A PLAN FOR NORTH DAKOTA’S FUTURE

2019 – 2021 Executive Budget Recommendation | INVESTING IN PEOPLE

$4.6B

2019 – 2021
TOTAL ONGOING
GENERAL FUND

$330M

Cost to Continue

• $135M Health and Human Services is driven by the cost to continue caring for our most vulnerable citizens and behavioral health

• $104M K-12 Education is a direct result of increased per-pupil payments and an increase in number of K12 students

• $78M Salaries and Benefits of the overall $180M proposed salary and benefits increases for Team ND

• $13M – Other

$4.6B


North Dakota TODAY'S UPWARD TREND

• Commodities prices drove $1.7B General Fund cut

• Over 40% of General Fund comes from sales taxes. When commodities prices dropped so did sales tax revenue – reinforcing the need to budget conservatively.

• The 2019-2021 budget recommendation is based on a comprehensive strategy review process

• The 2019-2021 budget balances ongoing revenues and expenses. It builds our reserves, allows us to strategically invest in our economy, in our workforce and in the well-being of our people.

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

Increasing Transparency and Achieving Structural Balance

OIL TAX REVENUE

Replenishing Rainy Day Savings | BUDGET STABILIZATION FUND

• State revenues are dependent on commodity prices, therefore, we must replenish reserves to manage risk.

• By law any amount in excess of $65M in the General Fund is automatically deposited in the Budget Stabilization Fund, which is forecasted to receive an additional $312M at the end of this biennium.

• The budget transfers $315M from the Strategic Investments and Improvements Fund (SIIF) filling the rainy-day fund to the maximum allowed, which is 15% of the proposed general fund spending.

Balance at the beginning of the biennium


$100M $200M $325M $386M $573M $584M

Transfer from Strategic Investments and Improvements Fund

$133M

Transfer from General Fund

$38M

Oil & Gas Tax Allocation
BEGINNING BALANCE

Proposed

Sources of Funding

T O T A L

$14.3B

General Fund: Ongoing

General Fund: Legacy Earnings

Federal Funds

Special Funds

Salaries & Benefits

Operating Expenses

Formulas & Grants

Capital Assets

Expenditures by Type

$3.7

$6.3

$5.6

$3.2

$2.6

$7.0

$1.5

$38M

$741M

$315M

$133M

$3.2B

$14.3B

$3.2B will support Team ND through salary and benefit investments

$3.2B

$5.6B

$3.7B

$135M Health and Human Services is driven by the cost to continue caring for our most vulnerable citizens and behavioral health

$104M K-12 Education is a direct result of increased per-pupil payments and an increase in number of K12 students

$78M Salaries and Benefits of the overall $180M proposed salary and benefits increases for Team ND

$13M – Other

$9.6B

$14.3B

$10.3B

$13.2B

$15.3B

$18.3B

$20.3B

$22.3B

$24.3B

2019 – 2021

TOTAL ONGOING

GENERAL FUND

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payments and an increase in number of K12 students

$78M Salaries and Benefits of the overall $180M proposed salary and benefits increases for Team ND

$13M – Other

$4.6B

2019 – 2021
TOTAL ONGOING
GENERAL FUND

$330M

Cost to Continue

• Oil and agriculture prices collapsed during 2015-17 biennium forcing hard choices

– Budget Stabilization Fund drained

– Programs and team members impacted

• Over 40% of General Fund comes from sales taxes. When commodities prices dropped so did sales tax revenue – reinforcing the need to budget conservatively.

• The 2019-2021 budget recommendation is based on a comprehensive strategy review process

• The 2019-2021 budget balances ongoing revenues and expenses. It builds our reserves, allows us to strategically invest in our economy, in our workforce and in the well-being of our people.
MEETING WORKFORCE DEMANDS FOR THE 21ST CENTURY

Workforce is the largest gating factor to North Dakota’s continued growth. Technological and competitive forces require us to redouble our efforts in key areas. Working as one we can have significant impact on strategic drivers including skills, education, retention and recruitment. At the same time we can mitigate barriers like occupational licensing.

WORKFORCE PRIORITIES

- Technical Skills Gap
- Need for Youth Engagement
- Nursing and Healthcare Technician Shortage
- Support for Populations with Barriers to Employment
- Need for Net In/Migration of North Dakotans

Performance based salary increases and investment in pension fund today supports financial security for Team North Dakota.

Investing In Workforce

- Expand Challenge Grants | $40 Million
- Career Academies Expansion | $30 Million
- Research ND | $20 Million

Mitigating Barriers

61 Boards and Commissions Governing 80+ Licenses

Modernize Higher Education


INVESTING IN PEOPLE

- Expand Challenge Grants | $40 Million
- Career Academies Expansion | $30 Million
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Increasing Investment in Students and Teachers

Team Member Compensation

- $3,012 M 2017 - 2019
- $180 M Increase of salaries and benefits for state team members
- $3,191 M 2019 - 2021 Proposed

Pension Fund Solvency

INVESTING FOR THE FUTURE

- Technology | $174M
- Water Projects | $464M
- Roads | $815M
- Legacy Projects | $300M

Legacy Projects

- Revolving Loan Funds ($535M est. borrowing power)
- UAS Network and Infrastructure
- Theodore Roosevelt Presidential Library and Museum (Matching $1 for every $2 of private capital)