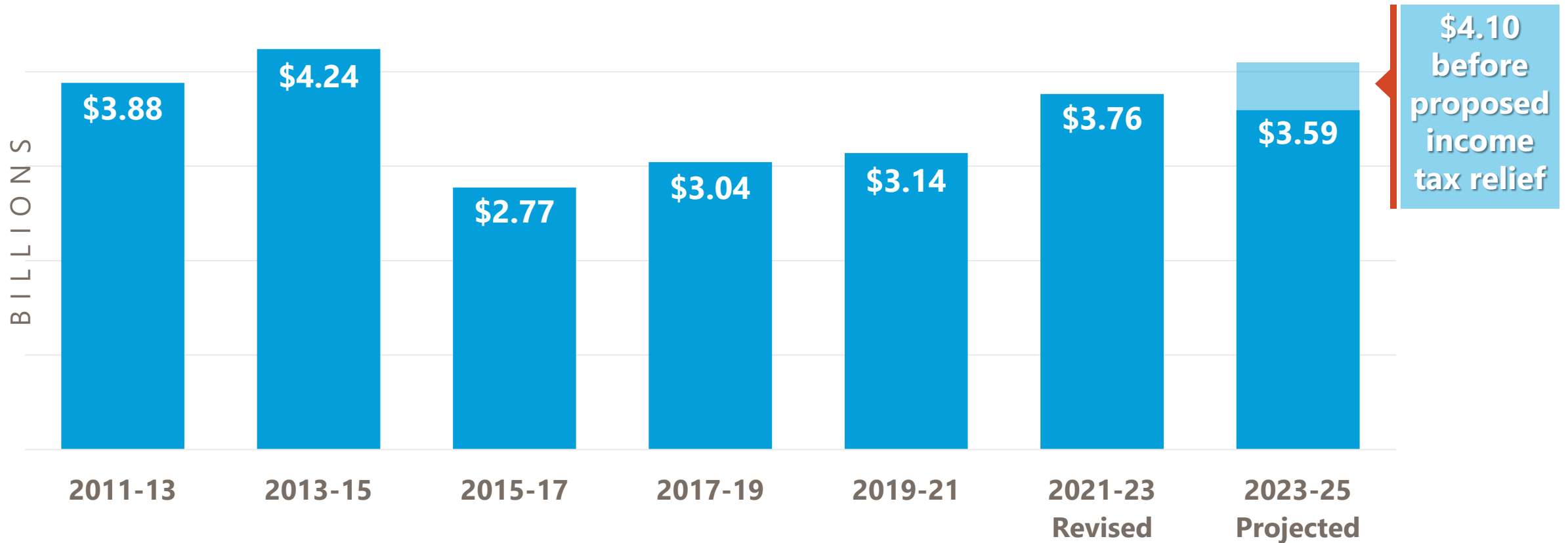
## ND OIL TAX REVENUES DECEMBER 2022 EXECUTIVE FORECAST



# TAX REVENUES OVER FORECAST

## GENERAL FUND REVENUES

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



# STRONG FINANCIAL POSITION

*PROJECTION FOR END OF 2021-23 BIENNIUM*

**\$718M**

Budget Stabilization Fund

**\$1.1B**

Strategic Investment and Improvements Fund (SIIF)

**\$1.4B**

General Fund ending balance

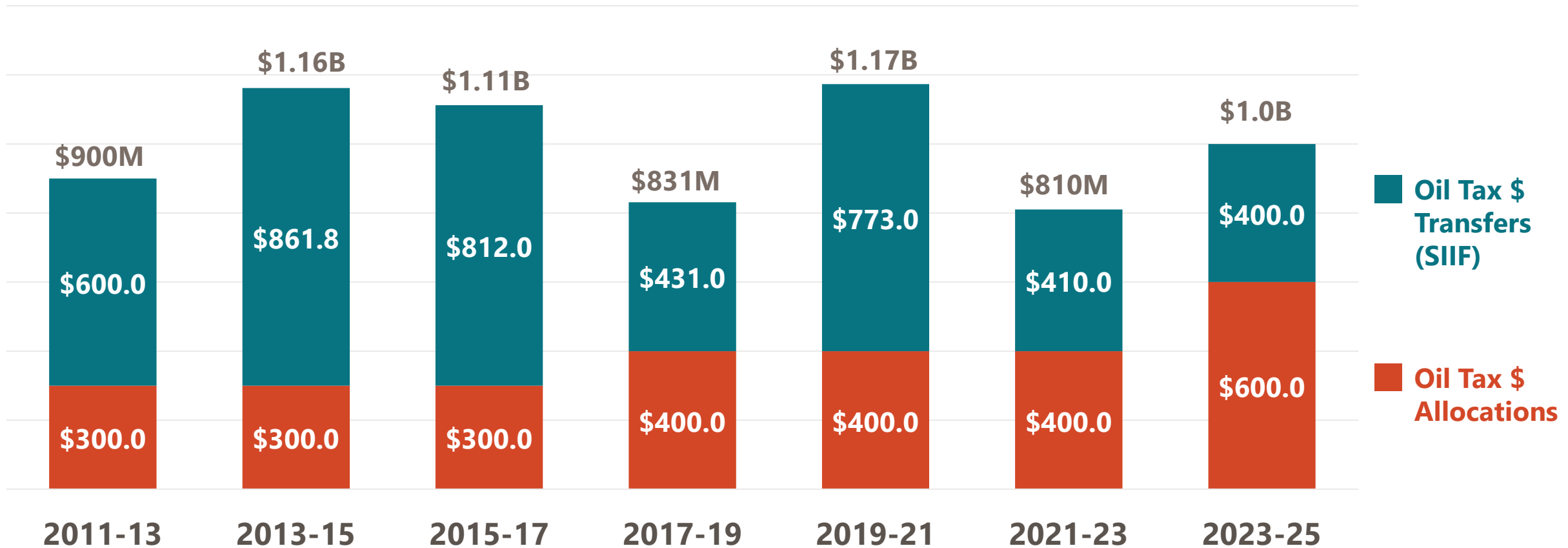
**\$486M**

Legacy Fund earnings (Percent of Market Value)

# INCREASED TRANSPARENCY

## OIL TAX TRANSFERS & ALLOCATIONS

PROPOSE RAISING DIRECT ALLOCATION TO **\$600M**



# UTILIZING PROFITS FOR REINVESTMENT



# RIGHTSIZING THE RAINY DAY FUND

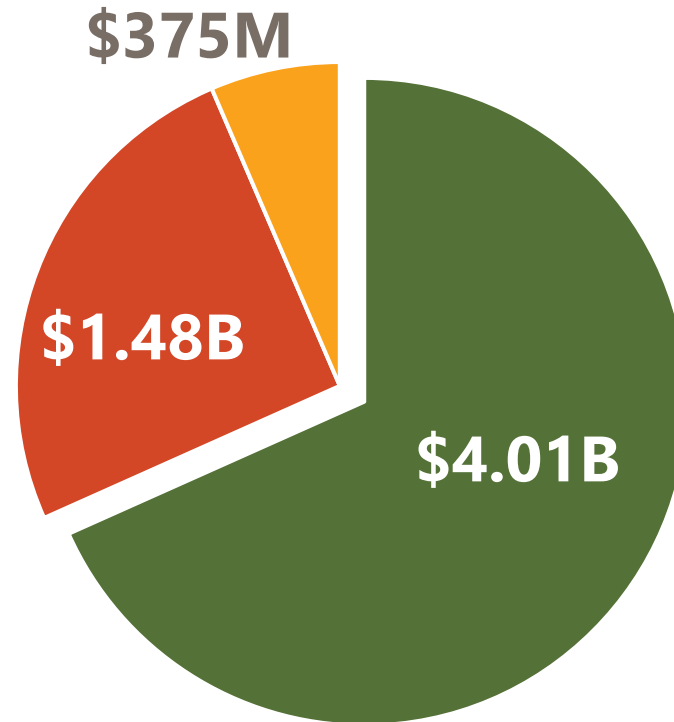
## BUDGET STABILIZATION FUND

CAP AT 15% OF ONGOING GENERAL FUND APPROPRIATIONS

CURRENT PROCESS:

**\$880M**

15% OF **ALL**  
GENERAL FUND  
APPROPRIATIONS



PROPOSED PROCESS:

**\$602M**

15% OF **ONGOING**  
GENERAL FUND  
APPROPRIATIONS

2023-25 PROJECTED GF APPROPRIATIONS

One-time K-12 Ongoing



# HEALTHY RESERVE FUNDS

## *PROJECTION FOR END OF 2023-25 BIENNIUM*

**\$410M**

General Fund ending balance

**\$602M**

Budget Stabilization Fund

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**\$1.12B**

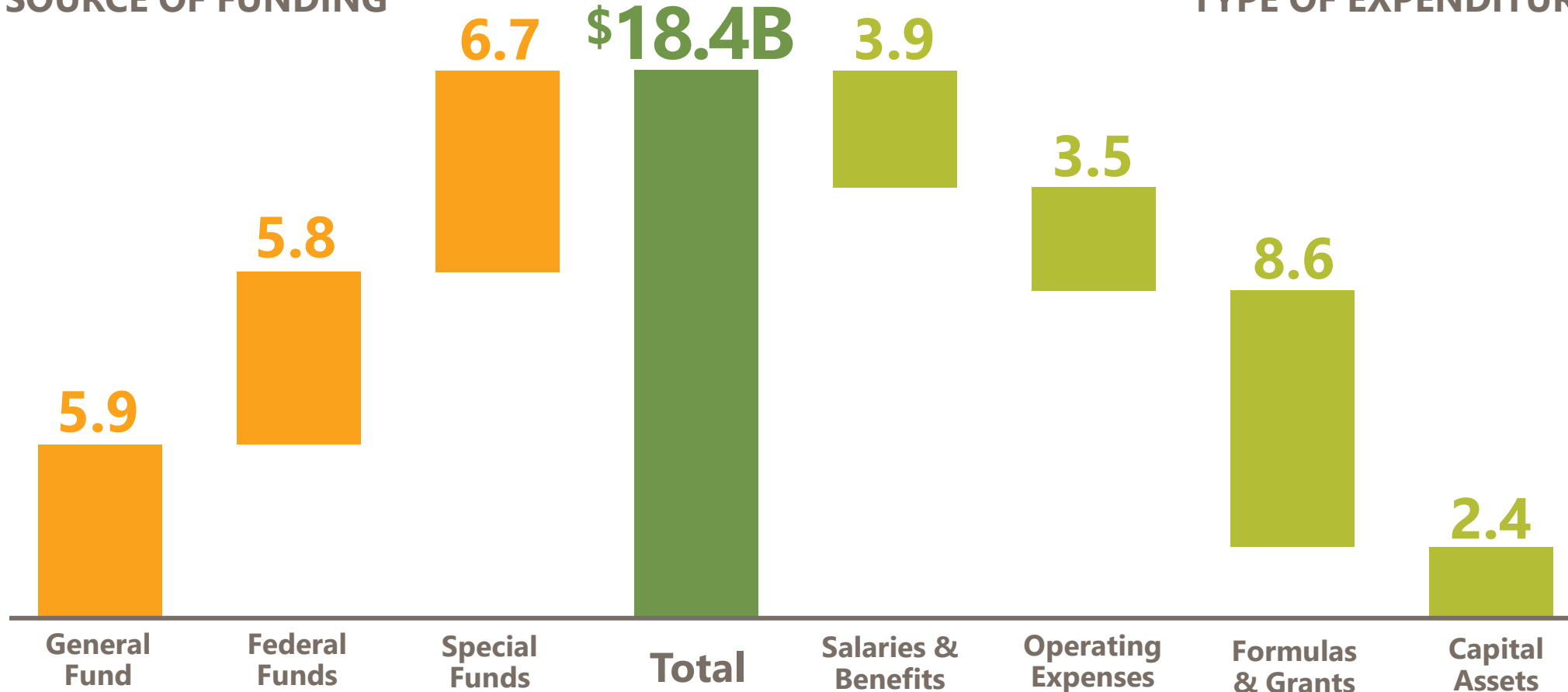
Available reserves by the end of the biennium

# HISTORIC PRESSURES AT WORK

## 2023-25 EXECUTIVE BUDGET PROPOSAL

SOURCE OF FUNDING

TYPE OF EXPENDITURE



A photograph of children playing in a water park splash zone. In the foreground, a boy in a green shirt and a girl in a red swimsuit are running through a circular water feature. Water is spraying from the edges of the circle. In the background, another child is visible, and there are blue and white water park structures. The scene is bright and sunny.

# LEVERAGING OUR INVESTMENTS FOR FUTURE GENERATIONS

# MEANINGFUL, PERMANENT TAX RELIEF

HELPING TO SOLVE  
WORKFORCE CHALLENGES BY  
ELIMINATING STATE INCOME TAX FOR

**3 OUT OF 5**

NORTH DAKOTA TAXPAYERS

# MEANINGFUL, PERMANENT TAX RELIEF

# 1.5%

FLAT-RATE INCOME TAX,  
LOWEST IN THE NATION

## States with Flat-Income Tax

Colorado – 4.55%

Illinois – 4.95%

Indiana – 3.23%

Kentucky – 5.00%

Massachusetts – 5.00%

Michigan – 4.25%

North Carolina – 4.99%

Pennsylvania – 3.07%

Utah – 4.95%

# MEANINGFUL, PERMANENT TAX RELIEF

PATH TOWARD

0%

INDIVIDUAL STATE  
INCOME TAX

## States with NO Income Tax

Alaska  
Florida  
Nevada  
South Dakota  
Tennessee  
Texas  
Washington  
Wyoming

August 24, 2022

**MEANINGFUL TAX RELIEF**

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**3 OUT OF 5**


North Dakota taxpayers will **not** pay state income tax, including:

- single filers making **\$54,725** AGI or less
- married couples filing jointly making **\$95,600** AGI or less
- all other taxpayers will have rate reduced to **1.5%**



**PERMANENT TAX REFORM**

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 Historic tax reform for North Dakota taxpayers

**1.5%**  
Flat income tax rate, lowest flat rate in the nation

**\$250M**  
Annual income tax savings for North Dakota taxpayers

# INCOME TAX RELIEF FOR ALL



**NOW IS THE TIME TO PROVIDE INCOME TAX RELIEF  
TO MAKE OUR STATE A MORE **ATTRACTIVE** PLACE  
TO WORK AND MORE **AFFORDABLE** PLACE TO LIVE.**





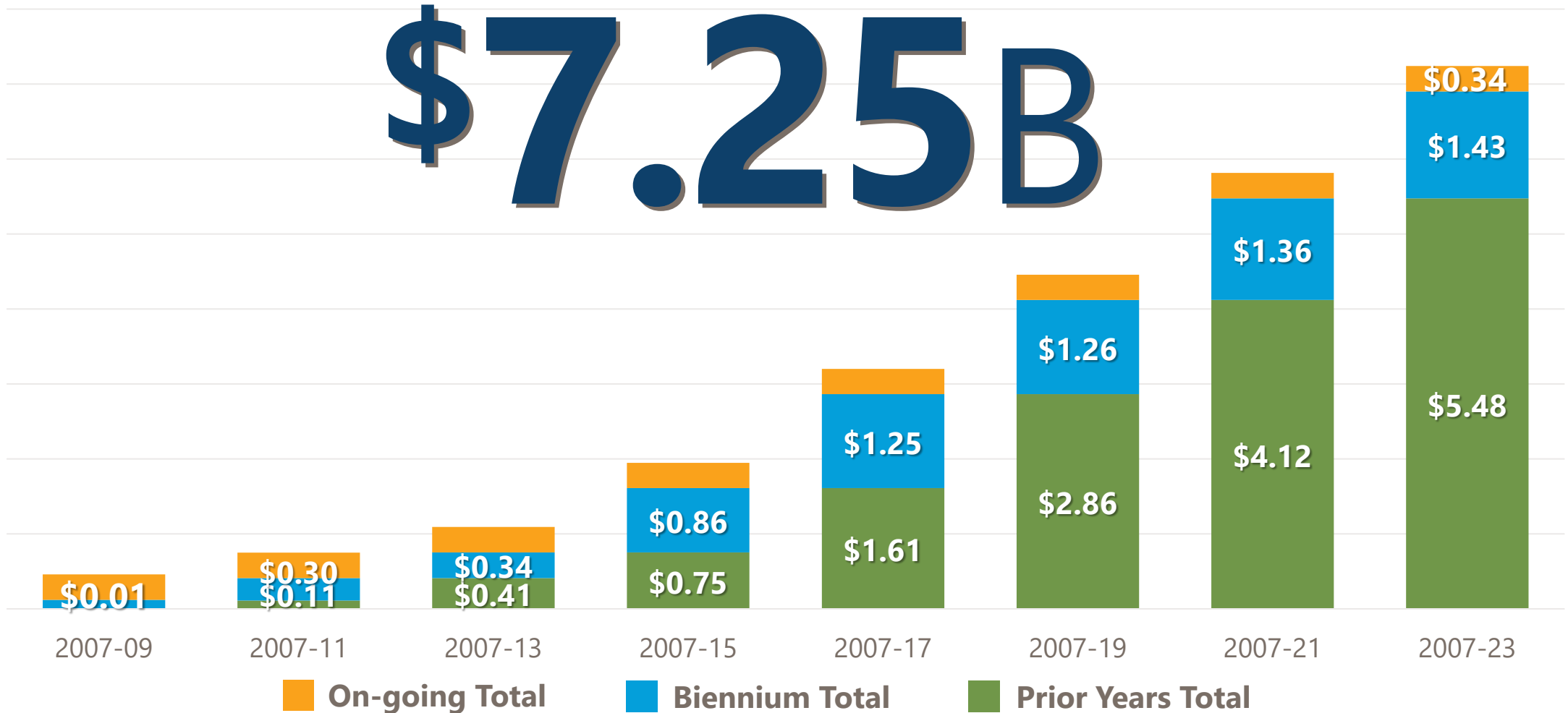
**PROPERTY TAXES ARE SET  
AND MANAGED LOCALLY**

# PROPERTY TAX RELIEF BILLS

SINCE 2007, 17 PIECES OF LEGISLATION TOTALING

**\$7.25B**

BILLIONS



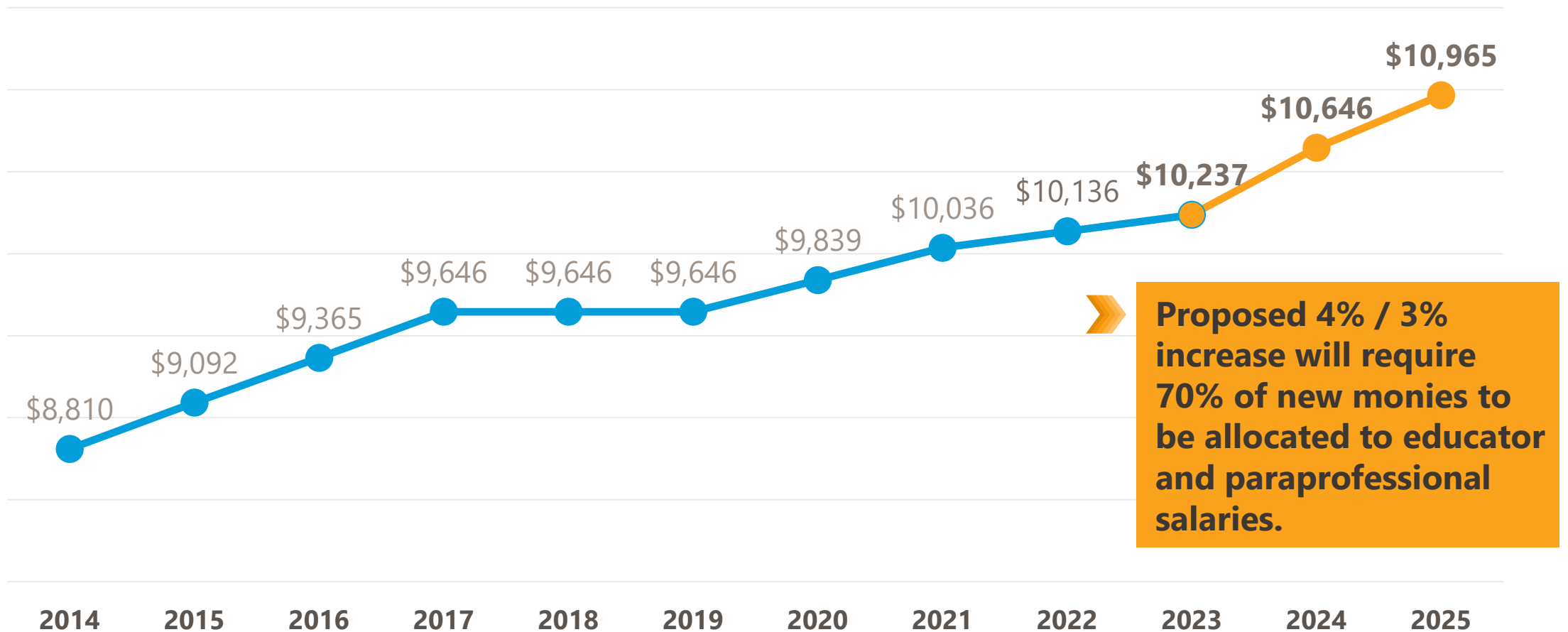


**PROPERTY TAXES**  
**ARE SET AND MANAGED AT THE LOCAL LEVEL AND**  
**SHOULD NOT BE SUBSIDIZED BY THE STATE**



# INVESTING IN EDUCATION

## HISTORIC K-12 PER-PUPIL RATES



GOVERNOR'S SUMMIT ON  
INNOVATIVE  
EDUCATION

SUPPORT OUR EDUCATORS,  
IMPACT OUR COMMUNITIES



**PROVIDE ON-TIME FUNDING THAT  
ACCURATELY REFLECTS GROWTH**



**ALLOWING HIGHER ED TO RESPOND  
TO WORKFORCE DEMANDS**

# WORKFORCE DRIVEN HIGHER ED

**\$10M**

Workforce innovation  
grant program

»» Allowing our universities  
and colleges to respond  
to workforce demands  
quickly



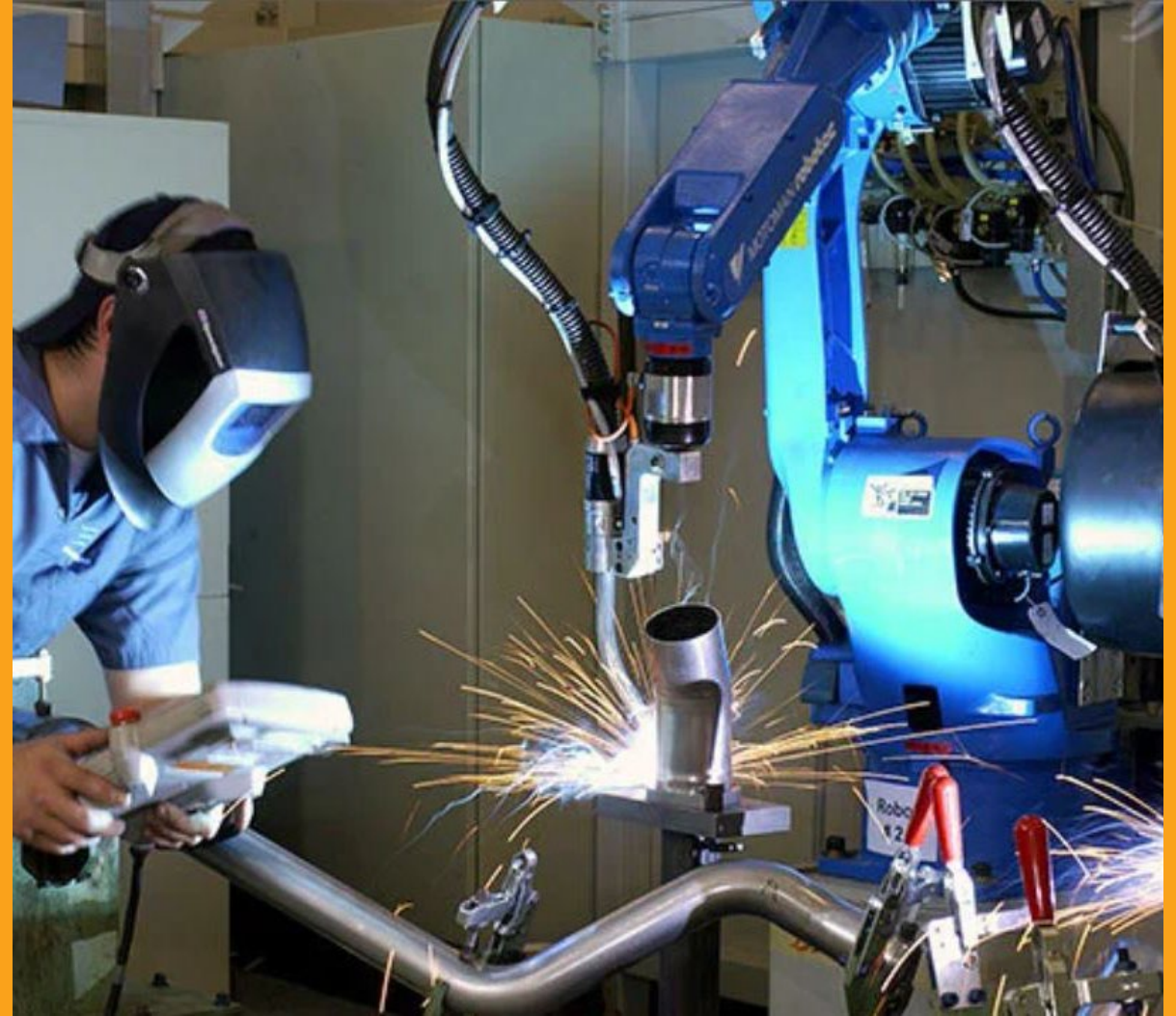
# COLLABORATING WITH PRIVATE SECTOR

**\$50M**

Investment into Higher Education Challenge Grants

**\$150M**

Combined public-private investment next biennium with required match



# SUPPORTING CAREER ACADEMIES

# ATTRACT & RETAIN WORKFORCE

**ND WORKS  
INVESTMENT PLAN**

**\$50M+**  
*initial state investment*

**CAREER EXPLORATION  
& PREPARATION**  
\$5M Automation Enhancement  
Workforce Training Grant

**ADDRESSING  
TECHNICAL SKILLS GAP**  
\$2M to expand the  
Technical Skills Training Grant



**ND WORKS  
INVESTMENT PLAN**

**RECRUITMENT  
& RETENTION**  
\$45M for comprehensive  
talent attraction

**REMOVING BARRIERS TO  
EMPLOYMENT**  
Supporting job placement of  
formerly incarcerated individuals

**OCCUPATIONAL  
LICENSURE REFORM**  
Easing & expediting the process  
for licensed professionals

October 26, 2022  
Bismarck, ND

# ND WORKS INVESTMENT PLAN

- \$20M** Regional Workforce Impact Grant
- \$25M** Strategic marketing and recruitment campaign
- \$2M** Technical Skills Training Grant
- \$5M** Automation Enhancement Workforce Training Grant
- \$0.7M** Correctional job placement pilot program

# THE WORKFORCE CHALLENGE

*PARENTS ARE ASKING:*  
**CAN I AFFORD TO WORK?**

Child care costs can account for up to 40% of a household's budget in North Dakota

# THE WORKFORCE CHALLENGE



**SUPPORTING WORKING FAMILIES**

**AFFORDABILITY**  
Keep the cost of child care manageable for household budgets

**AVAILABILITY**  
Making it easier to find child care when and where a family needs it

**QUALITY**  
Professionalizing the industry and ensuring quality early childhood experiences

**THE WORKFORCE CHALLENGE**

**73%**  
of North Dakota children under age 5 have both parents in the workforce

**PARENTS ARE ASKING: CAN I AFFORD TO WORK?**

**15-40%**  
of the workforce is pregnant

September 13, 2022  
Fargo, ND

# SUPPORT WORKING FAMILIES

## IMPROVE AFFORDABILITY

»» By expanding the Child Care Assistance Program

## IMPROVE AVAILABILITY

»» By incentivizing providers for infants and toddlers

## IMPROVE QUALITY

»» By incentivizing providers to meet quality standards



# ATTRACTING ENERGY WORKERS



# THE WORKFORCE GAP

**35,000**

open jobs in all  
industries across  
North Dakota



**22,599**

1,875 on unemployment  
7,120 K-12 graduates/GED  
1,215 released from DOOCR  
12,389 college graduates

# AUTOMATION TRIAD

**\$5M**

Per biennium expansion of the successful Automation Tax Credit

**\$10M**

Automation enhancement grant matching private investment

**\$5M**

Automation Workforce Transition Training Program

# EXPANDING OPPORTUNITIES

**\$1M**

nearly doubling the  
Native American  
Scholarship program



Largest investment in the program's history will expand educational and employment opportunities for tribal members

A large orange snowplow is clearing a multi-lane road covered in snow. The plow is moving from left to right, pushing a large pile of snow into the center of the road. In the background, several other vehicles, including a white truck and a car, are driving on the cleared road. The landscape is flat and covered in snow, with some buildings and utility poles visible in the distance. The sky is overcast.

# ATTRACT AND RETAIN TEAM AND MEMBERS WITH A COMPETITIVE TOTAL REWARDS PROGRAM

# SUPPORTING TEAM ND

**\$90M**

Targeted pay equity funding to be more competitive

**6%**

Performance increase in the first year

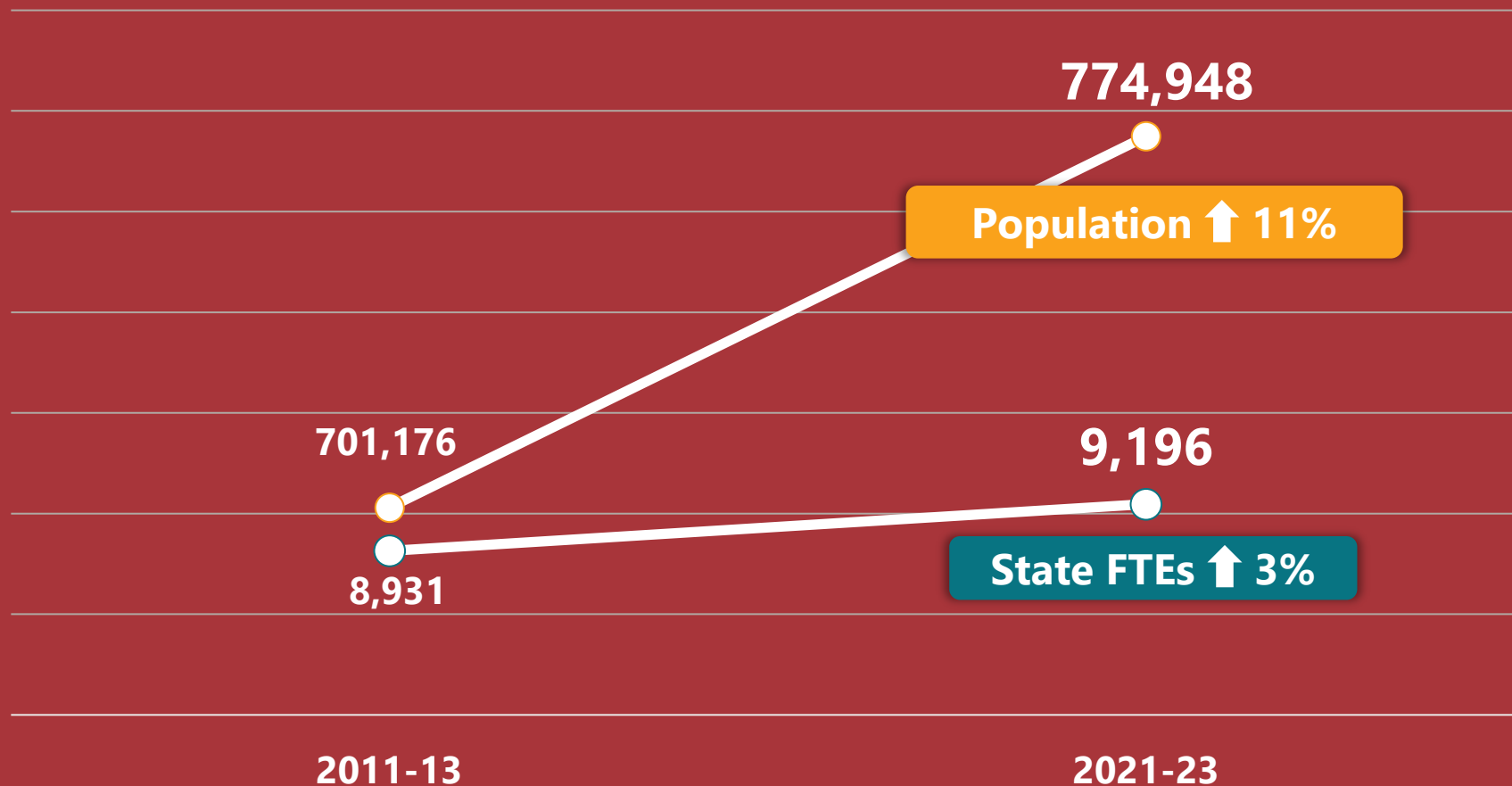
**4%**

Performance increase in the second year

# POPULATION OUTPACES FTEs

## PAST DECADE BRINGS NORTH DAKOTA POPULATION GROWTH

*4th-fastest growth rate in the nation*



# PATH TO PENSION SOLVENCY

**\$250M**

Proposed transfer into the  
pension fund

»» Taking action to  
address unfunded  
liability estimated  
at \$1.86B

# MAKING OUR COMMUNITIES MORE ATTRACTIVE PLACES TO LIVE





# HEALTHY, VIBRANT COMMUNITIES

**\$10M** Rural Revitalization and Redevelopment Grant Program

**\$5M** Rural Workforce Housing Program

**\$25M** Housing Incentive Fund

**\$51M** Local parks and recreation grants, and state parks and historical society infrastructure

# DRIVING VISITATION AND WORKFORCE



CREATING A DESTINATION DEVELOPMENT  
FUND OF **\$50M** TO EXPAND ATTRACTIONS

KEEPING OUR COMMUNITIES  
SAFE AND BACKING THE BLUE

# SUPPORTING THOSE IN UNIFORM

**\$5M**

matching grants for local law enforcement to drive recruiting and retention

**\$15M**

additions to Camp Grafton including military housing and a training facility

# GROWING NEW INDUSTRIES

**\$500M** Clean Sustainable Energy Loan Fund

**\$50M** Grants through the Clean Sustainable Energy Fund

**\$30M** North Dakota Development Fund

**\$20M** Innovation Technology Loan Fund (LIFT)

**\$5M** Agriculture Products Utilization Grants

# BUILDING ON OUR LEADERSHIP IN AUTONOMOUS TECHNOLOGY

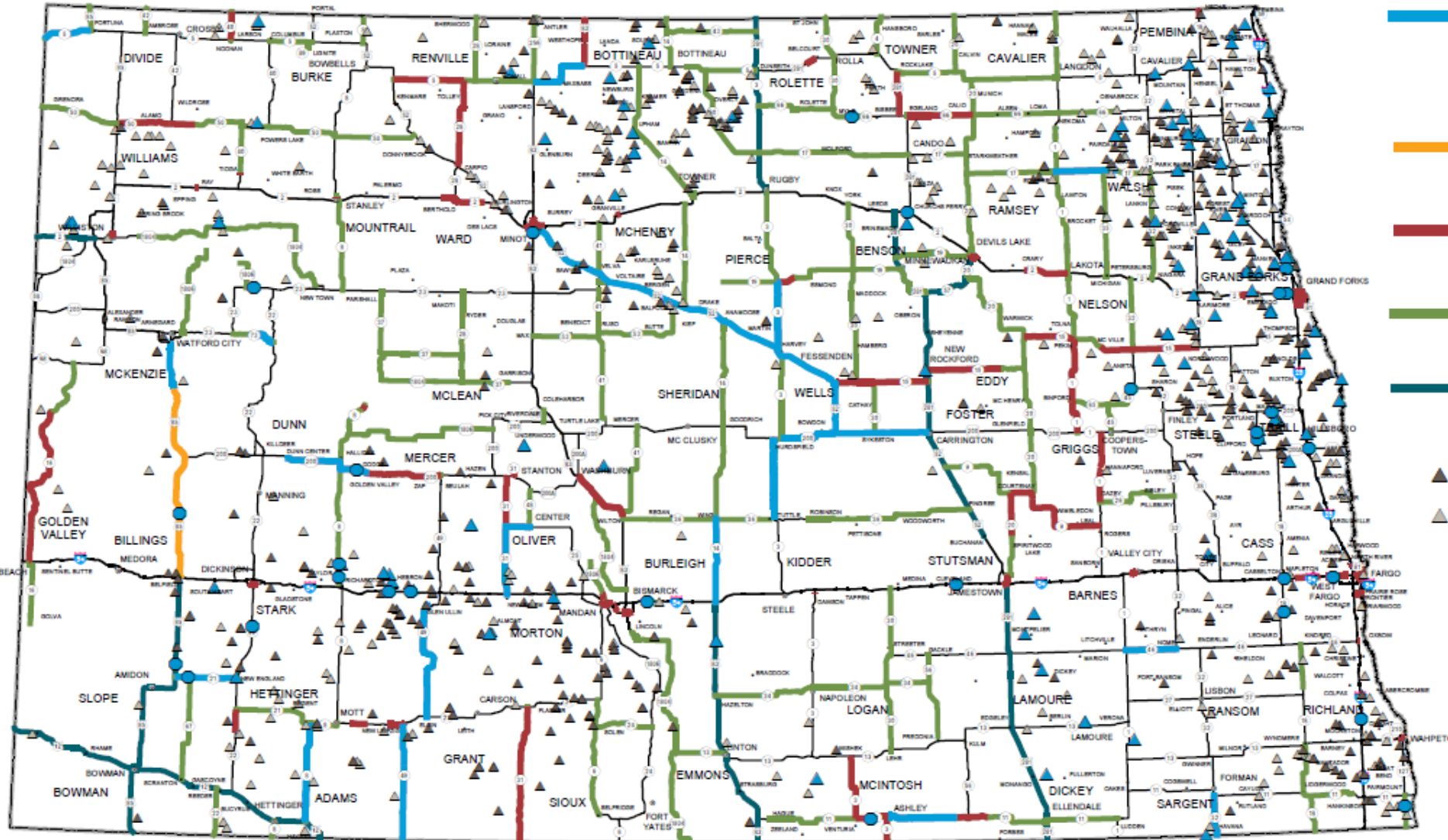


# RELIABLE INFRASTRUCTURE SUPPORTING ECONOMIC GROWTH

\$2.4B

to address aging roads,  
bridges and other  
infrastructure

# 10-YEAR NDDOT INFRASTRUCTURE PLAN



- 2021-2023 Projects\*
  - State Bridges
  - ▲ Local Bridges
 Progress = \$318,000,000
- Future Four Lane Corridor  
Remaining Cost to Four Lane = \$374,000,000
- Width Restricted Roadways  
Remaining Cost to Correct = \$605,000,000
- Load Restriction Roadways  
Remaining Cost to Correct = \$520,000,000
- Two Lane Interregional Corridors  
Remaining Passing Lane Cost = \$121,000,000
- ▲ Load Restricted Local Bridges\*\*
- ▲ Structurally Deficient Local Bridges\*\*
- Rest Areas  
Remaining Cost to Improve = \$16,000,000
- Remaining Investment = \$1.636 Billion



# BUILDING ON HISTORIC WATER INFRASTRUCTURE PROJECTS



Minot, ND

NORTH  
**Dakota**  
Be Legendary.

# SUPPORTING CONTINUED PROGRESS ON FLOOD PROTECTION PROJECTS

**\$600M**

for flood protection,  
regional water systems  
and other infrastructure

»» Taking action to  
address critical water  
supply infrastructure  
needs for municipal  
and rural systems

# MODERNIZING TECHNOLOGY

**\$45M**

investment in Job Service  
unemployment  
main frame



Focusing on oldest  
technologies first  
across all of state  
government

# BUILDING SPECIALIZED FACILITIES

**\$161M**

Creating a new women's correctional center in Mandan

**\$55M**

State-of-the-art public health and environmental quality lab

**\$10M**

Architectural design of a new State Hospital to replace outdated facility

# EMPOWERING CITIZENS AND THEIR WELL-BEING



# PROVIDING CRUCIAL SERVICES

**\$15.5M**

Increased funding for Free Through Recovery and assisting with recovery, housing and employment

**\$15M**

Increased funding for Community Connect, providing proactive services upstream

# CHILD PROTECTION RESPONSE

**\$3.4M**

for domestic violence and  
abuse prevention and  
treatment programs



Creation of a Child  
Protection Response  
Team to provide short-  
term, frontline staffing

# TRIBAL HEALTH LIAISONS

## ASSISTING HEALTH AND HUMAN SERVICES WITH TRIBAL NEEDS

- ▶▶▶ Making permanent four FTEs to address tribal health needs



# DELIVERING SERVICES & SUPPORT

**\$15M**

to enhance home and  
community-based  
care services



Adding more than a  
dozen FTEs to manage  
services and cases due  
to growth in programs



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# LEGACY STREAMS PROPOSAL



\*7% of average of five-year Legacy Fund Balance, extracted once per biennium

# HONORING & REMEMBERING THOSE WHO PROTECT OUR FREEDOMS

**\$40M**

for a military museum  
on the Capitol grounds,  
including private match

# A PLACE TO BE LEGENDARY

NORTH  
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Be Legendary.



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