



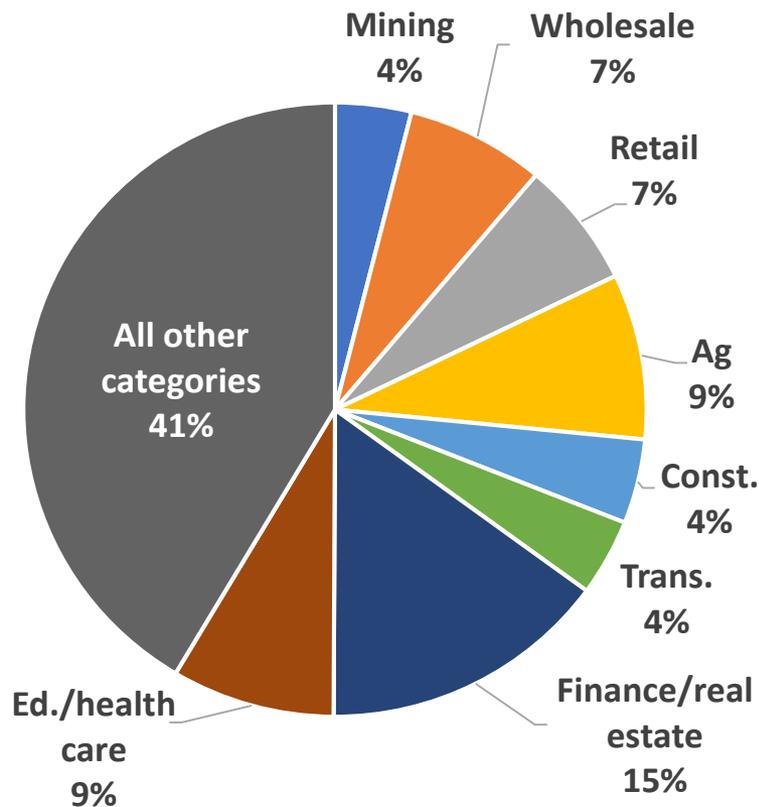
North Dakota's Changing Economy and State Revenue Structure

Economic Outlook Forum

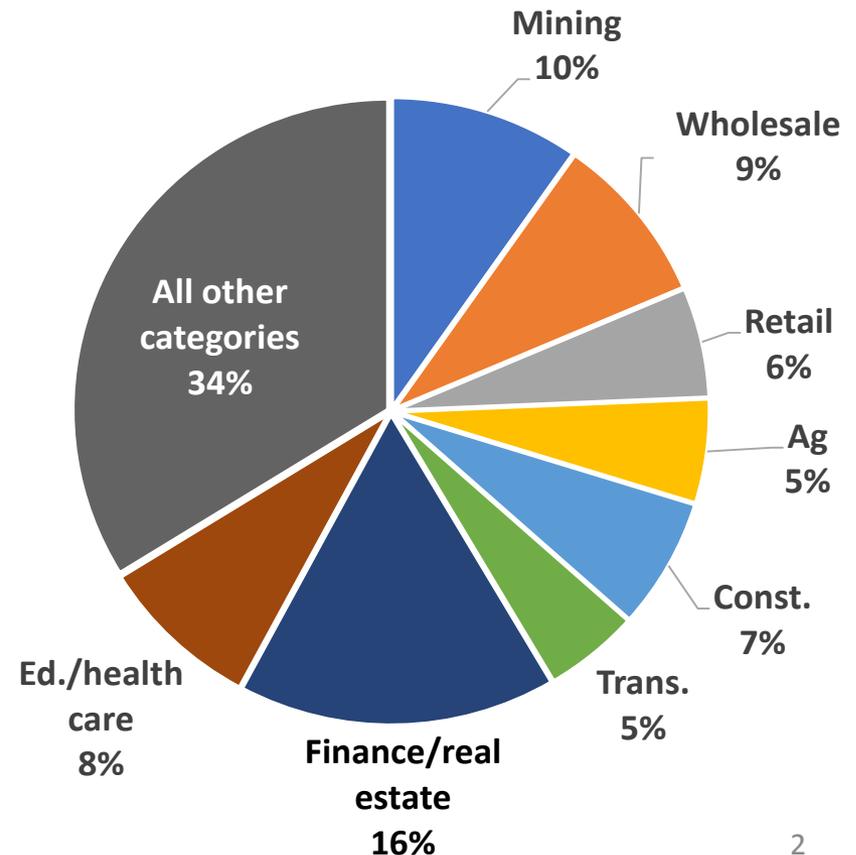
February 20, 2019

ND Economy Remarkable Shift Over 10 Years

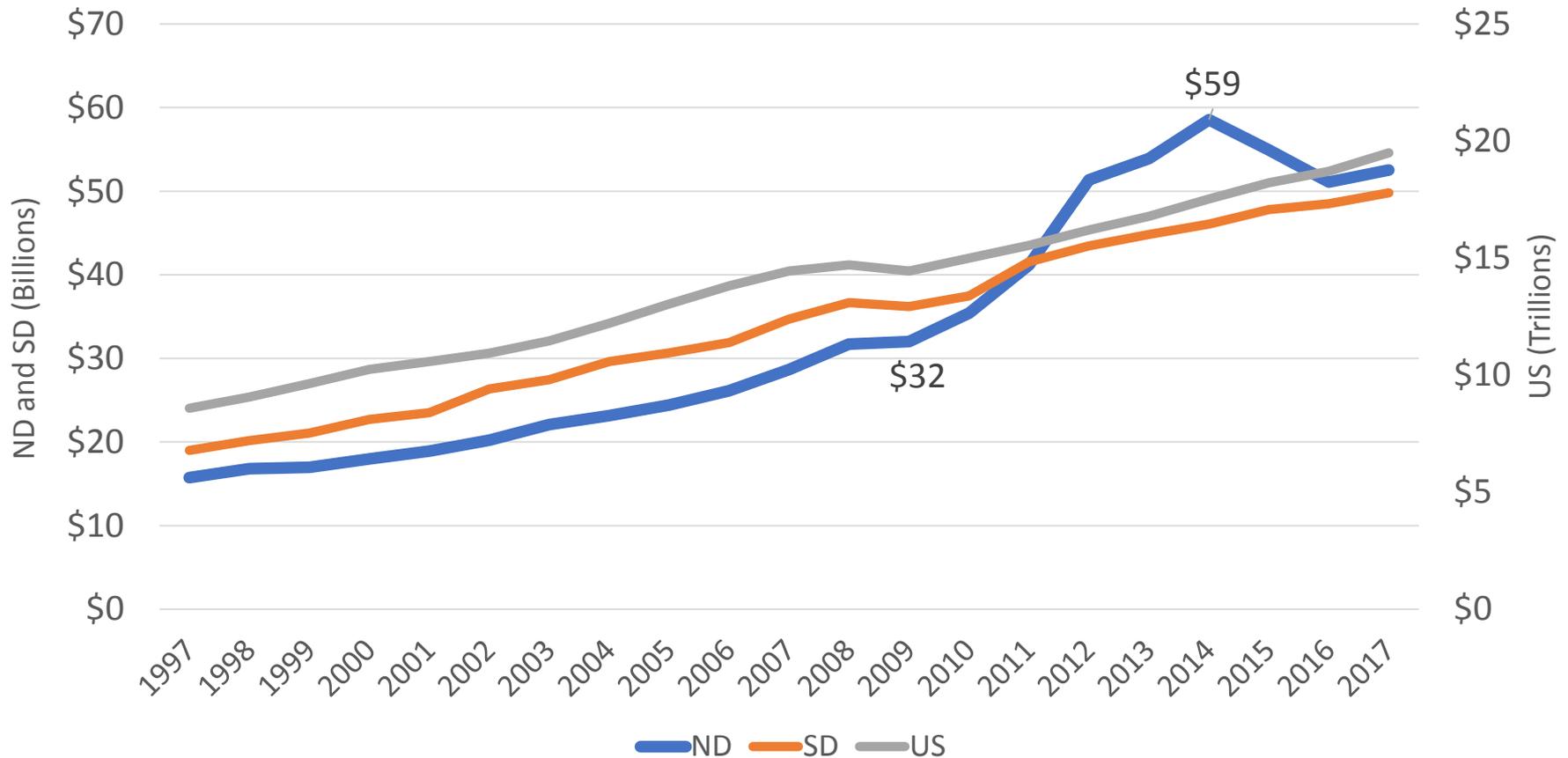
2007 - ND GDP \$29 B



2017 - ND GDP \$53 B

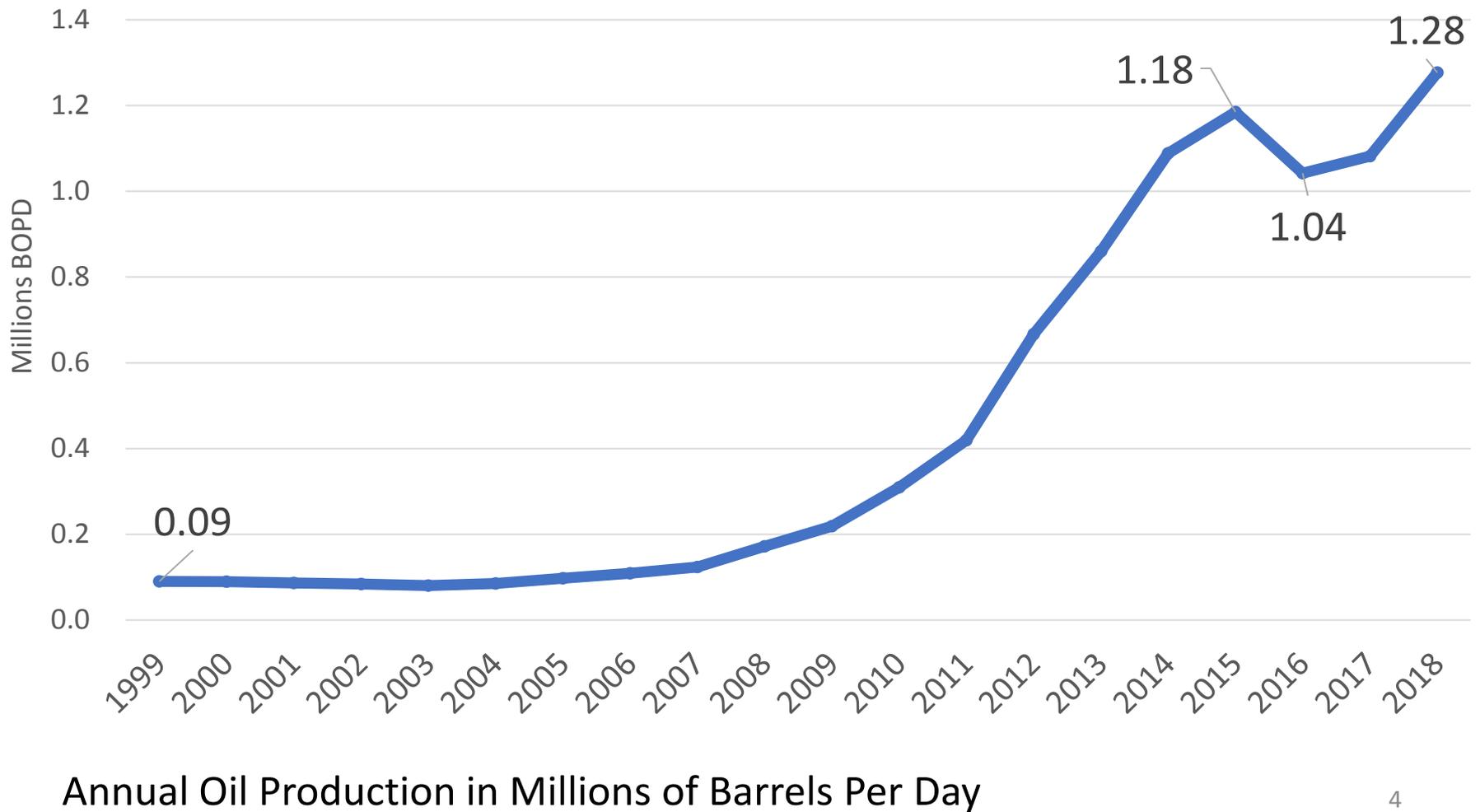


ND's Incredible Growth From 2009-2014



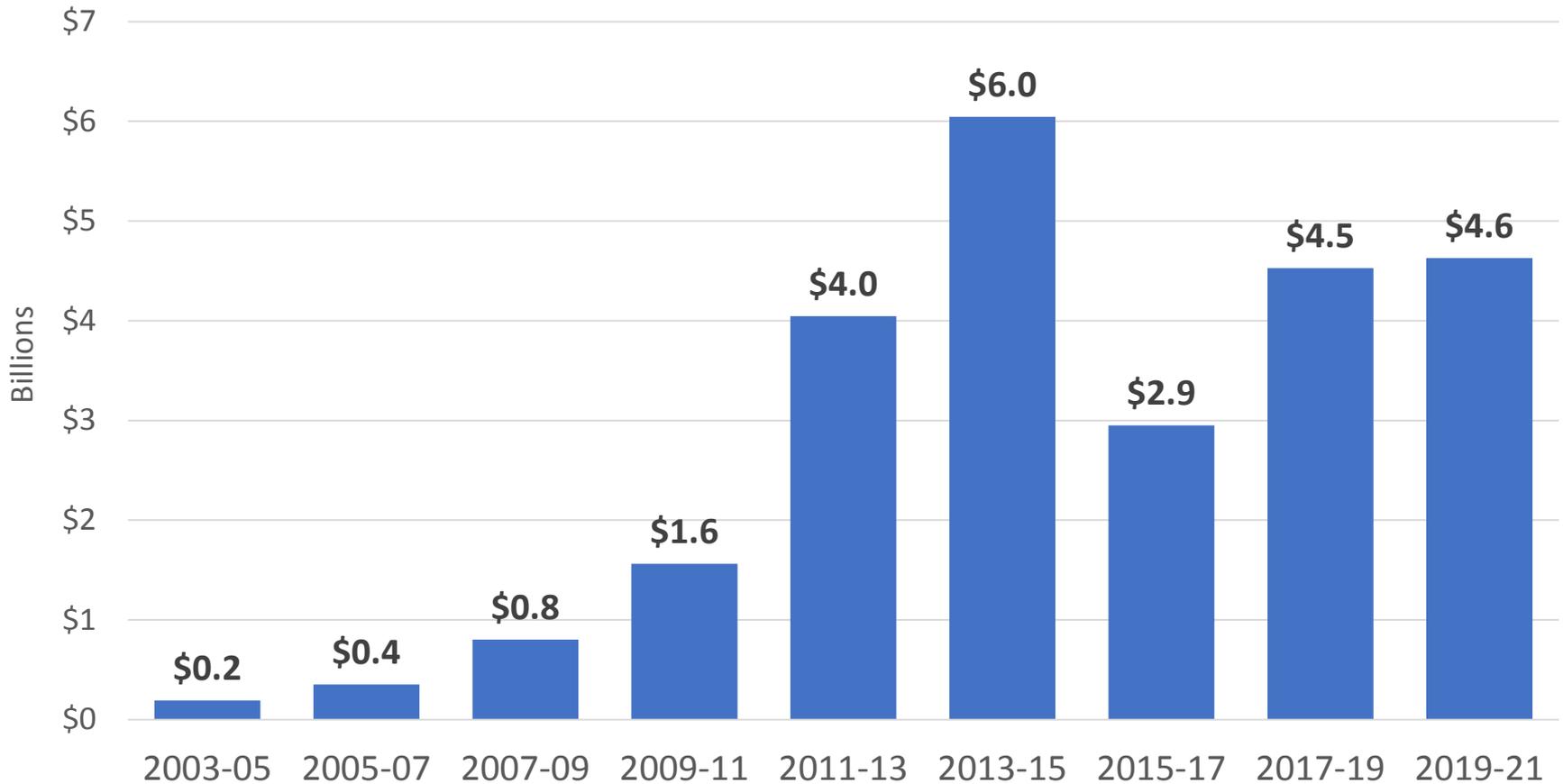
State Gross Domestic Product (GDP)

ND's Oil Boom – Growth in Oil Production Corresponds to Growth In GDP

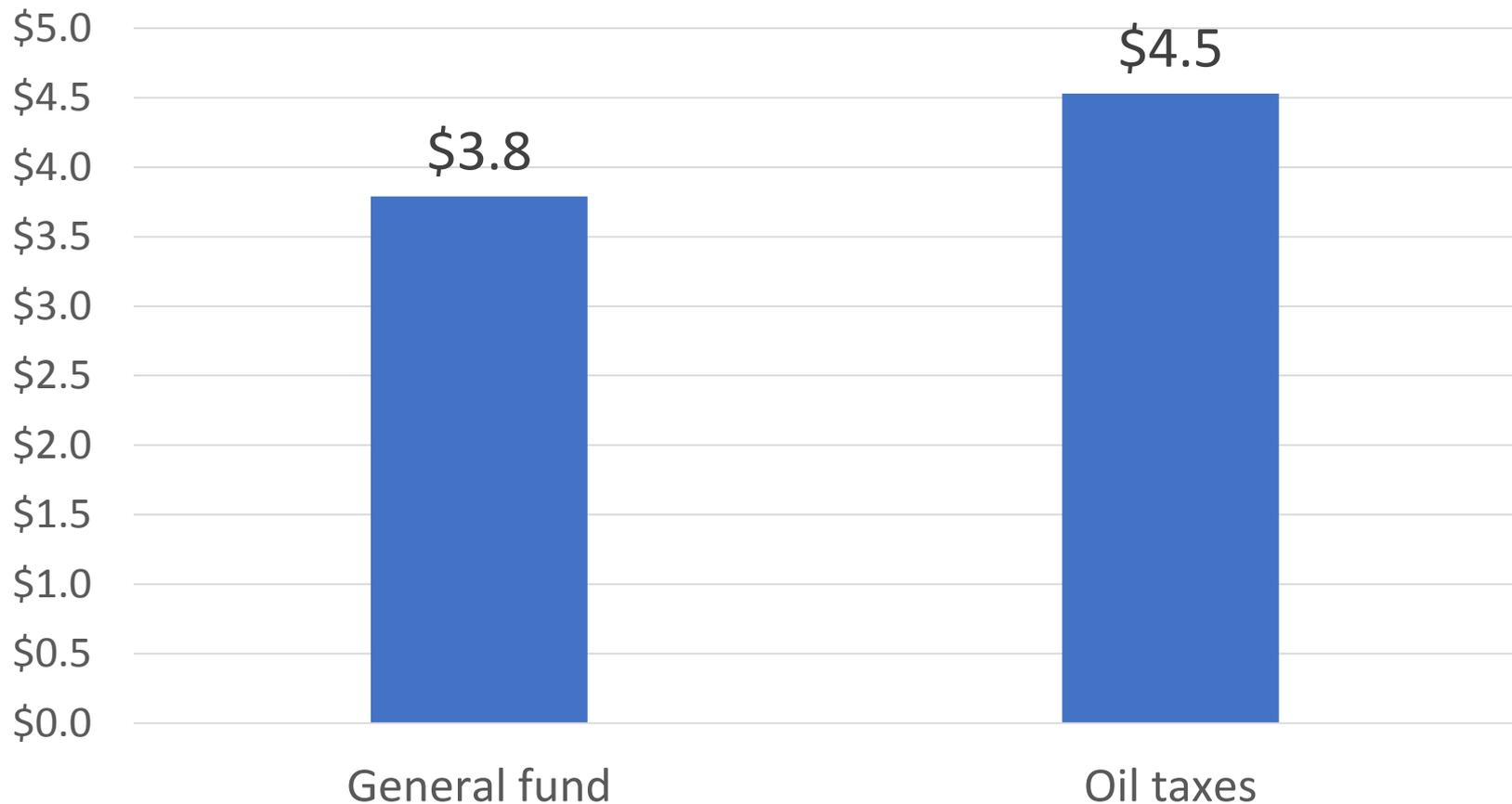


ND Oil Tax Revenues

Volatile History – Return to Growth



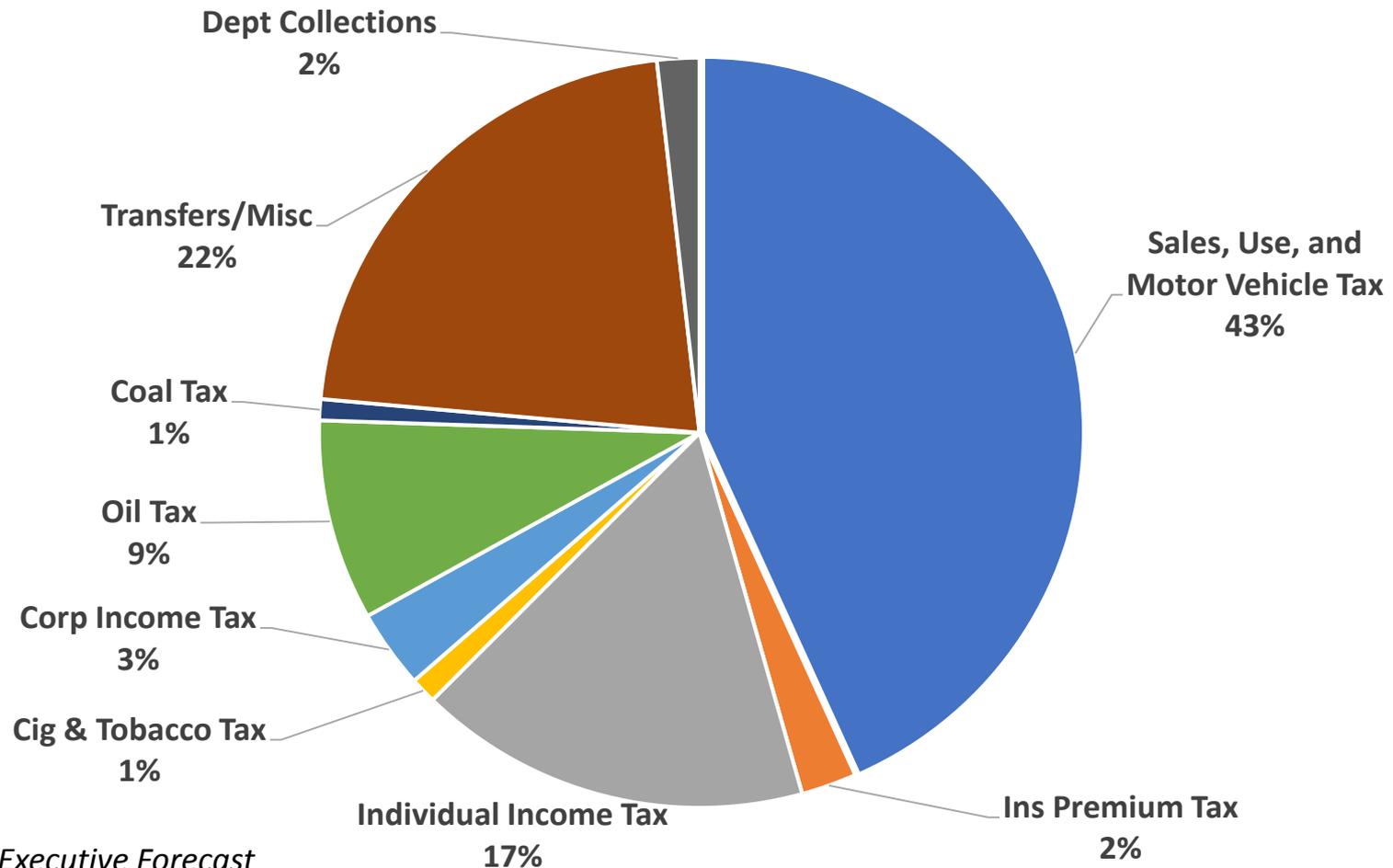
Oil Tax Revenues Exceed General Fund Revenues



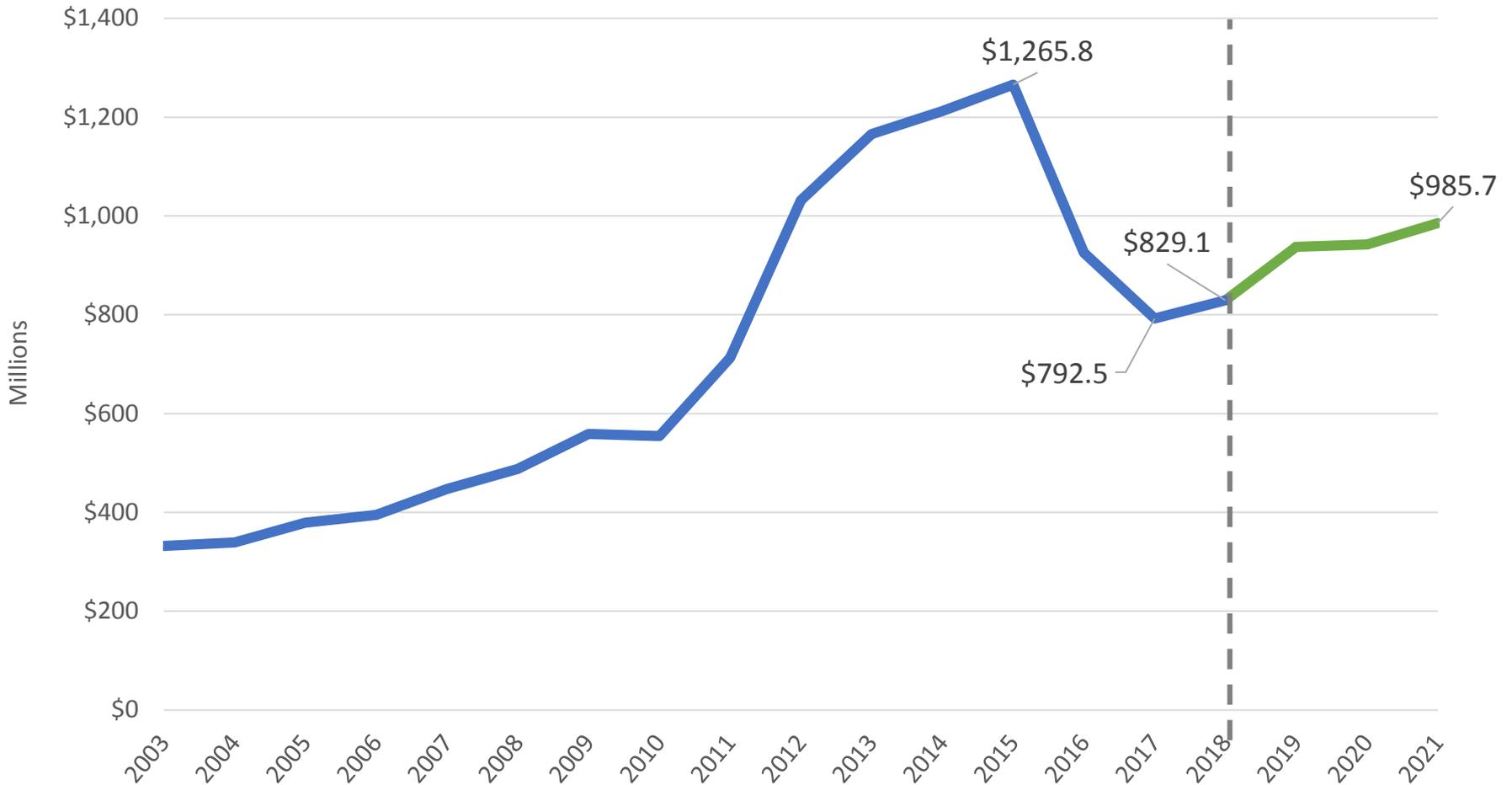
2017-19 Biennium - General fund revenues excluding oil taxes compared to total oil taxes (in Billions)

2017-19 General Fund Revenue Sources

Heavy Reliance on Sales Tax



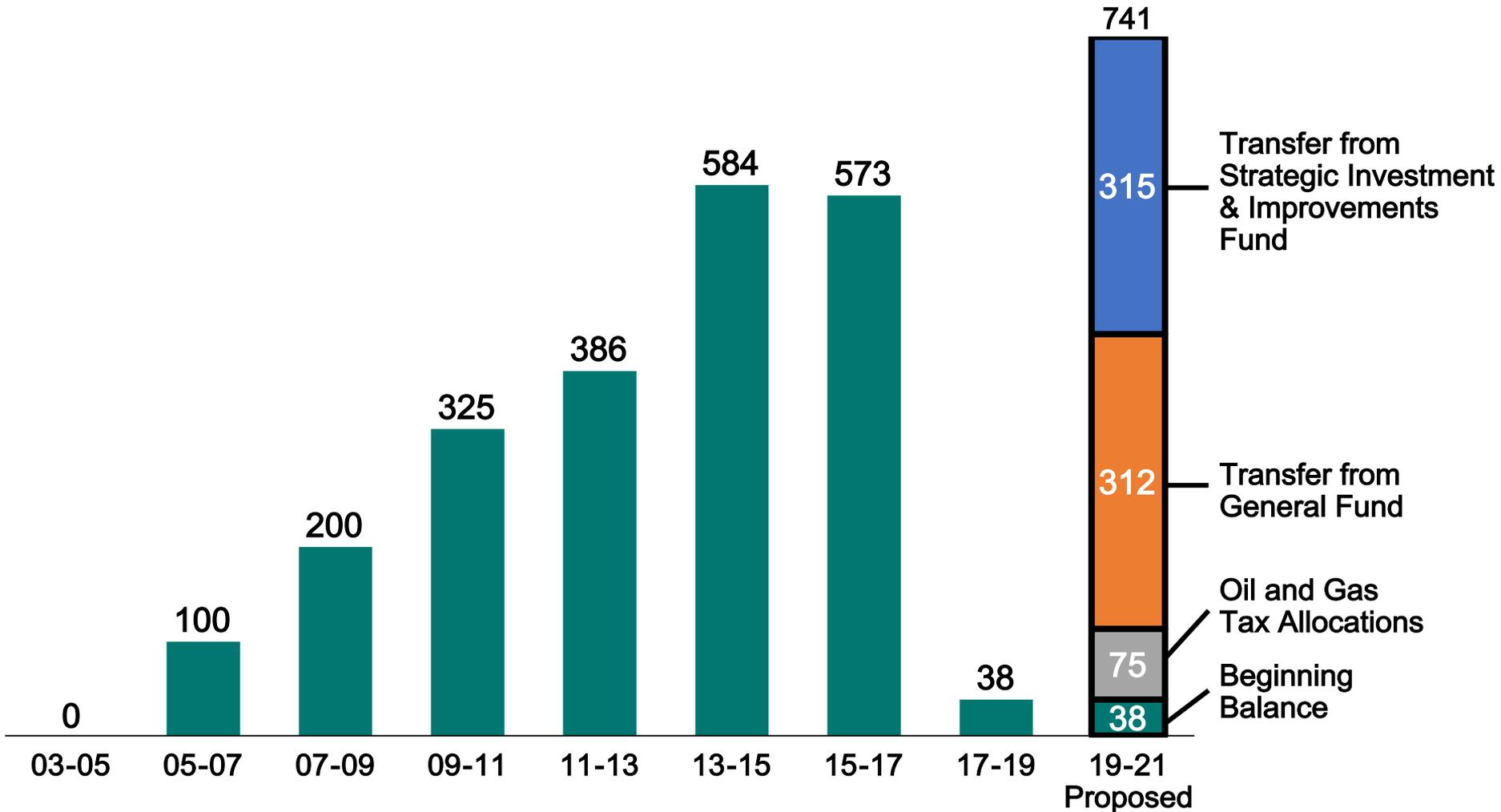
Sales Taxes Return to Growth After 40% Decline



Executive Budget Priorities

- Develop accurate revenue forecast using best practices
- Limit growth in ongoing spending
- Balance ongoing state revenues and expenses
- Use one-time revenues for one-time expenses
- Use Legacy Fund earnings for one-time investments with lasting impact
- Restore state savings account

Replenishing Rainy Day Fund



Budget Stabilization Fund

Balance at the beginning of the biennium (\$ millions)



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