

2025-27 BUDGET GUIDELINES

Empower People. Improve Lives. Inspire Success.

James River
Credit: DOT

NORTH
Dakota
Be Legendary.

GRATITUDE

Medora
Credit: ND Tourism

NORTH
Dakota
Be Legendary.

GUIDING PRINCIPLES



Theodore Roosevelt National Park
Credit: National Parks

NORTH
Dakota
Be Legendary.

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

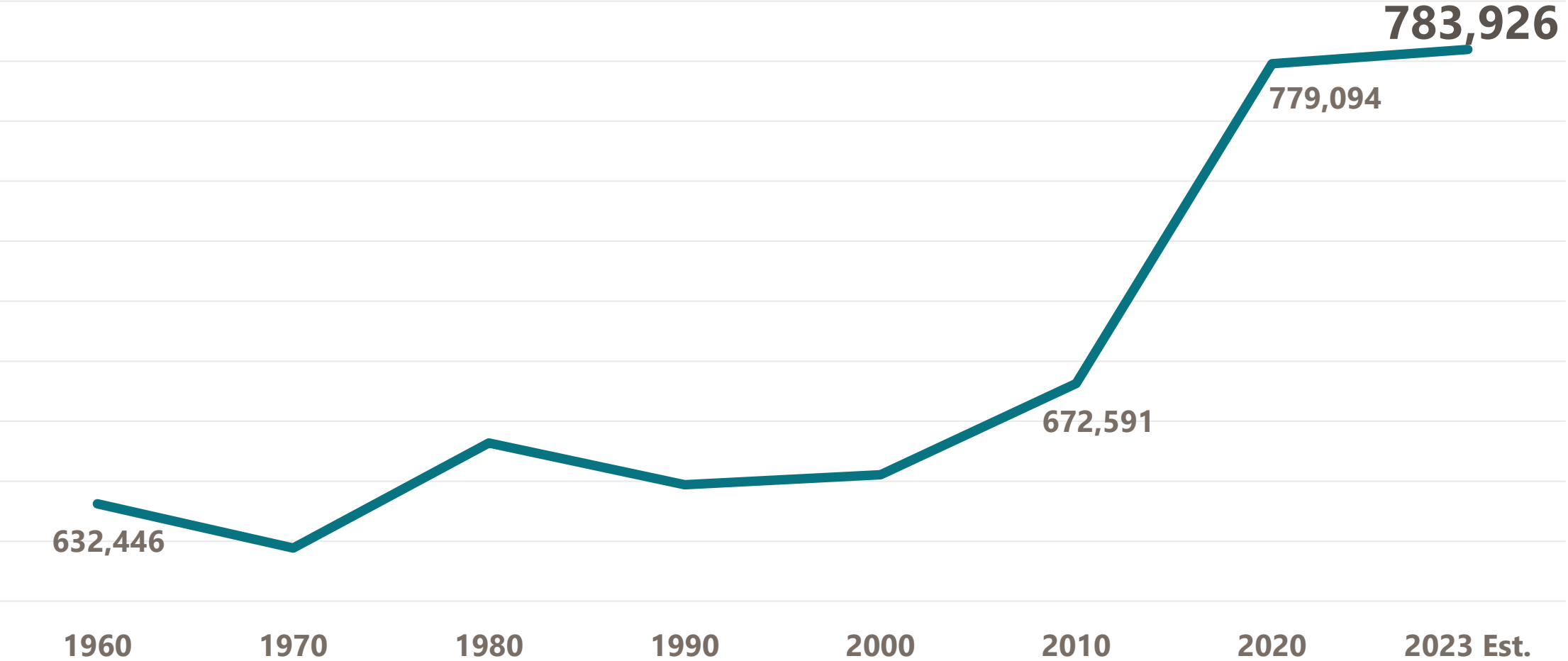
Minot State University
Valley City State University
Dakota College at Bottineau
ND Forest Service
State Library
School for the Deaf
ND Vision Services / School for the Blind
Dept. of Career and Technical Education
Depts of Health & Human Services
Department of Environmental Quality
Veterans Home
Indian 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
Department of Water Resources
Department of Transportation

NORTH DAKOTA'S GROWING POPULATION

PRESSURE ON STATE GOVERNMENT SERVICES

Population 1960-present

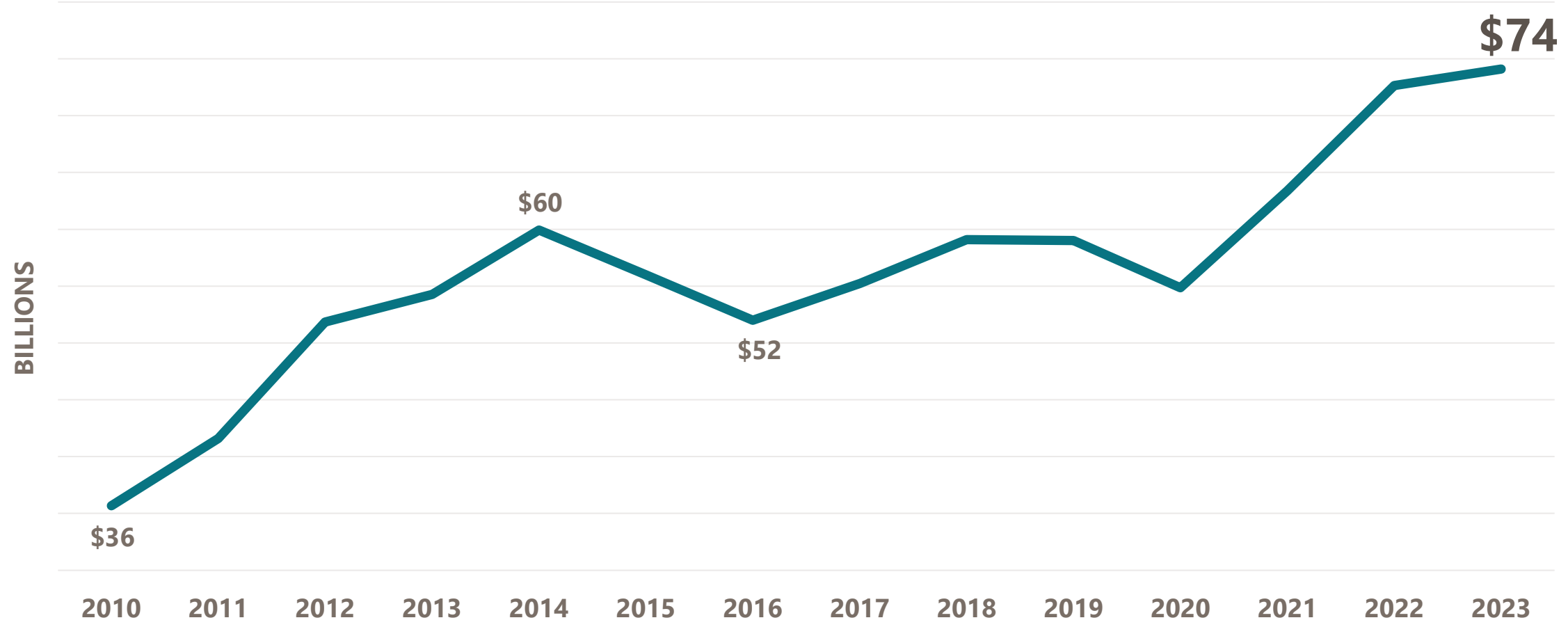


Source: U.S. Census Bureau & ND Commerce State Data Center 5

NORTH DAKOTA'S GROWING ECONOMY

REQUIRES CONTINUED INVESTMENT IN THE STATE

State Gross Domestic Product (GDP) since 2010



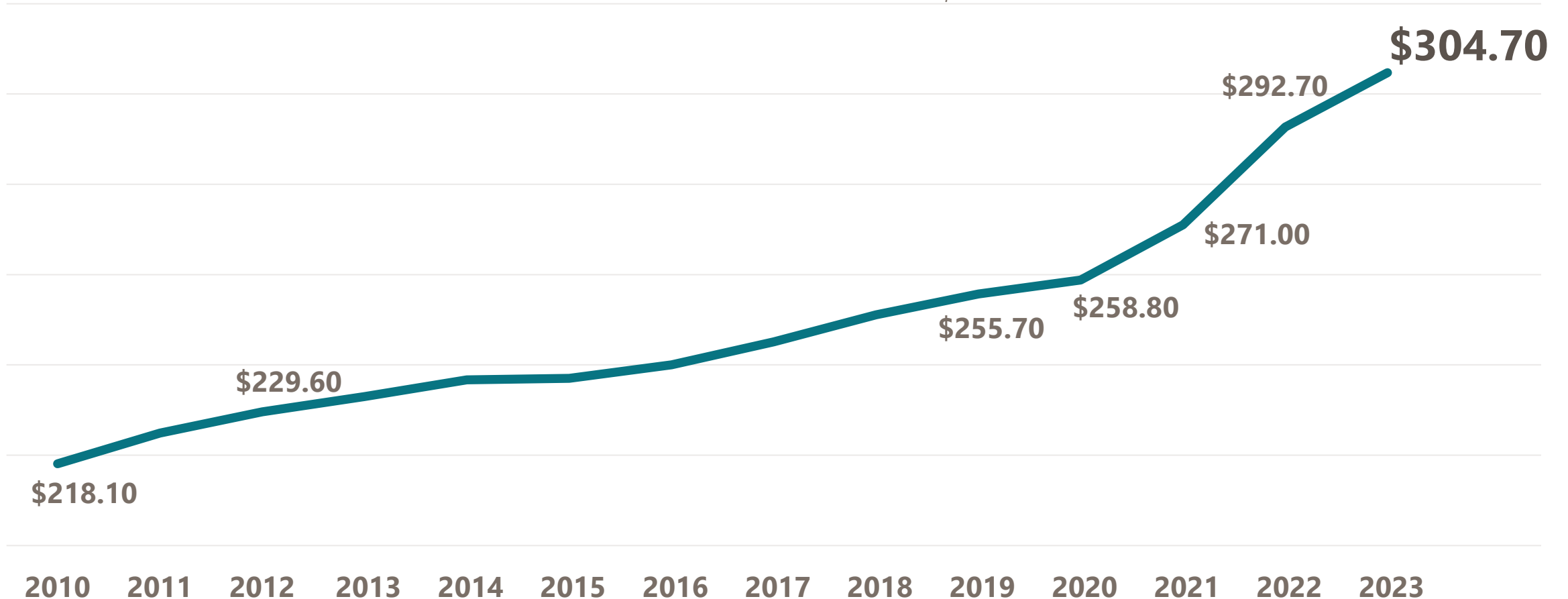
Source: U.S. Bureau of Economic Analysis

FEELING EFFECTS OF HIGH INFLATION

ADDS PRESSURE TO STATE BUDGET

Consumer Price Index since 2010

Data based on 1983 base at \$100

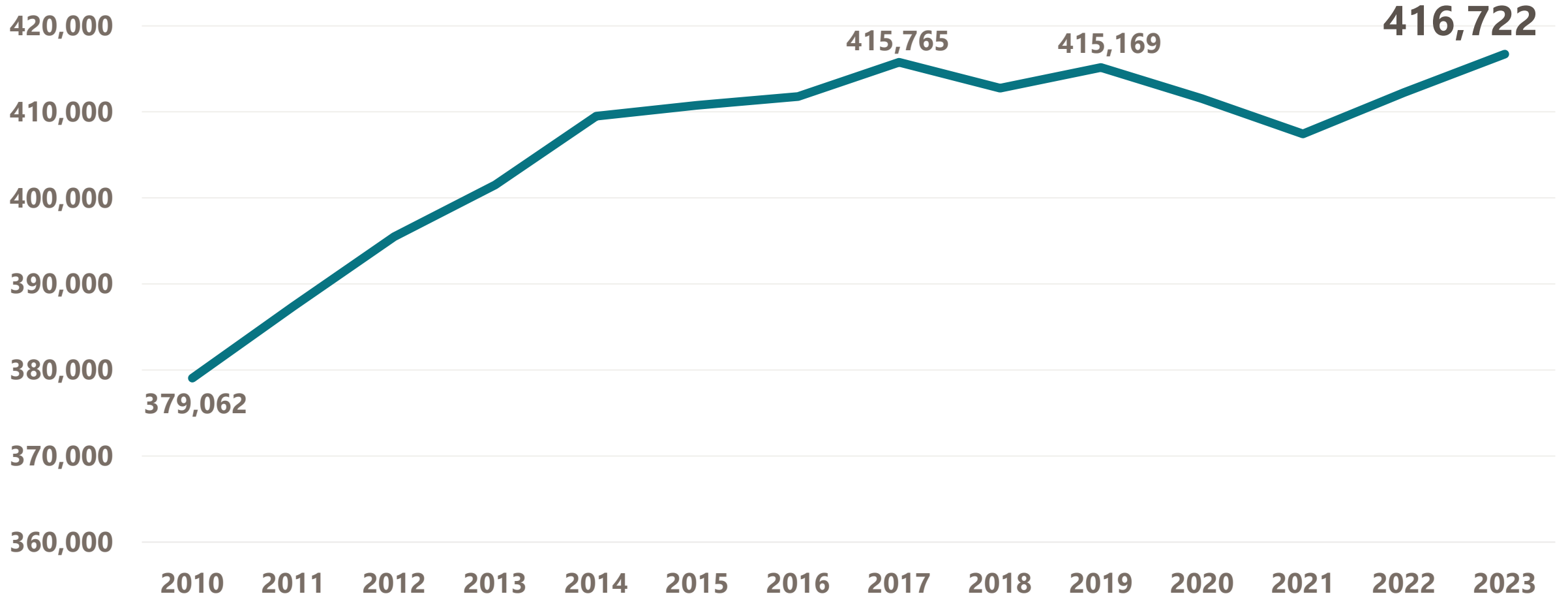


Source: US Bureau of Labor Statistics

BUILDING A STRONG WORKFORCE

RECORD WORKFORCE PARTICIPATION

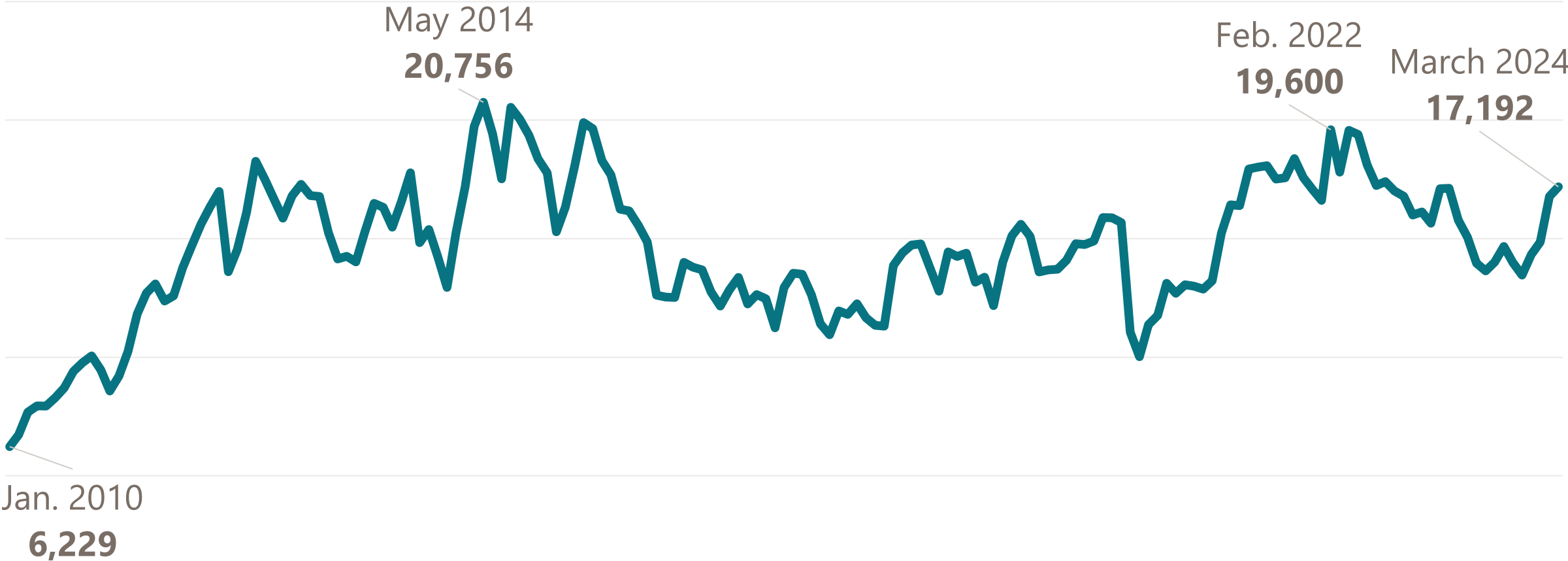
Labor Force Participation since 2010



JOB OPENINGS STILL PLENTIFUL

NEED FOR ADDITIONAL WORKFORCE REMAINS

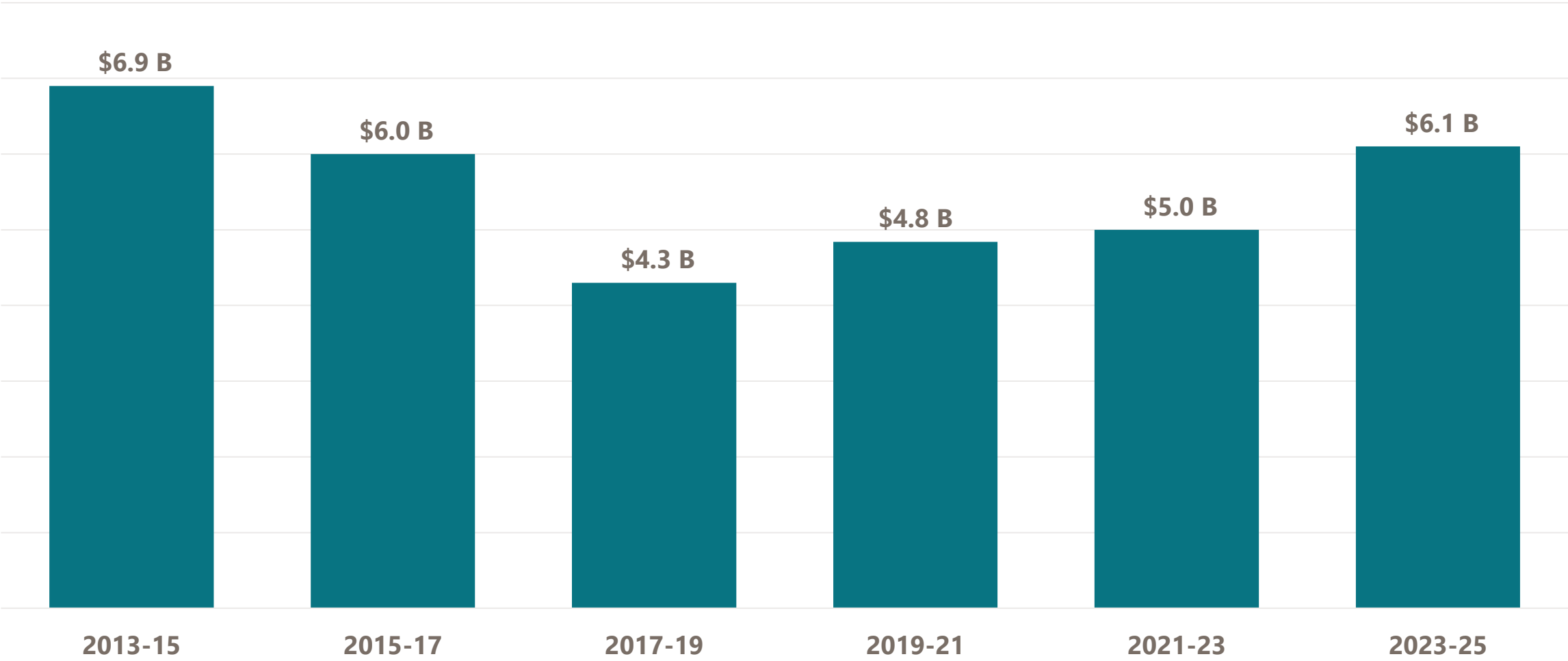
Job openings by month, June 2008 – Dec. 2023



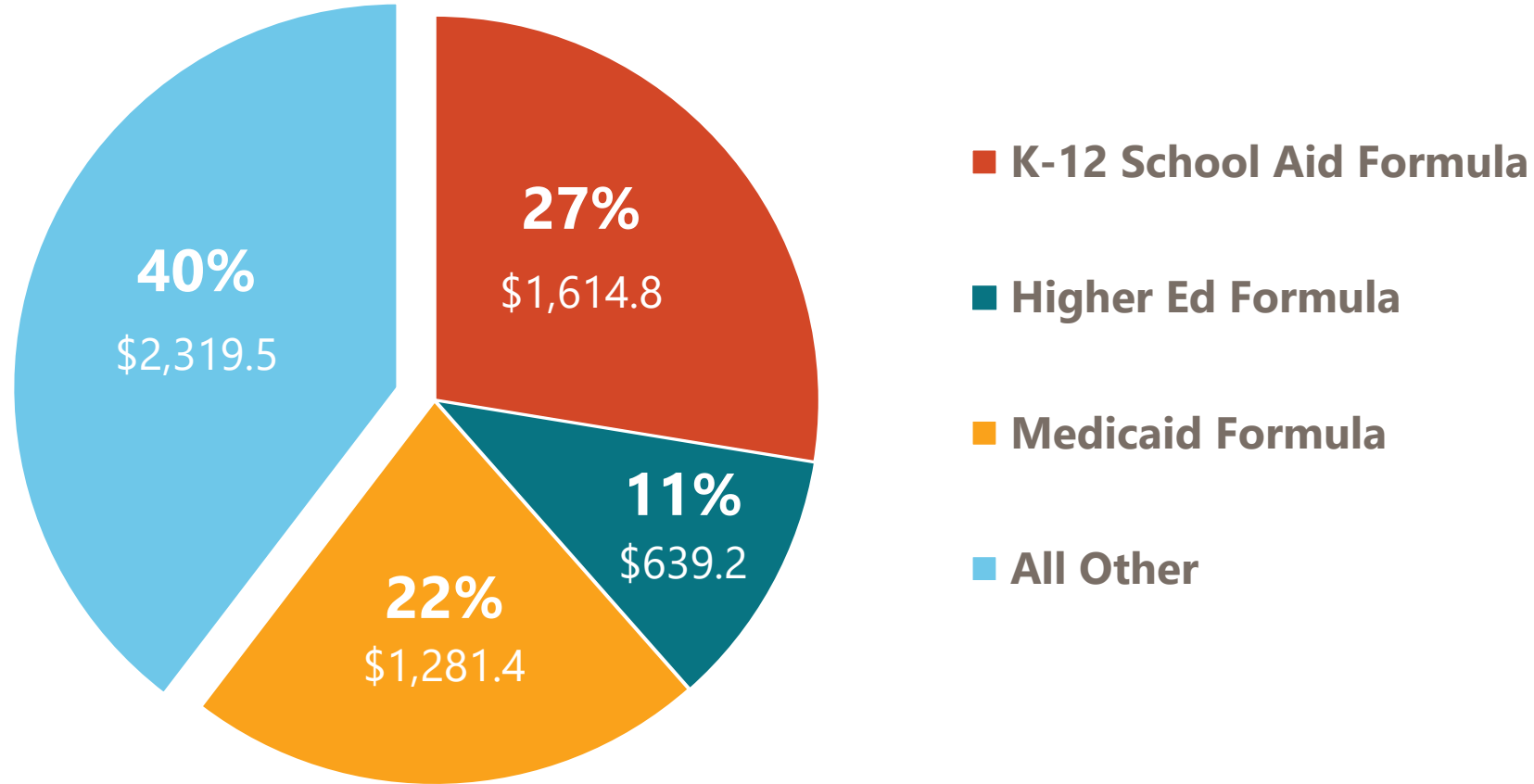
GENERAL FUND STABLE OVER LAST DECADE

12% LOWER THAN 2013-15 DESPITE POPULATION INCREASE, INFLATION

General Fund Appropriations



60% OF ONGOING GENERAL FUND EXPENSES ARE IN FORMULA-DRIVEN PROGRAMS

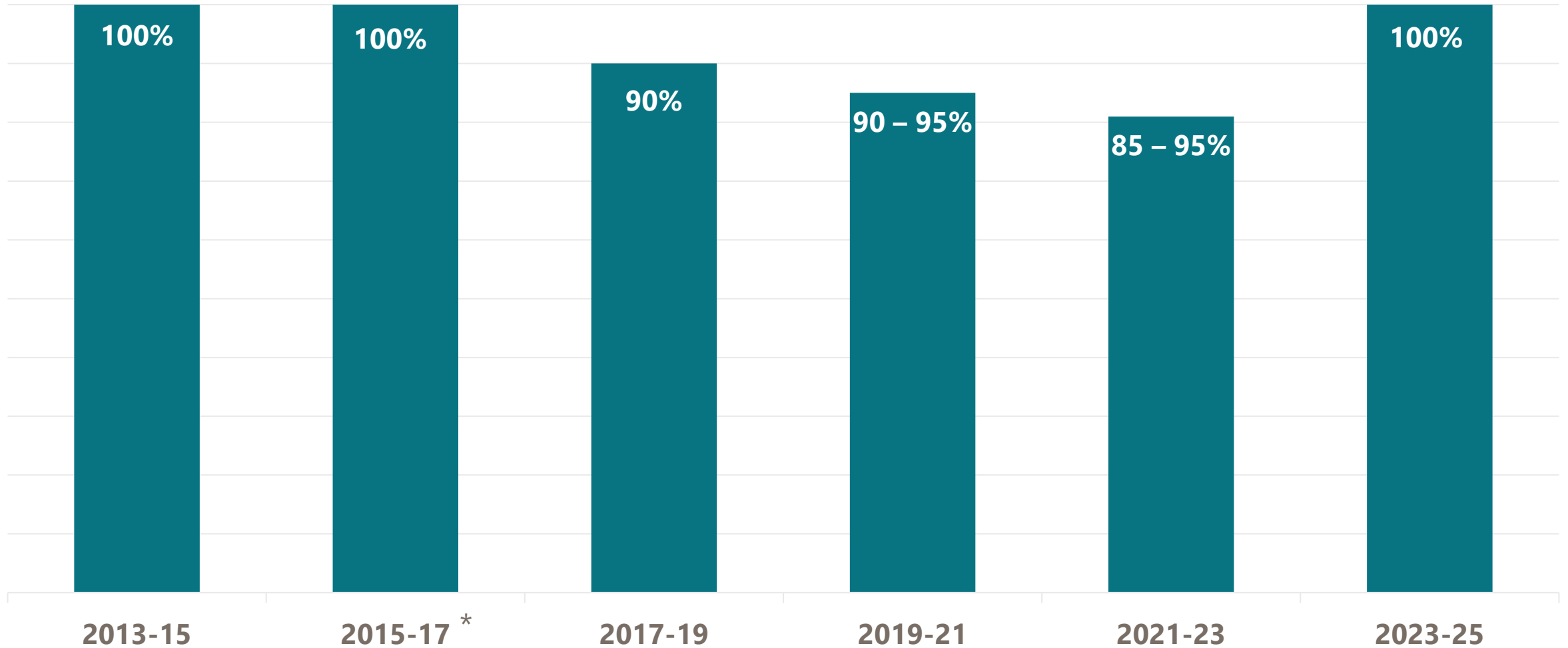


2023-25 Ongoing General Fund Expenses = \$5.8 B

CONSERVATIVE BUDGET GUIDELINES

HELPED CONSTRAIN SPENDING AND ENCOURAGE INNOVATION

Reflects guidelines set as part of the budget process, not actual appropriations.



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



CUT RED TAPE



**AUTOMATION &
AUGMENTATION**

AGENCY STRATEGY TAKEAWAYS



TECH DEBT



OUTCOMES

EXECUTIVE BUDGET GUIDELINE PRINCIPLES



Focus on priorities and citizen outcomes



Encourage efficiency & design purposeful work



Foster innovation



Constrain ongoing costs



Encourage reallocation of funding to best use and high ROI



Provide adequate resources to continue essential programs

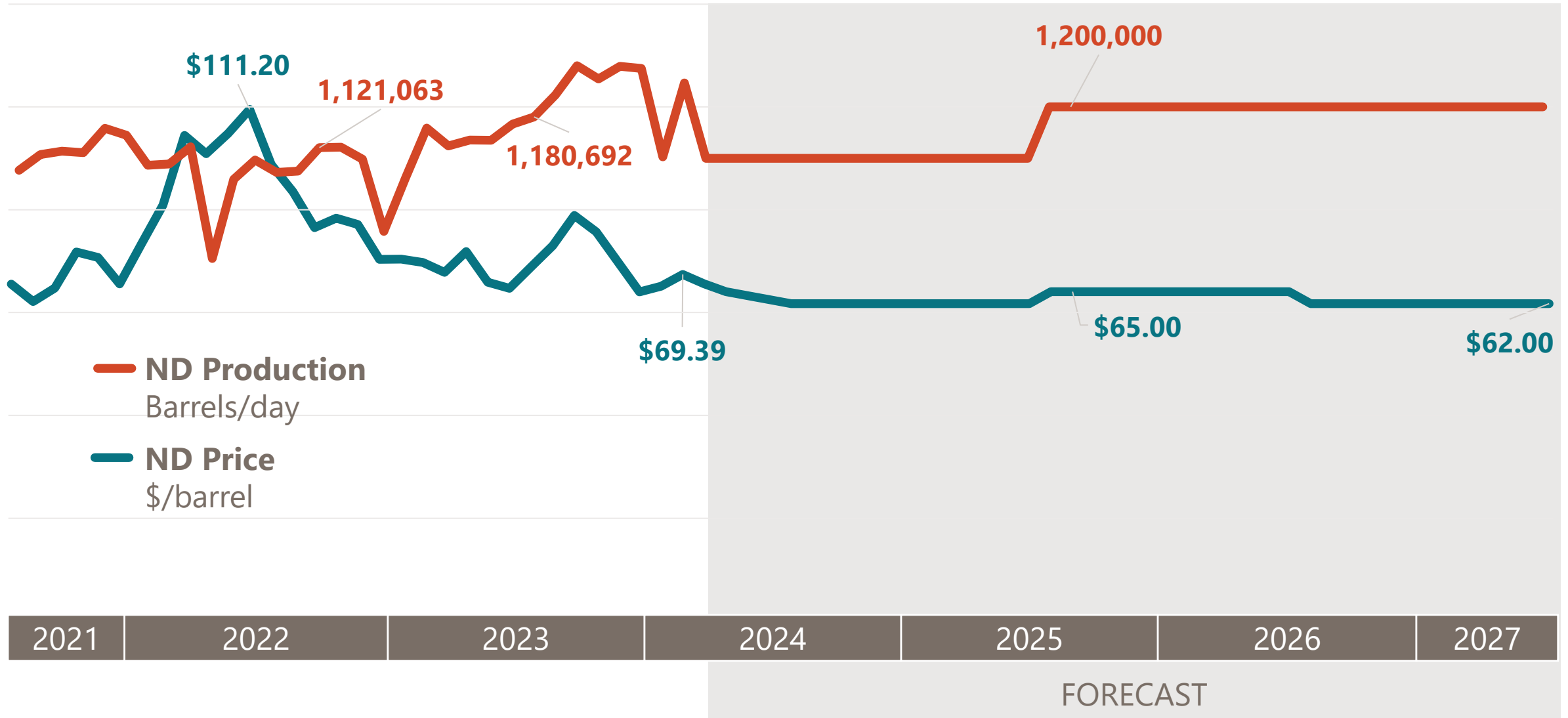
OIL AND GAS TAX PROJECTIONS



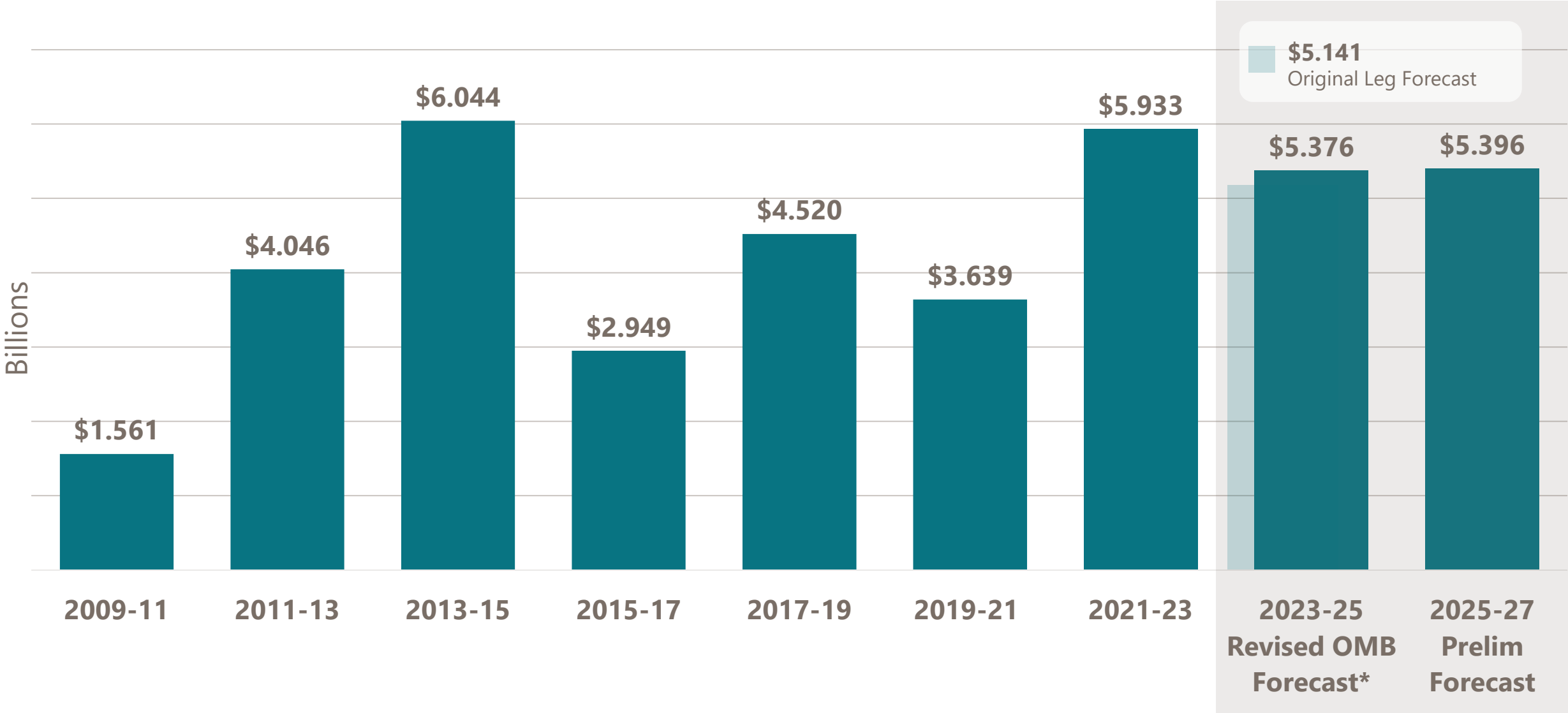
Dunn County
Credit: OMB

NORTH
Dakota
Be Legendary.

ND OIL PRICE AND PRODUCTION



ND OIL TAX REVENUES



*Based on actuals to date.

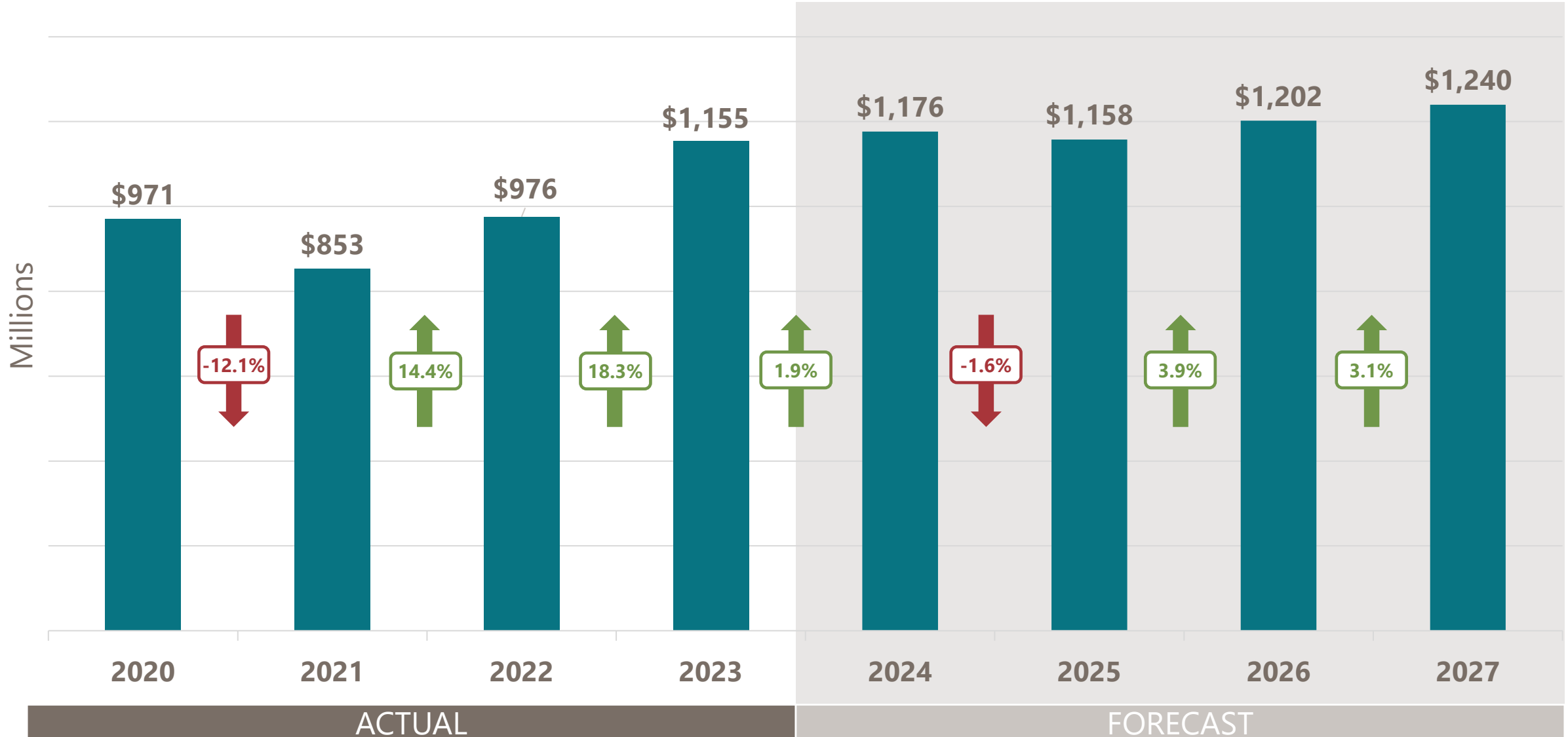
GENERAL FUND PROJECTIONS

Lisbon to Valley City
Credit: DOT

NORTH
Dakota
Be Legendary.

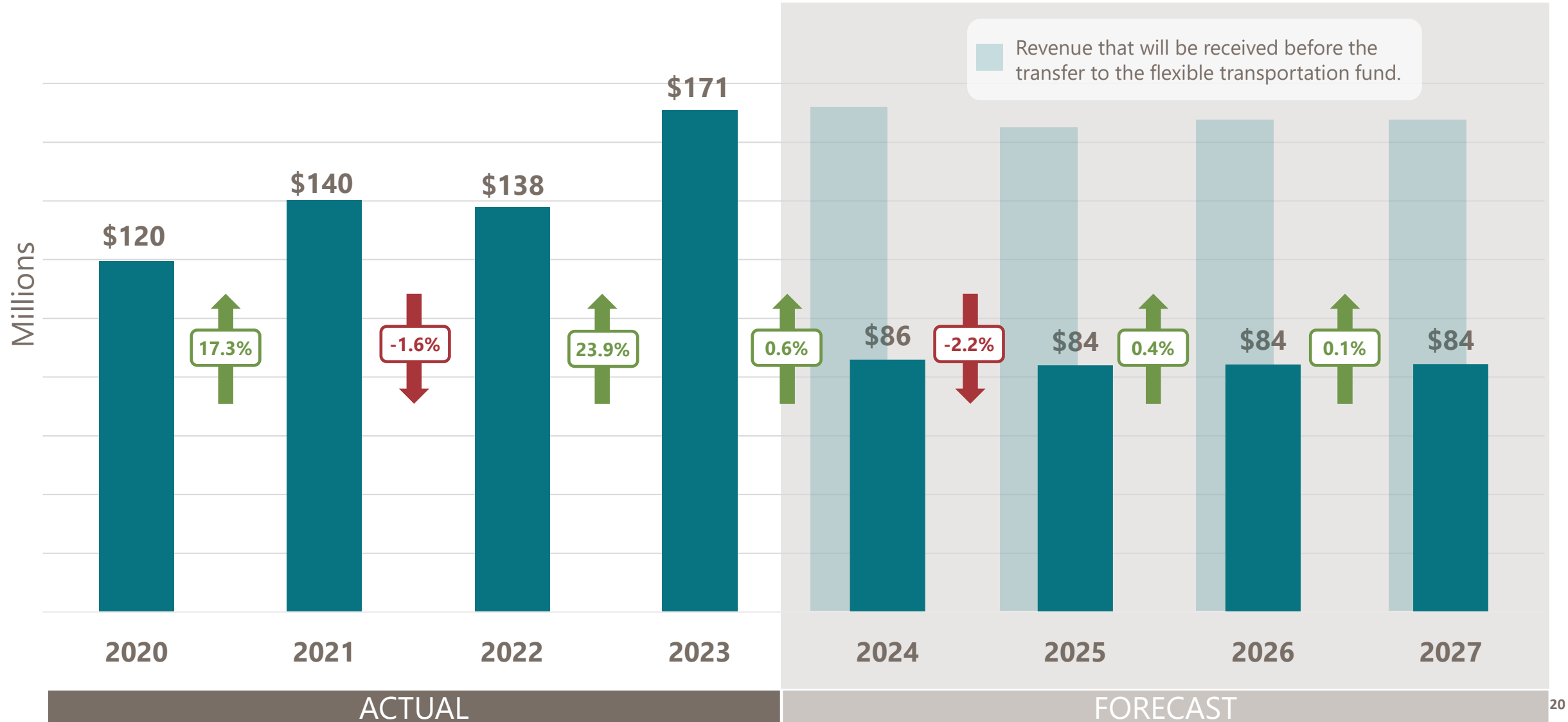
SALES AND USE TAX

FORECASTS SLIGHT GROWTH THROUGH THE NEXT BIENNIUM



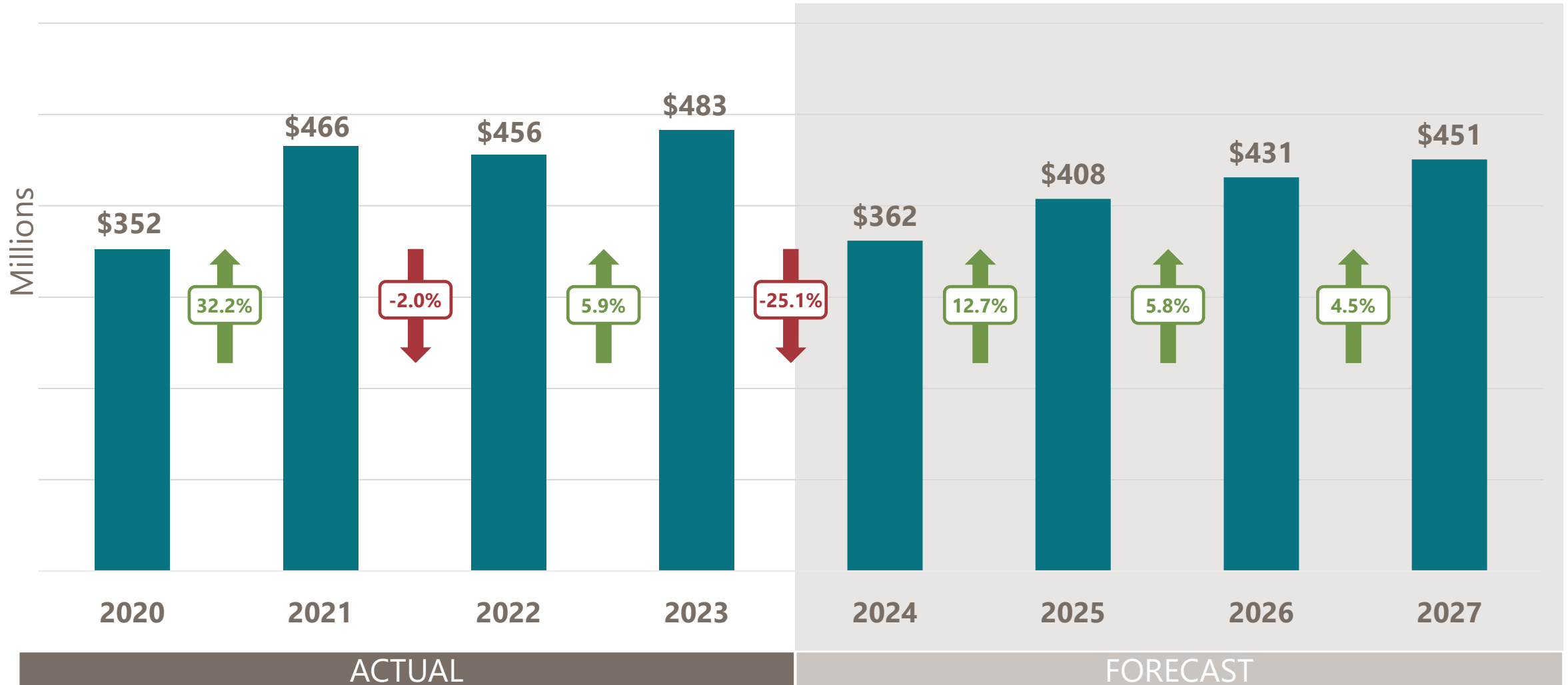
MOTOR VEHICLE EXCISE TAX

REMAINS FLAT THROUGH THE NEXT BIENNIUM



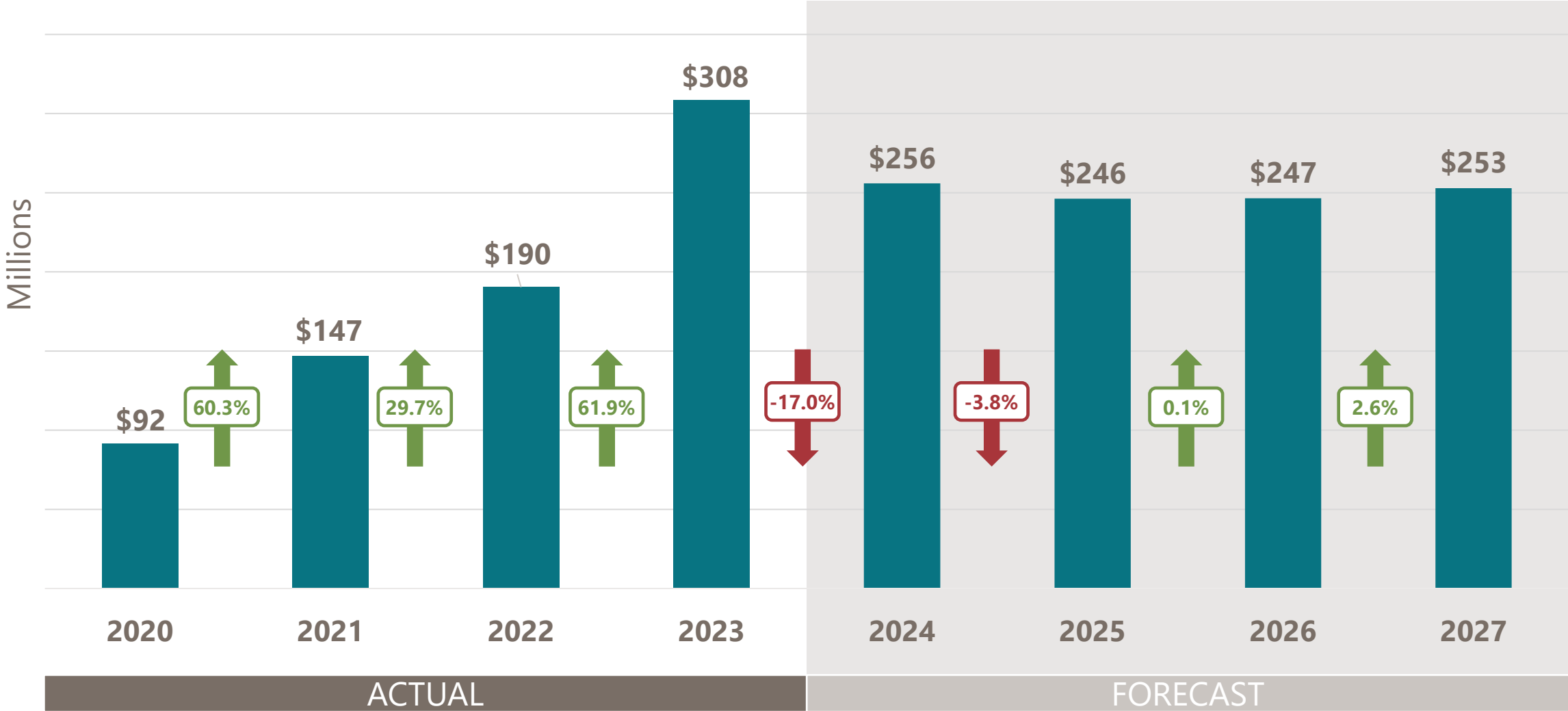
INDIVIDUAL INCOME TAX

FORECASTS GROWTH THROUGH NEXT BIENNIUM
INDICATING CONTINUED SALARY INCREASES



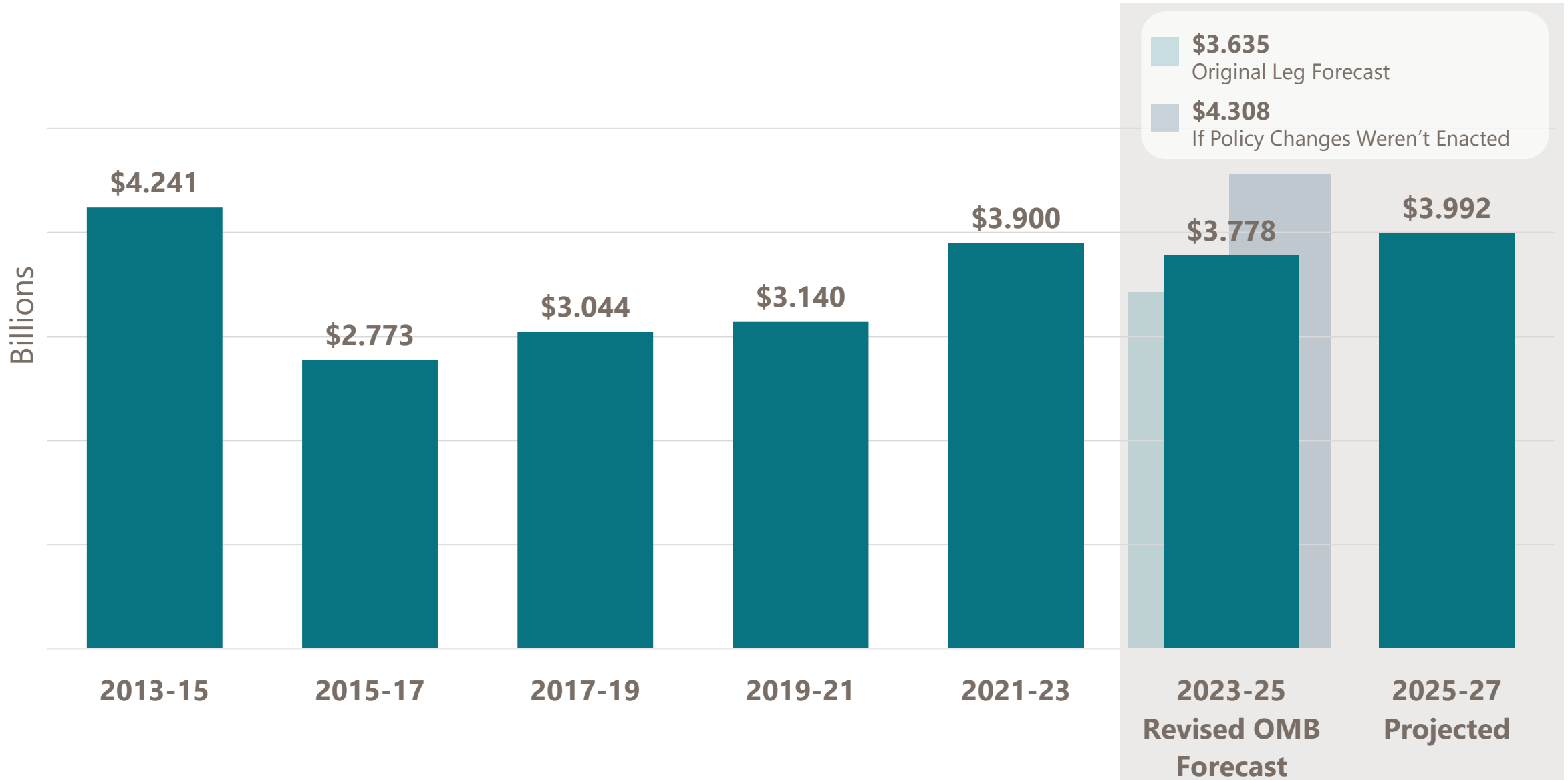
CORPORATE INCOME TAX

SLIGHT GROWTH THROUGH THE NEXT BIENNIUM



GENERAL FUND ONGOING REVENUES

FOUR MAJOR TAX TYPES – MODEST INCREASE

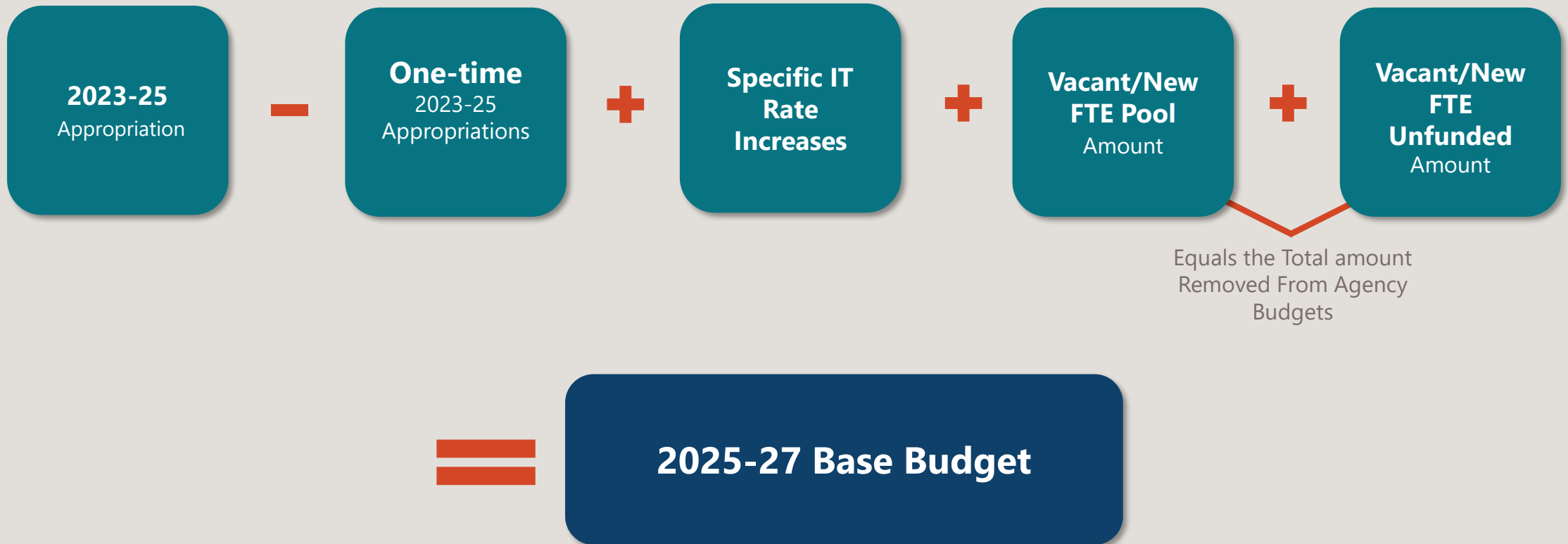


BUDGET GUIDELINES



Sorlie Bridge, Grand Forks
Credit: DOT

BASE BUDGET CALCULATION



BUDGET LIMIT CALCULATION

(FOR GENERAL FUND AND SPECIAL FUNDS)

2025-27 Base Budget



3% Reduction



2025-27 Budget Limit

Agencies with \$10M or more of General and Special Funds, considered individually

Reprioritize

**Eliminate
Zero-Value
Work**

**Cut Red
Tape**

**Focus on
Citizen
Outcomes**

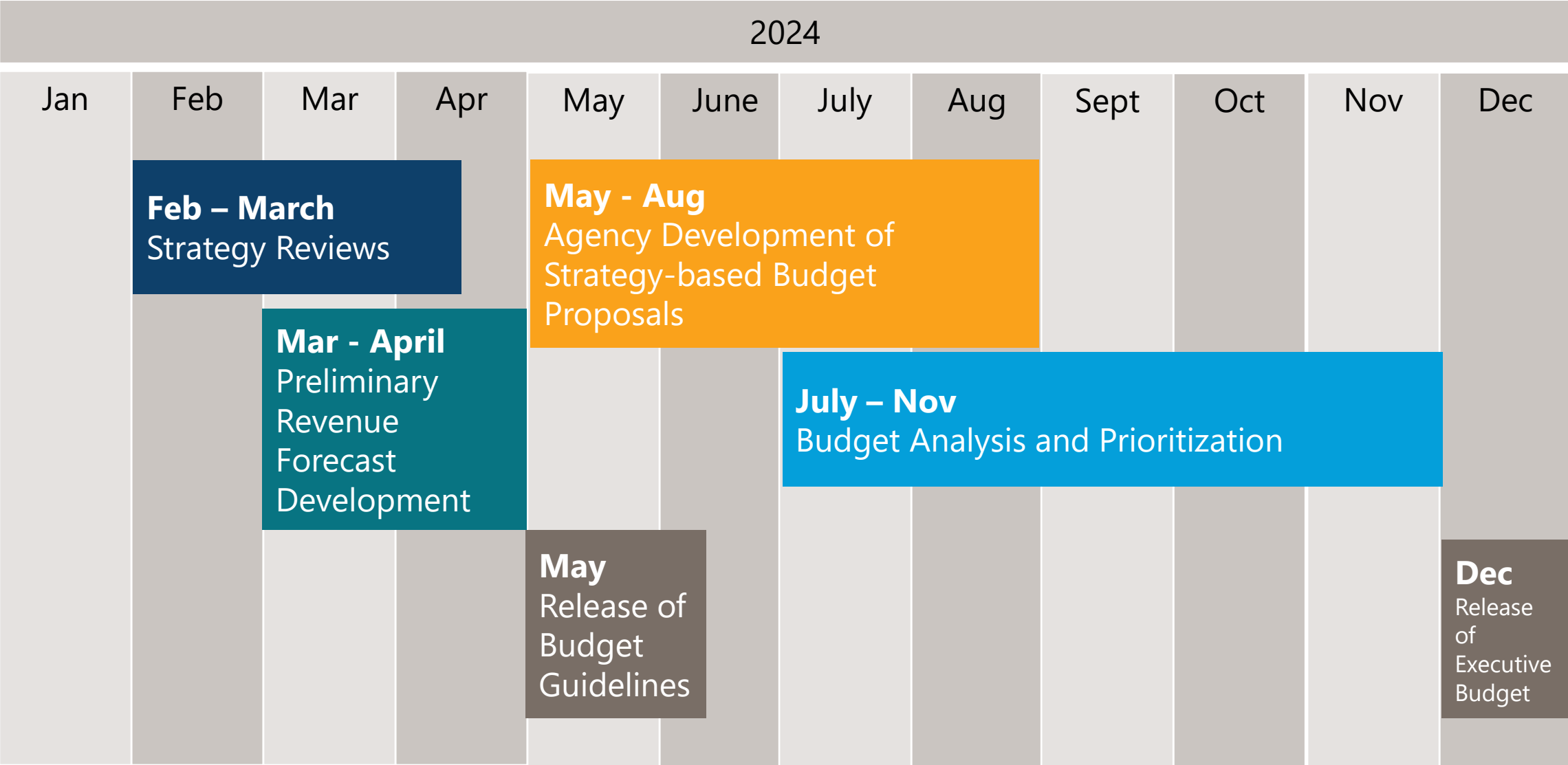
Innovation

**Create
Efficiencies**

BUILDING BLOCKS FOR A STRATEGY-BASED BUDGET



2024 BUDGET PROCESS TIMELINE



THANK YOU!