



NORTH
Dakota Be Legendary.

2023-25 BUDGET GUIDELINES

Empower People. Improve Lives. Inspire Success.



GRATITUDE

GUIDING PRINCIPLES

Little Missouri
National Grassland
Credit: ND tourism

WHOLE-OF-GOVERNMENT APPROACH

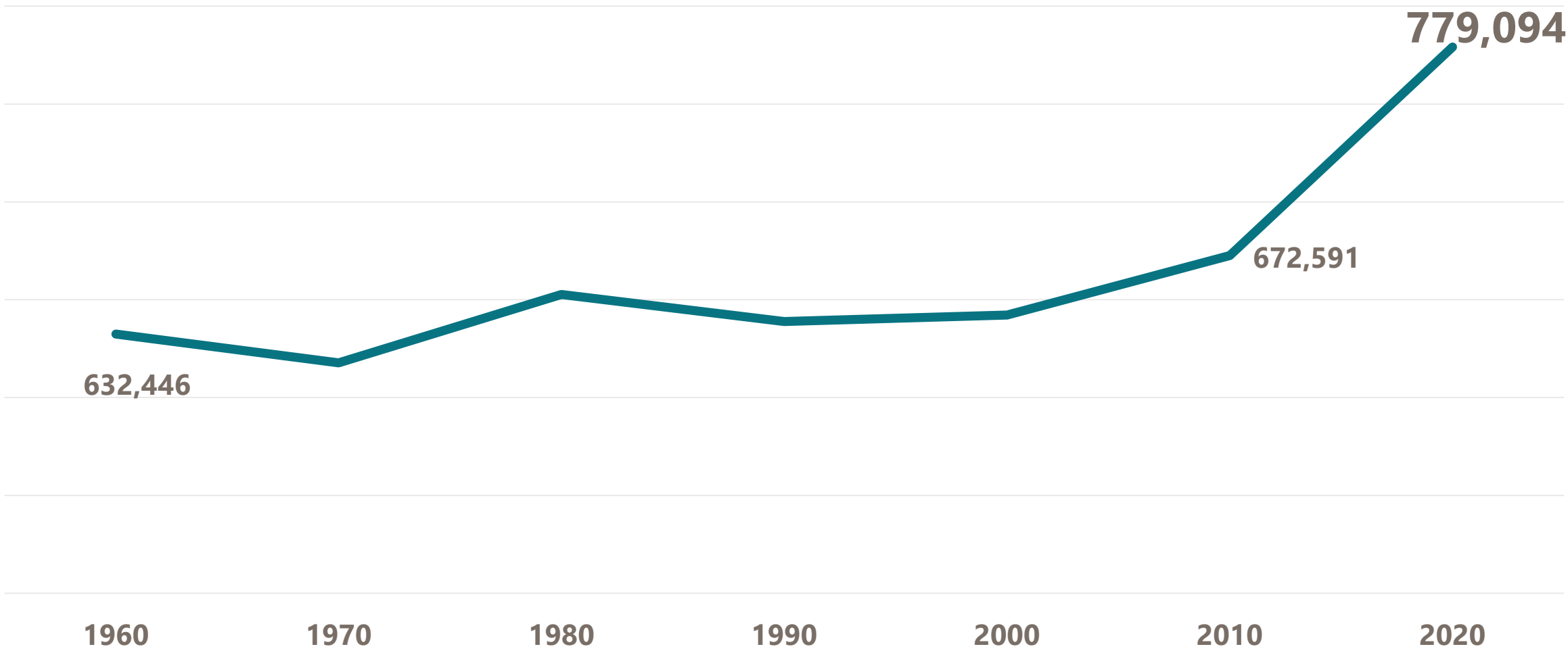
Office of the Governor
Office of the Secretary of State
Office of Management and Budget
Information Technology Dept
Office of the State Auditor
Office of the State Treasurer
Office of the Attorney General
Office of the State Tax Commissioner
Office of Administrative Hearings
Commission on Legal Counsel of Indigents
Retirement and Investment Office
Public Employees Retirement System
Ethics Commission
Department of Public Instruction
North Dakota University System
Department of Trust Lands
Bismarck State College
Lake Region State College
Williston State College
University of North Dakota
UND Medical Center
ND State University
ND State College of Science
Dickinson State University
Mayville State University

Minot State University
Valley City State University
Dakota College at Bottineau
ND Forest Service
State Library
School for the Deaf
ND Vision Services / School for the Blind
Dept. of Career and Technical Education
Depts of Health & Human Services
Department of Environmental Quality
Veterans Home
Indian Affairs Commission
Department of Veterans Affairs
Protection and Advocacy Project
Job Service North Dakota
Office of the Insurance Commissioner
Industrial Commission/Mineral Resources
Industrial Commission/Pub Finance/Admin
Department of Labor and Human Rights
Public Service Commission
Aeronautics Commission
Dept of Financial Institutions
Securities Department
Bank of North Dakota
North Dakota Housing Finance Agency

North Dakota Mill and Elevator Association
Workforce Safety and Insurance
Highway Patrol
Dept of Corrections and Rehabilitation
Office of the Adjutant General/National Guard
Office of the Adjutant General/DES
Department of Commerce
Department of Agriculture
Upper Great Plains Transportation Institute
Branch Research Centers
NDSU Extension Service
Northern Crops Institute
NDSU Main Research Center
Agronomy Seed Farm
North Dakota State Fair
ND Racing Commission
State Historical Society
Council on the Arts
Game and Fish Department
Department of Parks and Recreation
State Water Commission
Department of Transportation

ND'S GROWING POPULATION

PRESSURE ON STATE GOVERNMENT SERVICES

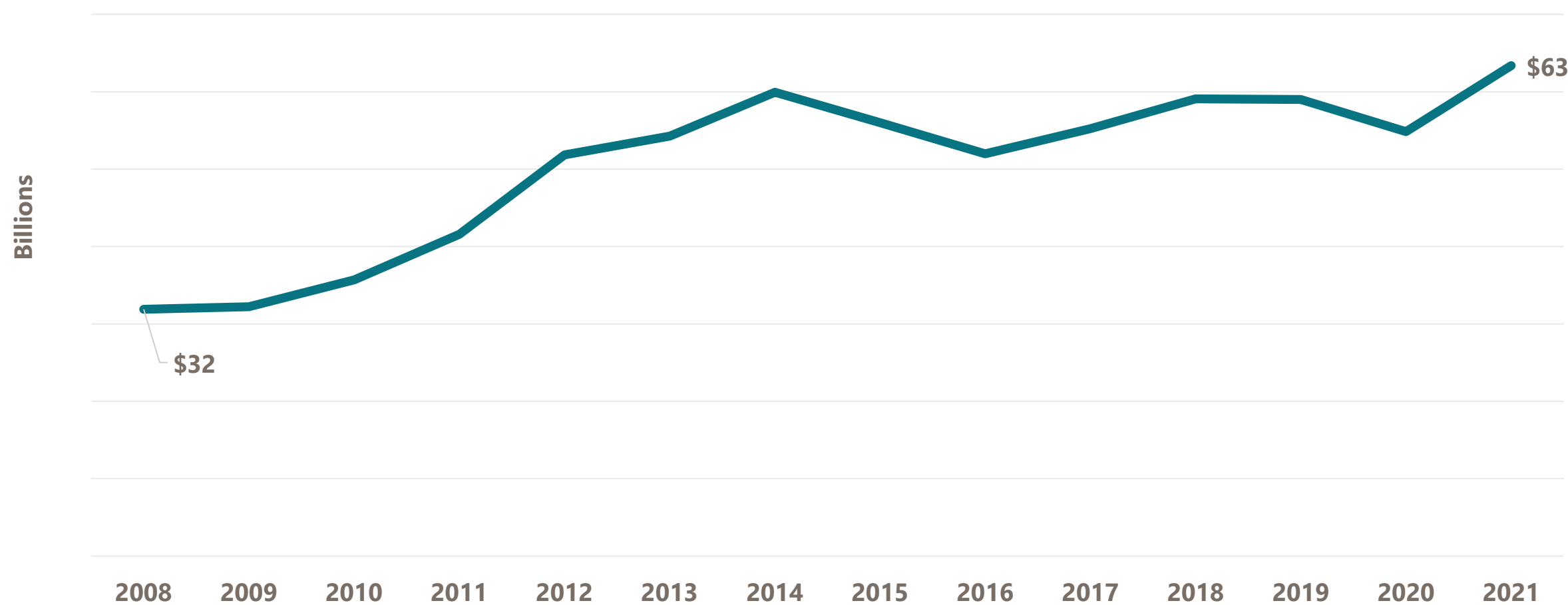


Source: U.S. Census Bureau

ND'S GROWING ECONOMY

REQUIRES CONTINUED INVESTMENT IN OURSELVES

State Gross Domestic Product (GDP) in Billions

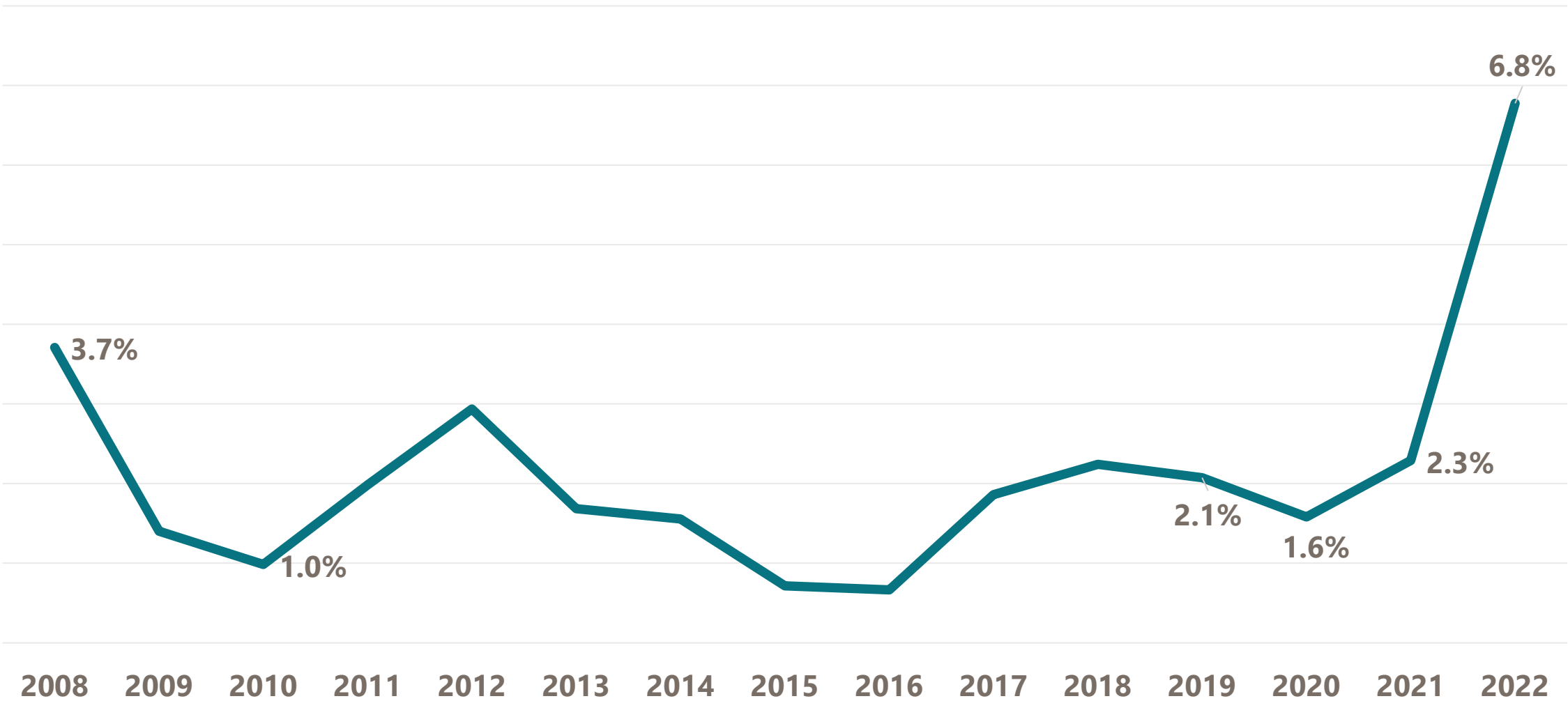


Source: U.S. Bureau of Economic Analysis

HIGHEST INFLATION IN 40 YEARS

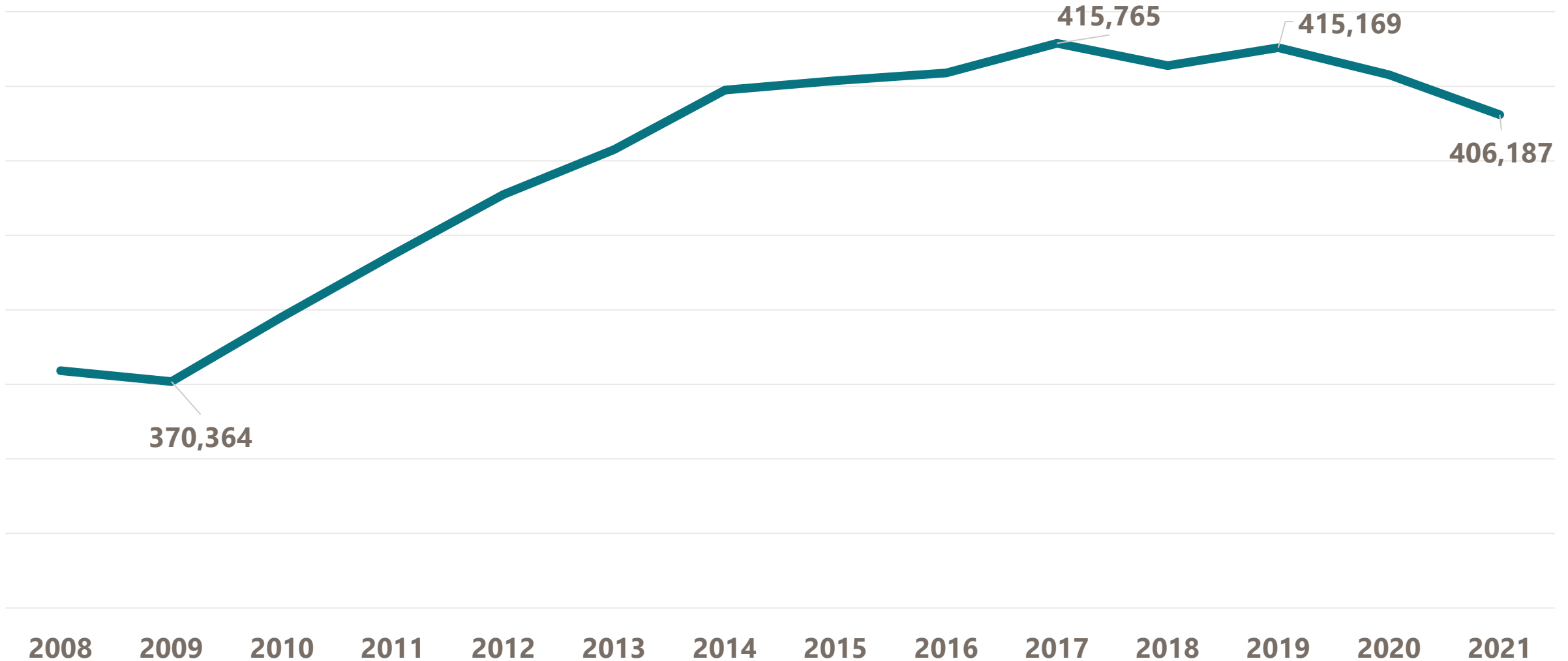
ADDS PRESSURE TO STATE BUDGET

Consumer Price Index



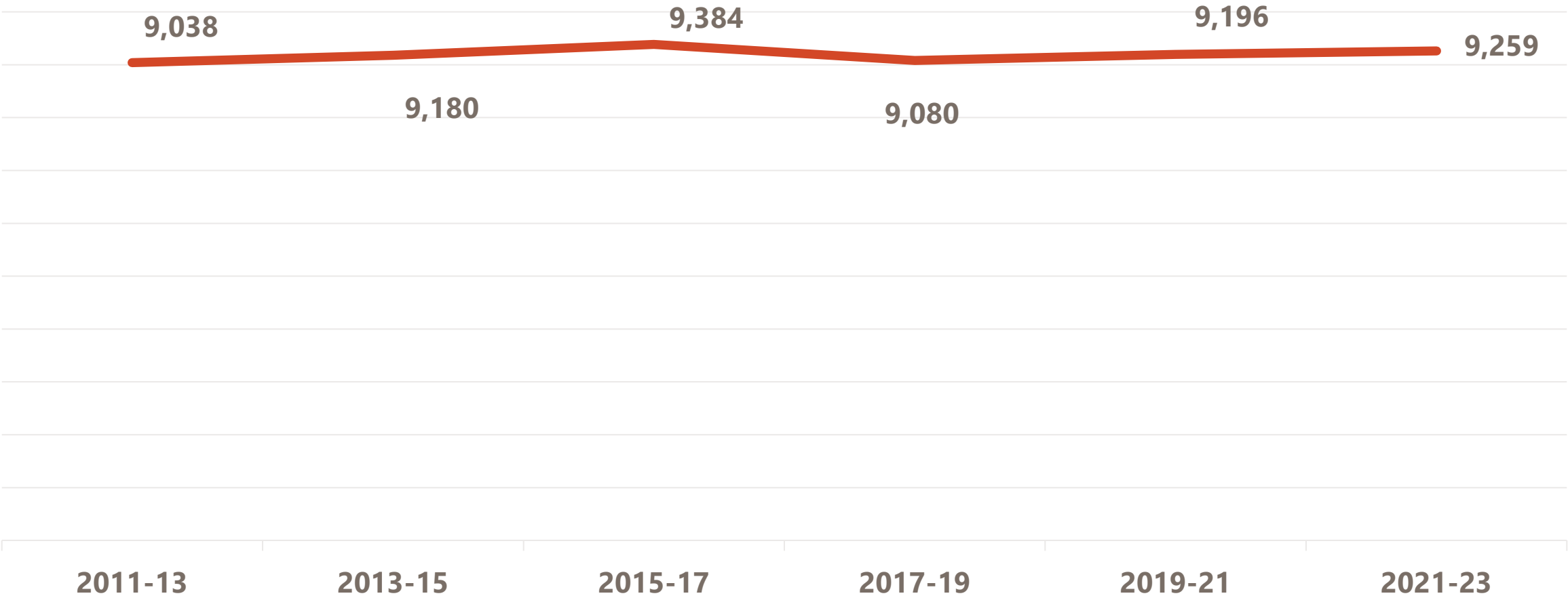
NORTH DAKOTA WORKFORCE

2% DECLINE SINCE 2017



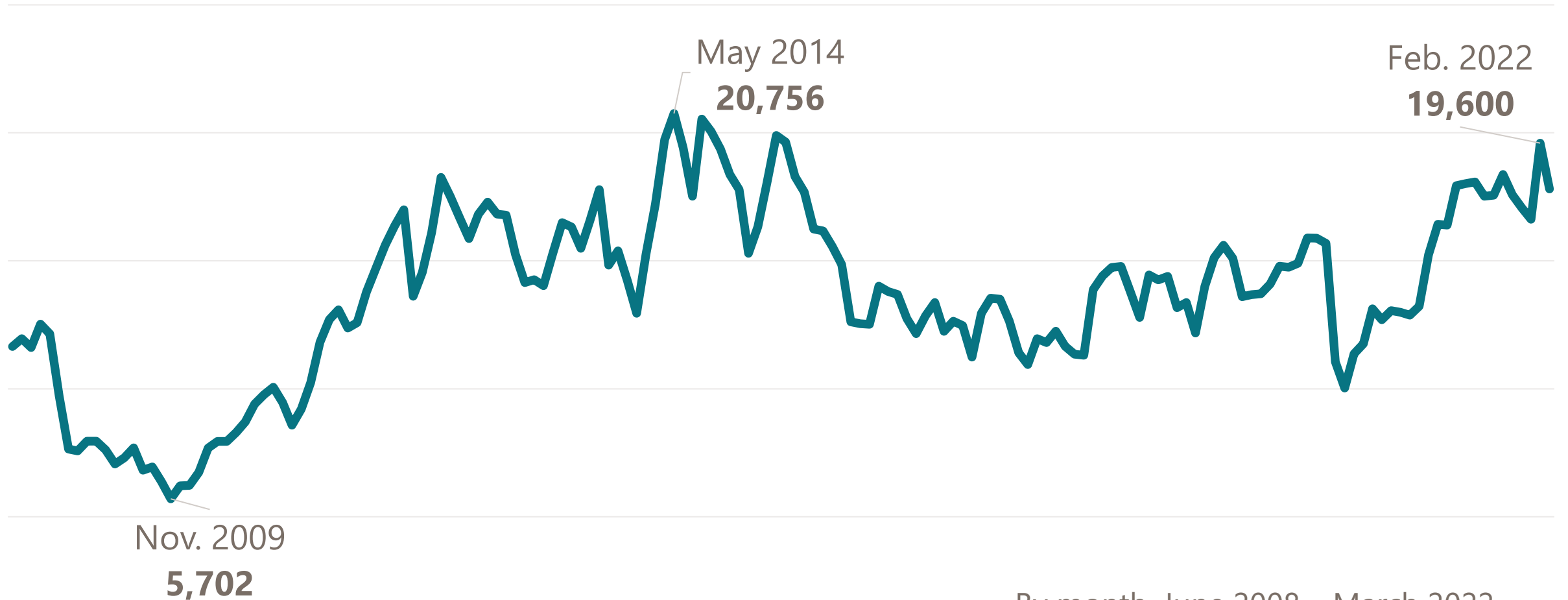
ND STATE GOVERNMENT FTE

HELD FLAT FOR 12 YEARS



State agency authorized positions – Excluding higher education

OPEN POSITIONS LISTED WITH JOB SERVICE ND NEAR RECORD HIGH

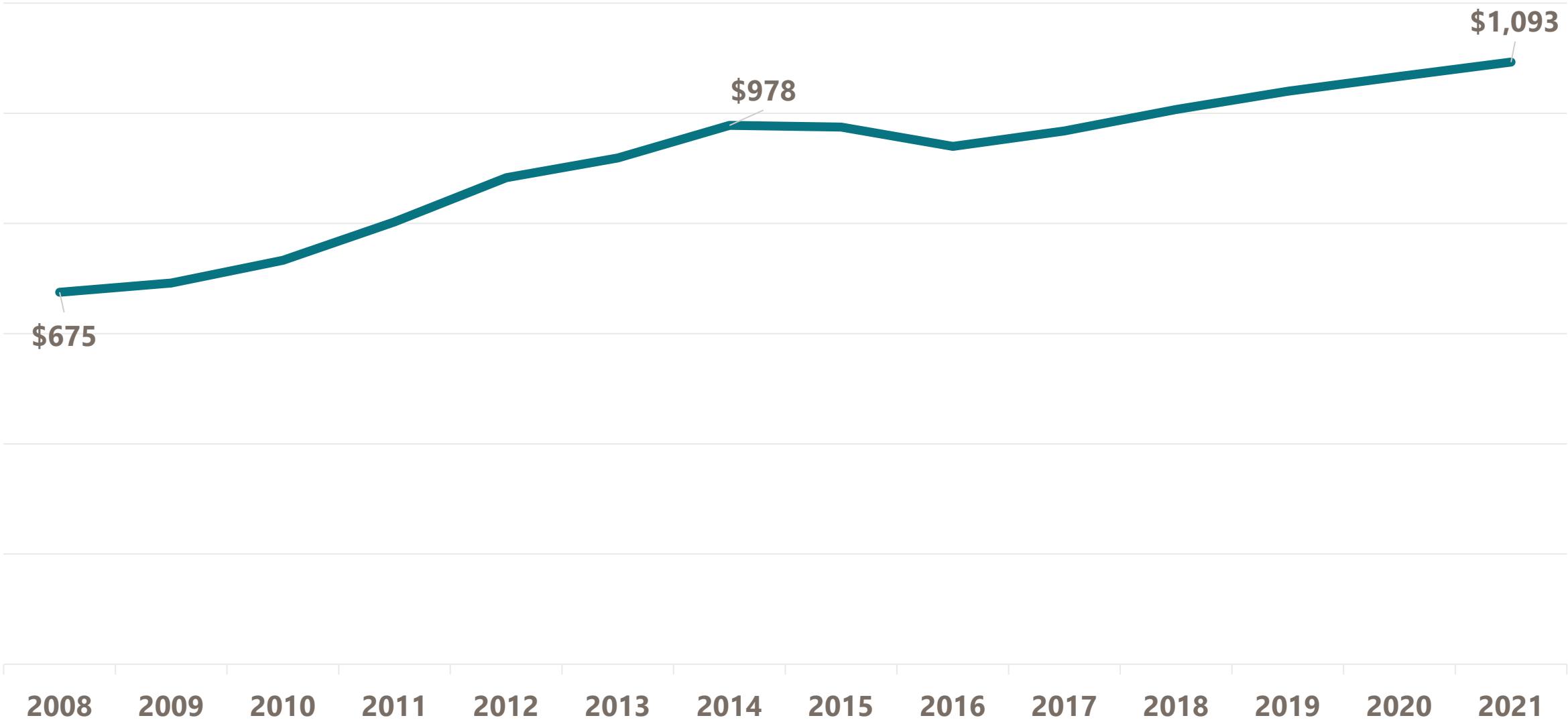


By month, June 2008 – March 2022

Source: Labor Market Information Center, JSND

NORTH DAKOTA AVERAGE WEEKLY SALARY

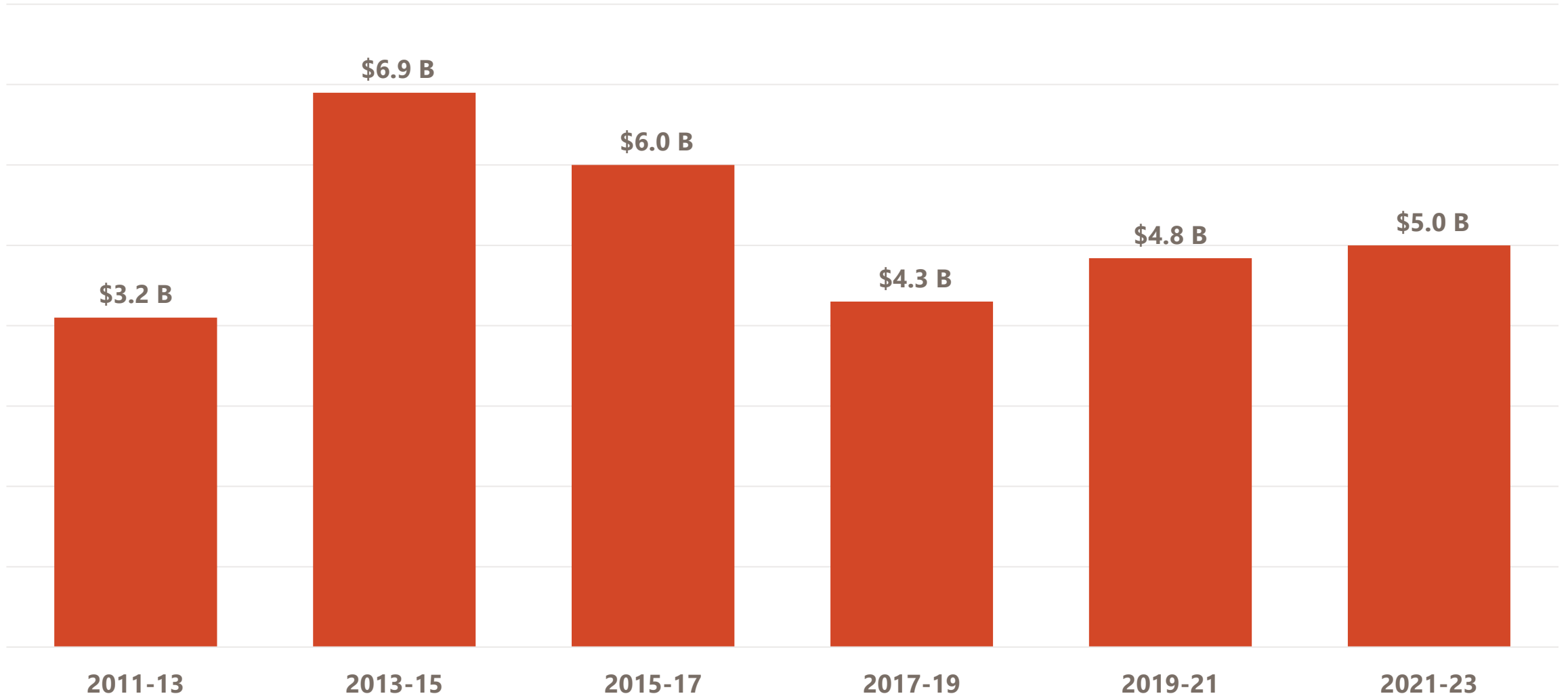
62% INCREASE SINCE 2008



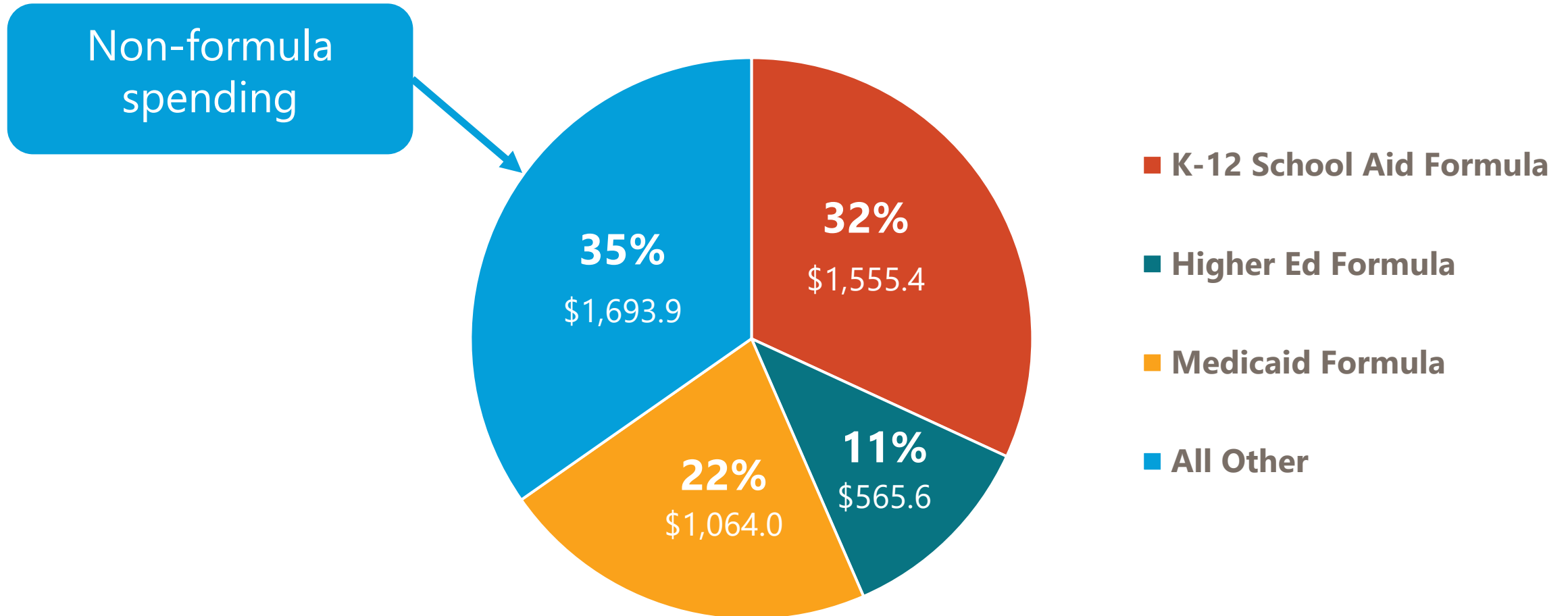
Source: Labor Market Information Center, JSND

GENERAL FUND APPROPRIATIONS

2021-23 ALMOST 30% LOWER THAN 2013-15



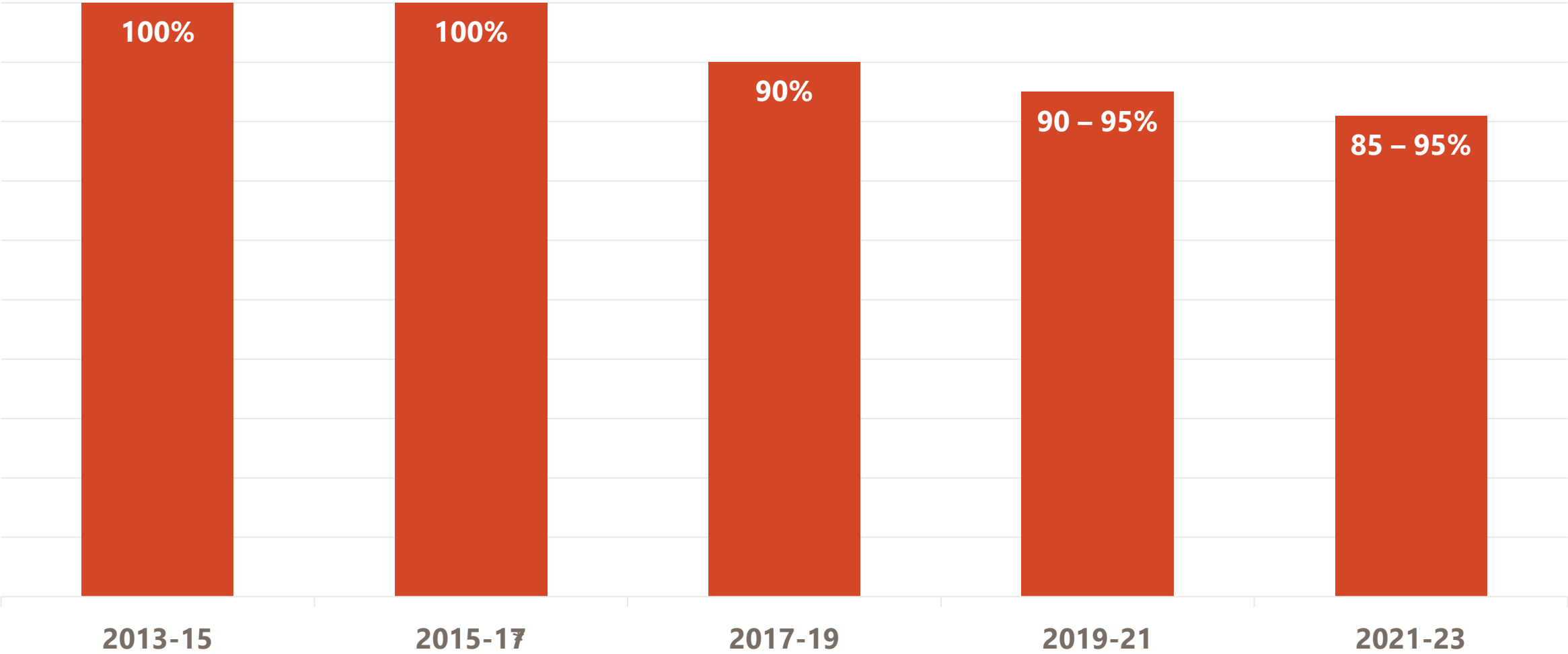
65% OF ONGOING GENERAL FUND EXPENSES IN FORMULA-DRIVEN PROGRAMS



2021-23 Ongoing General Fund Expenses = \$4.9 B

REDUCTIONS THROUGH BUDGET GUIDELINES

HELPED CONSTRAIN SPENDING AND ENCOURAGE INNOVATION



* Budgets reduced during interim through two separate allotment reductions of 6.55%.

POTENTIAL FUNDING FOR TRANSFORMATIONAL ONE-TIME INVESTMENTS

**General Fund
Balance
\$950 M**

**SIIF
\$1.6 B**

**SFRF
\$63 M**

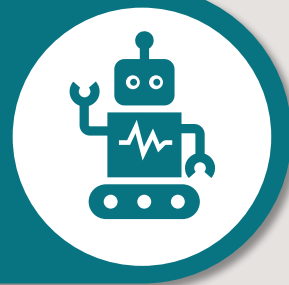
IIJA

Legacy Streams

**Budget
Stabilization Fund
\$750 M**

AGENCY STRATEGY TAKEAWAYS

Automation

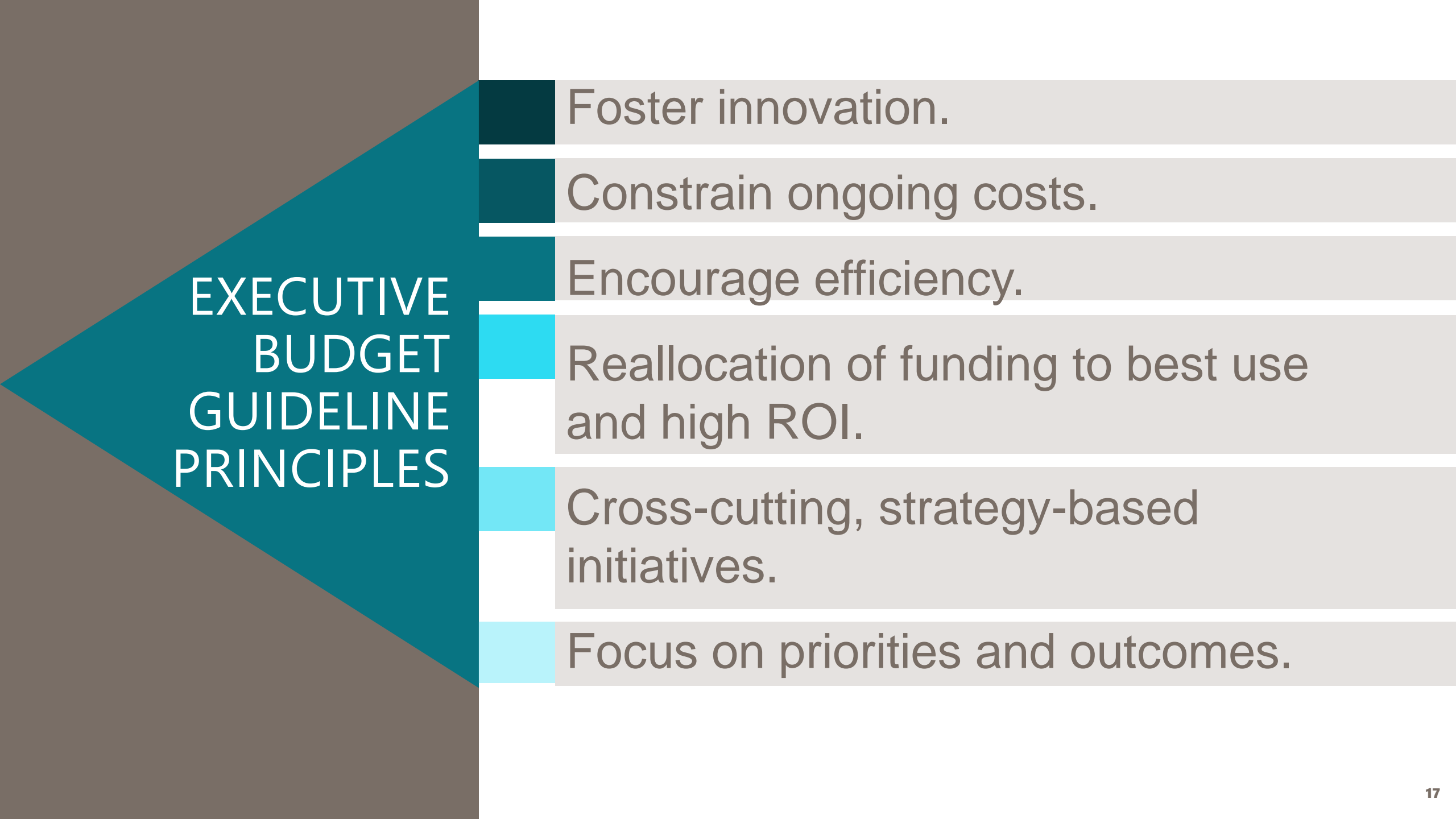


Workforce

Cut the Red Tape



Tech Debt



EXECUTIVE BUDGET GUIDELINE PRINCIPLES

Foster innovation.

Constrain ongoing costs.

Encourage efficiency.

Reallocation of funding to best use and high ROI.

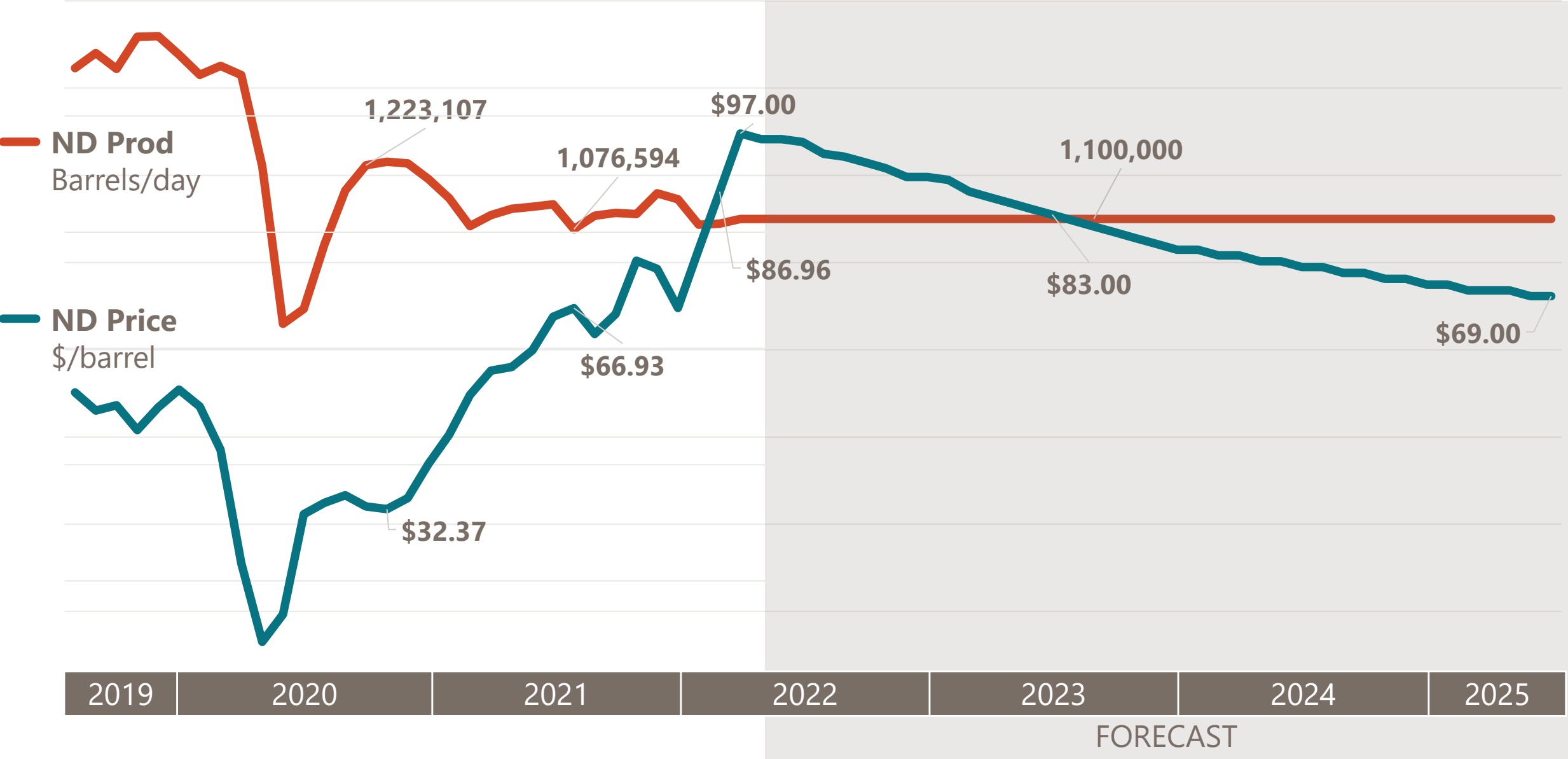
Cross-cutting, strategy-based initiatives.

Focus on priorities and outcomes.

OIL AND GAS TAX PROJECTIONS

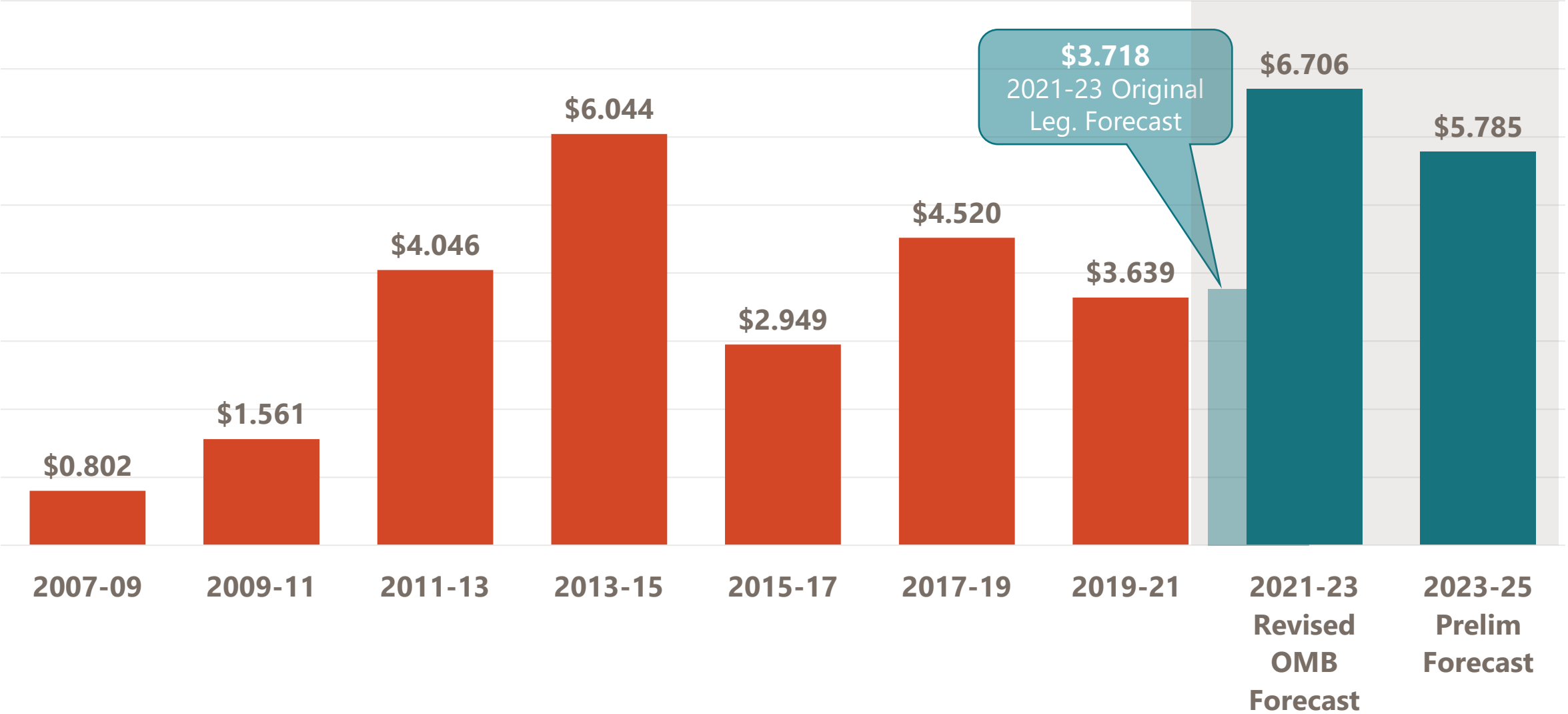


ND OIL PRICE AND PRODUCTION



ND OIL TAX REVENUES

In Billions



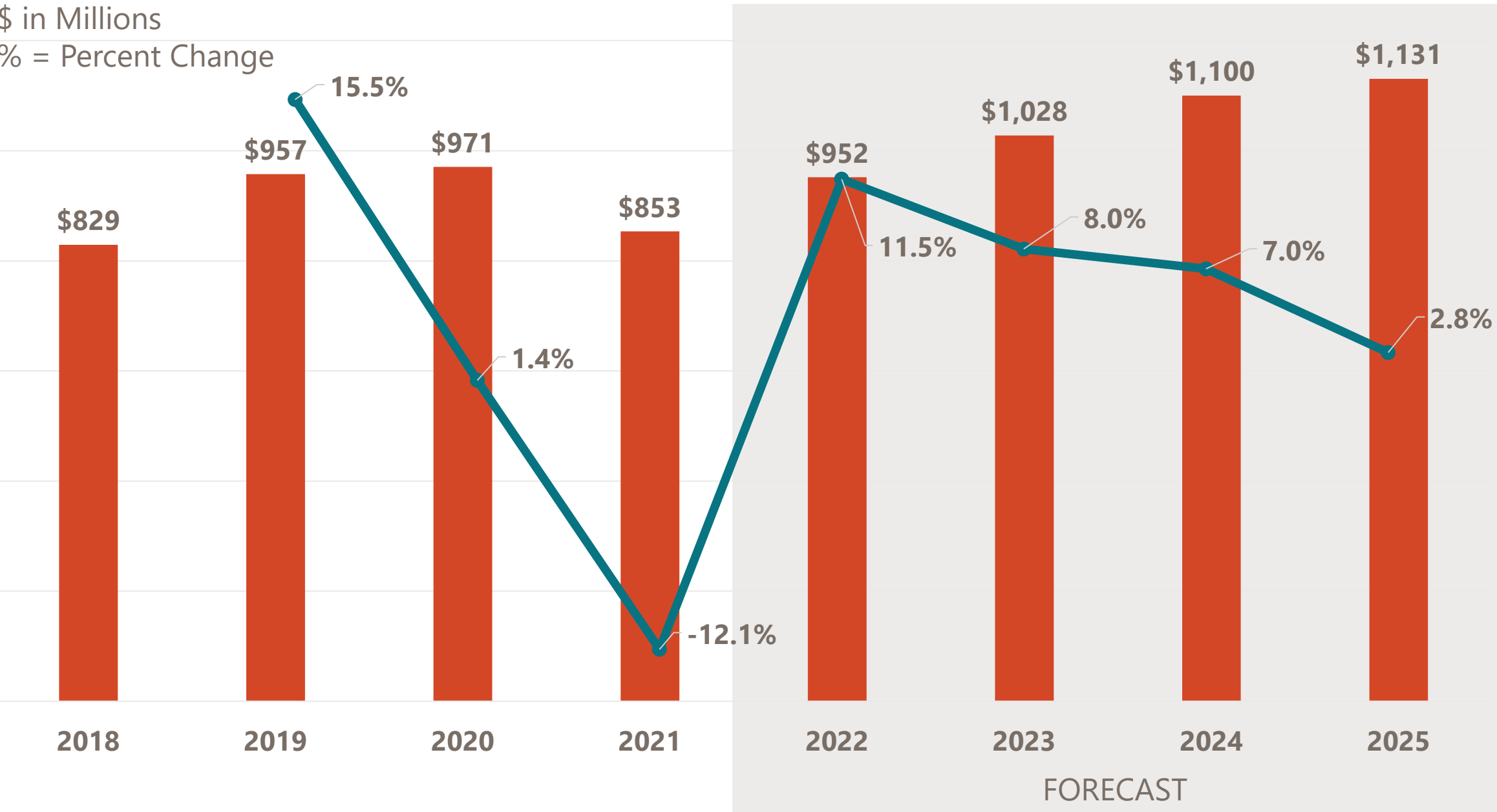
A wide-angle photograph of a sunset over a large body of water. The sun is a bright orange orb on the horizon, partially obscured by dark silhouettes of trees and land. The sky is filled with dramatic, dark clouds, with a band of bright orange and yellow light just above the horizon. The water in the foreground is dark blue with gentle ripples, reflecting the colors of the sky and the sun. The overall mood is serene and majestic.

GENERAL FUND PROJECTIONS

Lake Tschida
Credit: ND tourism

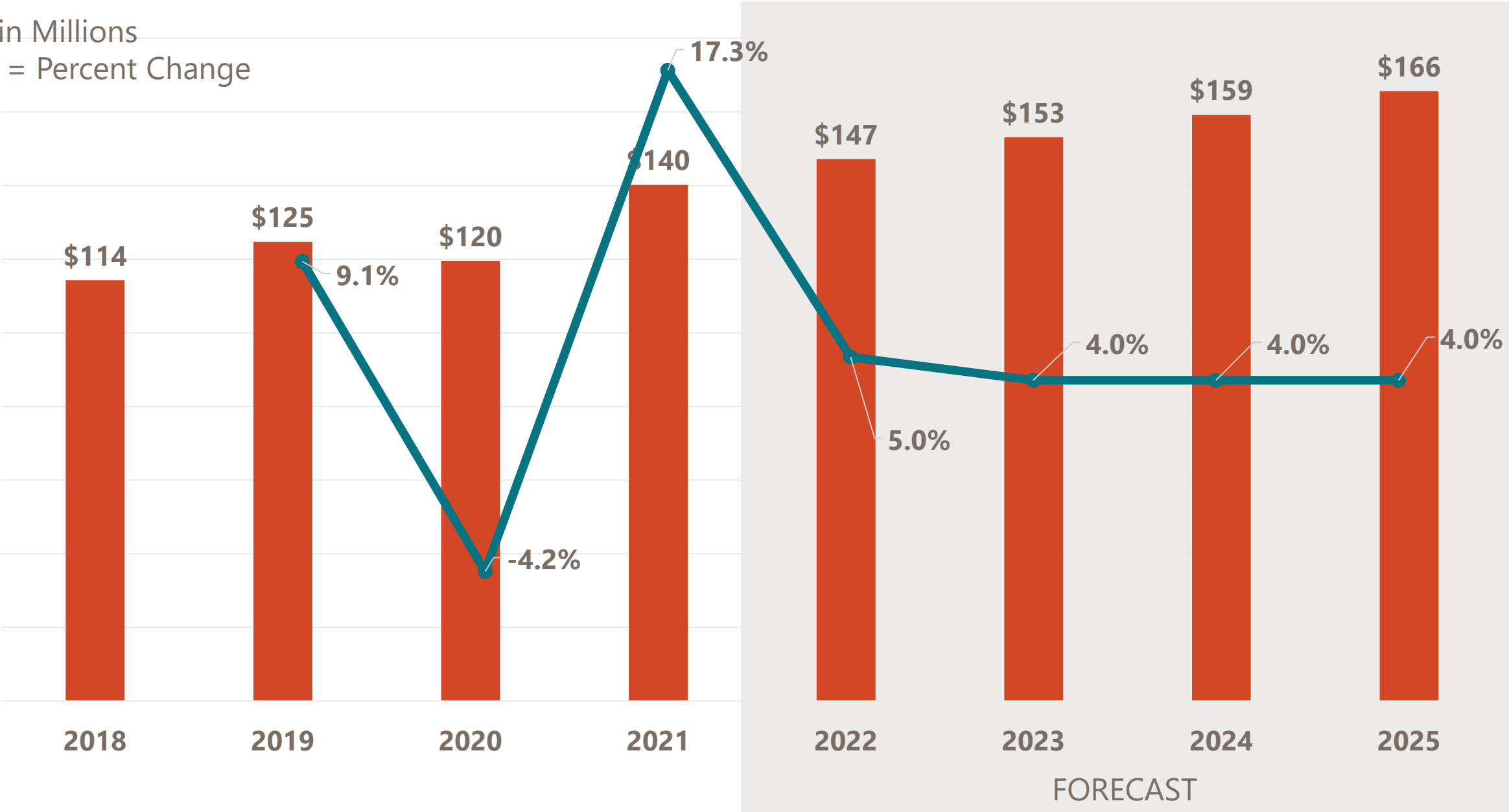
SALES AND USE TAX

\$ in Millions
% = Percent Change



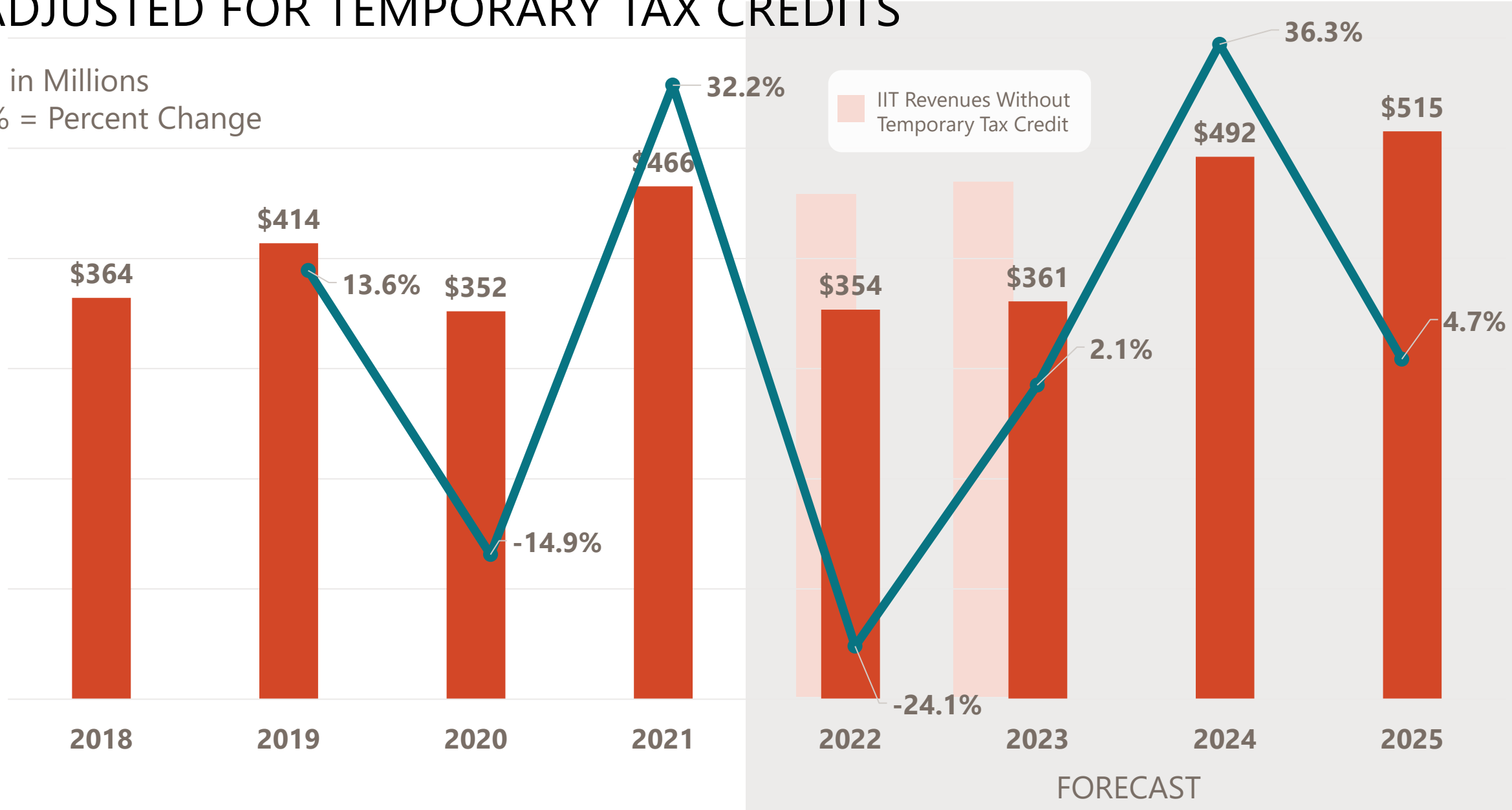
MOTOR VEHICLE EXCISE TAX

\$ in Millions
% = Percent Change



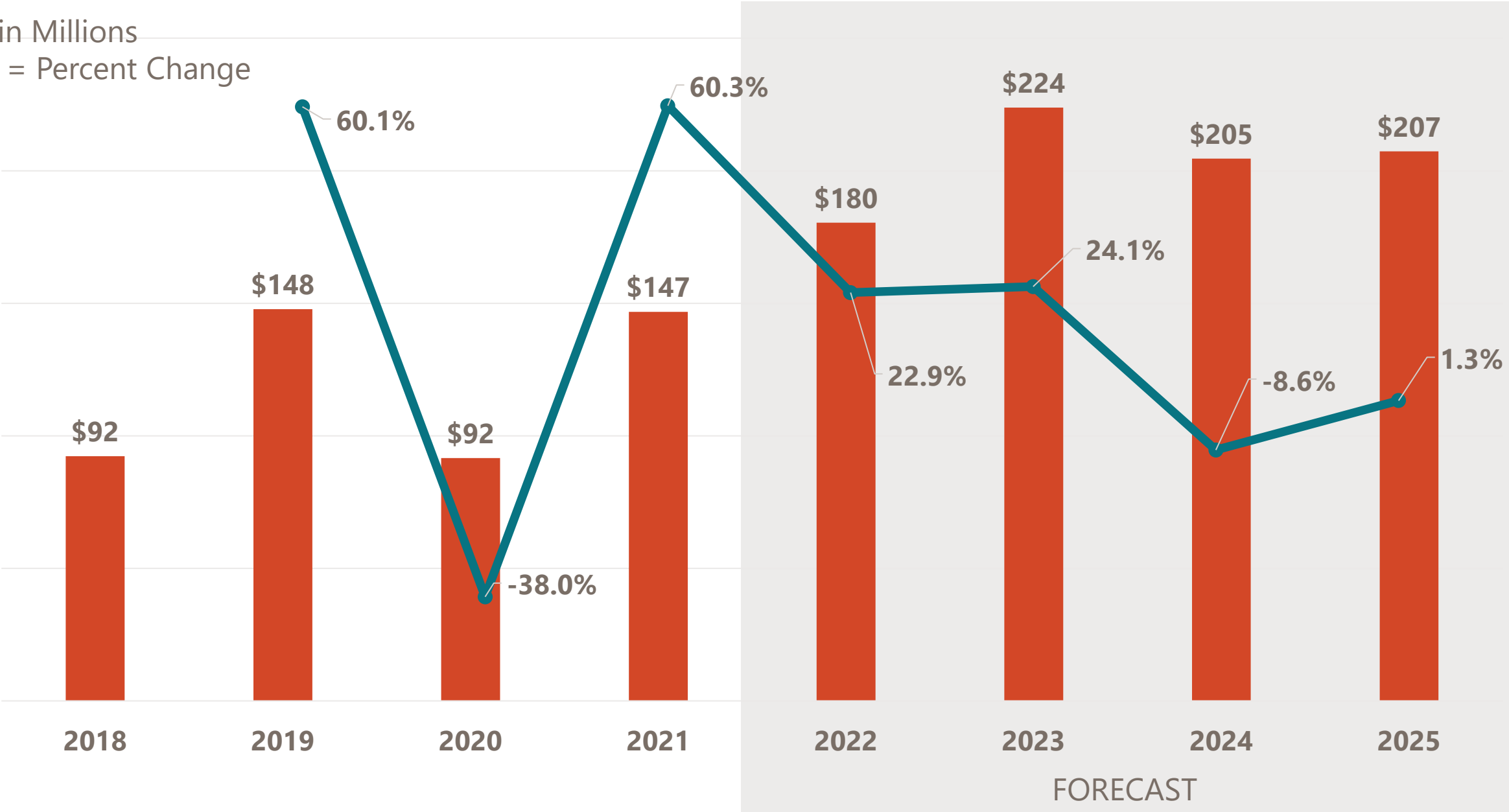
INDIVIDUAL INCOME TAX ADJUSTED FOR TEMPORARY TAX CREDITS

\$ in Millions
% = Percent Change



CORPORATE INCOME TAX

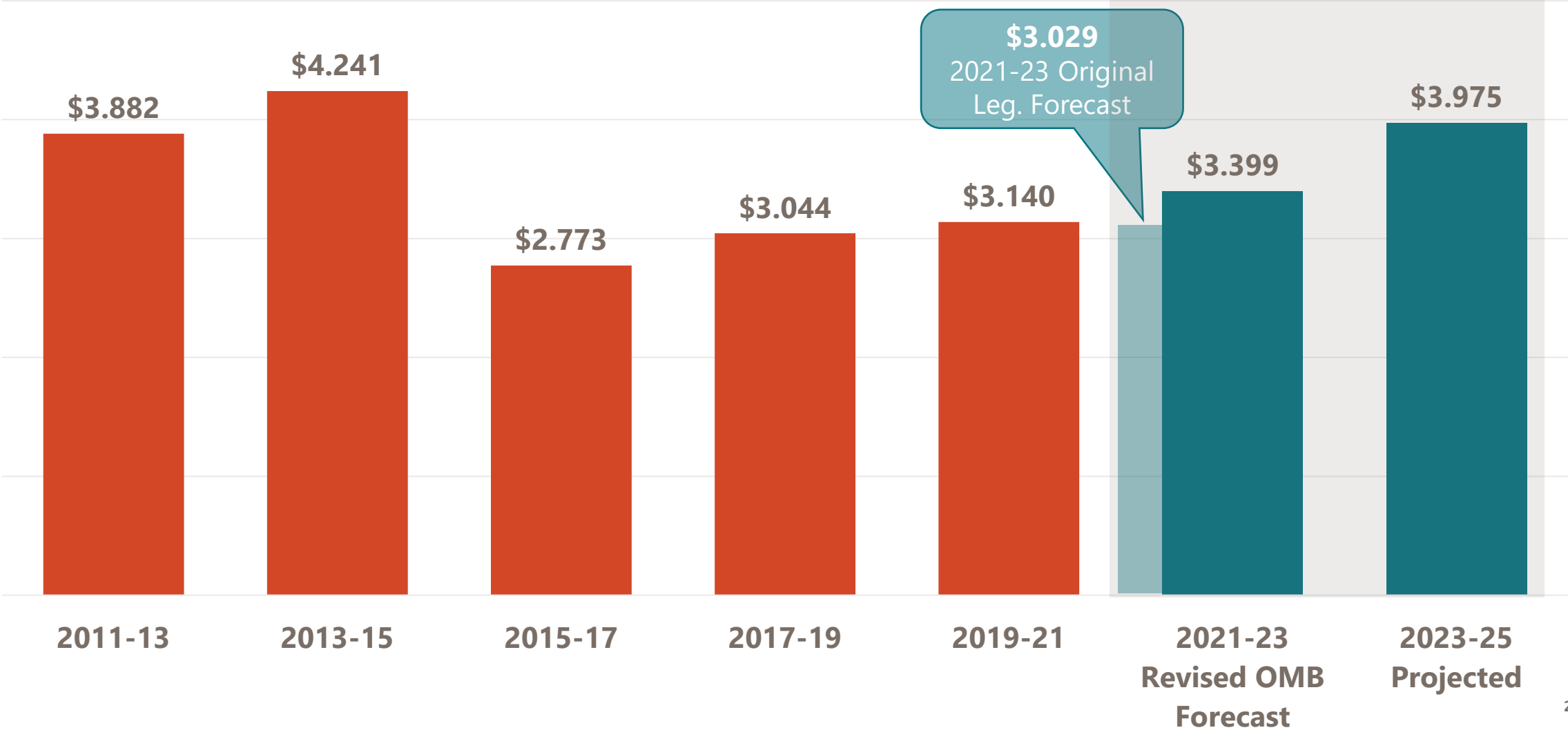
\$ in Millions
% = Percent Change



GENERAL FUND ONGOING REVENUES

FOUR MAJOR TAX TYPES - CONTINUED RECOVERY FOR 2023-25

In Billions



BUDGET GUIDELINES

Mystic Horizons near Bottineau
Credit: ND tourism

BASE BUDGET

2023-25 CALCULATION

2021-23
Appropriation

Total legislative appropriation of general and state special funds.

—

One-time
Appropriations

Focus on ongoing expenses.

+

**Shared
Software
and
Service**
Rate Changes

Rate changes for essential shared software/services included in base budget.

+

Cost to
Continue
**New
Programs**

Funding adjustments for any programs phased-in during 2021-23.

+

Cost to
Continue
**2021-23
Salary
Increases**

Funding added for cost to continue legislatively authorized salary increases.

=

2023-25 Base Budget

BUILDING BLOCKS FOR A STRATEGY-BASED BUDGET



**OMB provides
strategy-based
optional request
themes**

**Agencies develop
& submit optional
request proposals**

**Executive budget
aggregates of
optional requests
into cross-cutting
proposals**

**Focus on statewide
strategy and
outcomes**

STRATEGY-BASED BUDGET PROCESS

STRATEGIC THEMES FOR AGENCY PROPOSALS ABOVE BASE BUDGET

2023-25 Base Budget



Example
Optional
Request
Themes

Workforce



Infrastructure



**Service
Delivery
Innovation**

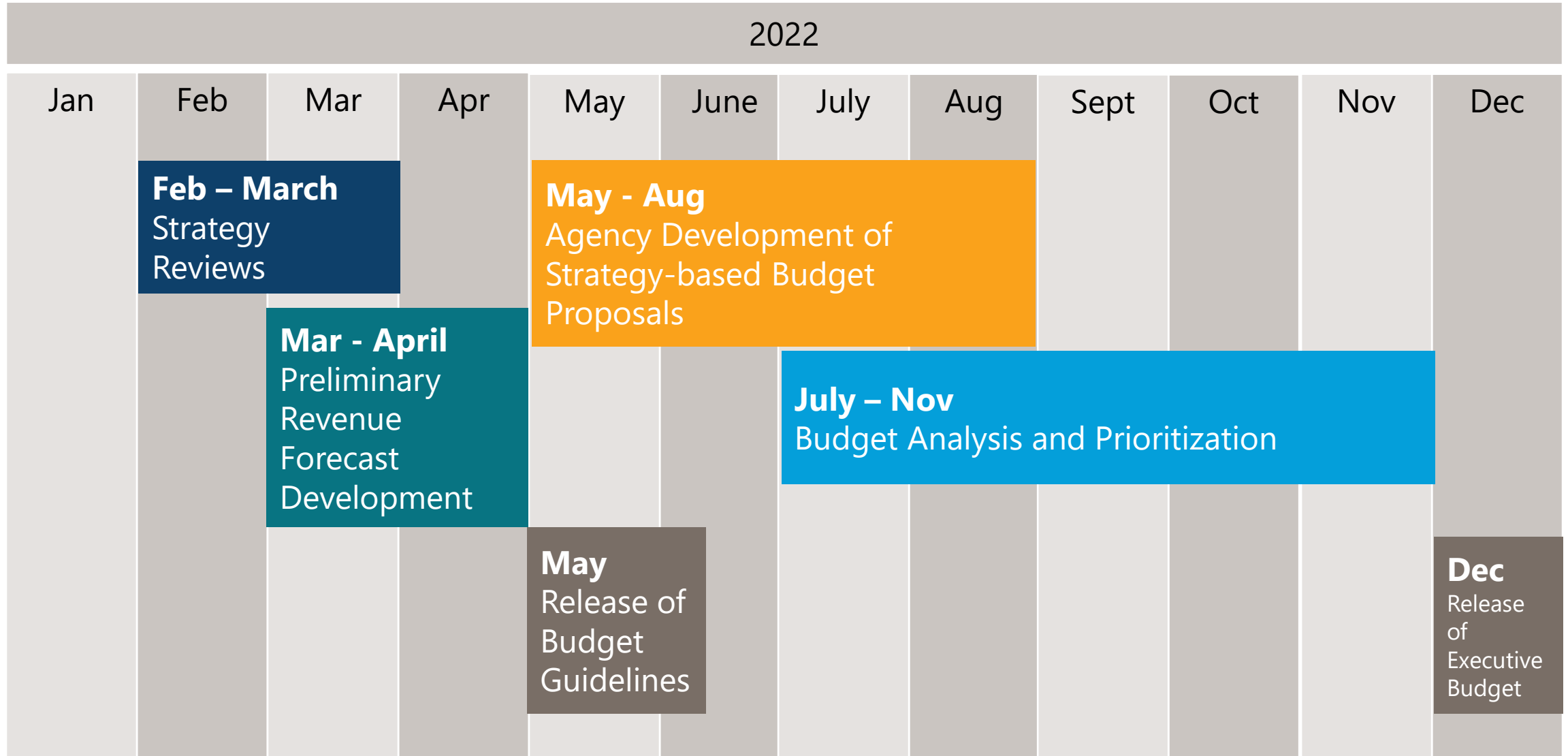


Other



**2023-25 Total Budget
Proposal**

2022 BUDGET PROCESS TIMELINE



EMPOWER PEOPLE
IMPROVE LIVES
INSPIRE SUCCESS



Kildeer Mountain
Four Bears Scenic Byway
Credit: ND tourism

NORTH
Dakota Be Legendary.

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