



REVENUE OUTLOOK & BUDGET GUIDELINES

May 1, 2020

NORTH
Dakota
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GRATITUDE



THE CHALLENGE



OIL TAX MATH



PRICE
PER
BARREL

×



PRODUCTION
(# OF BARRELS)

×

10%

RATE

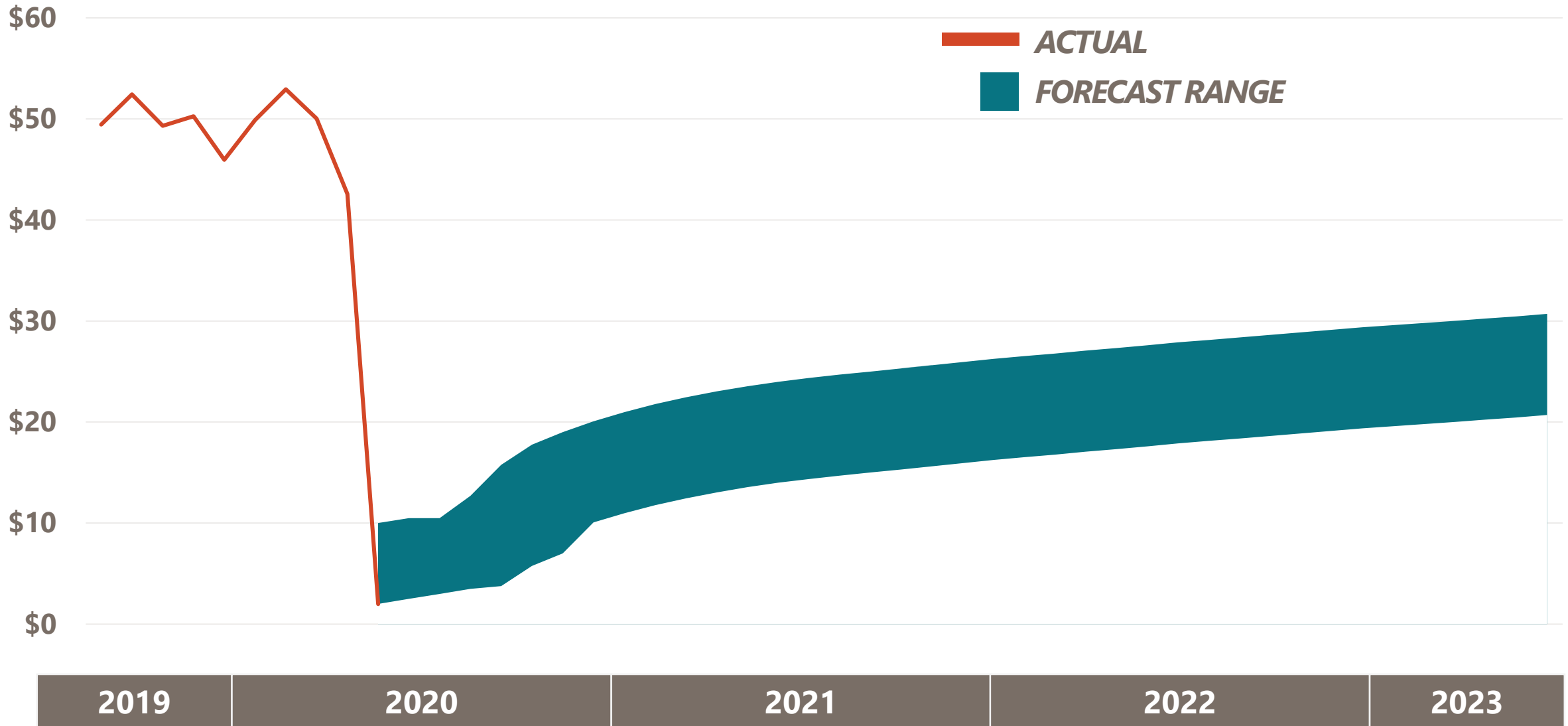
=

\$

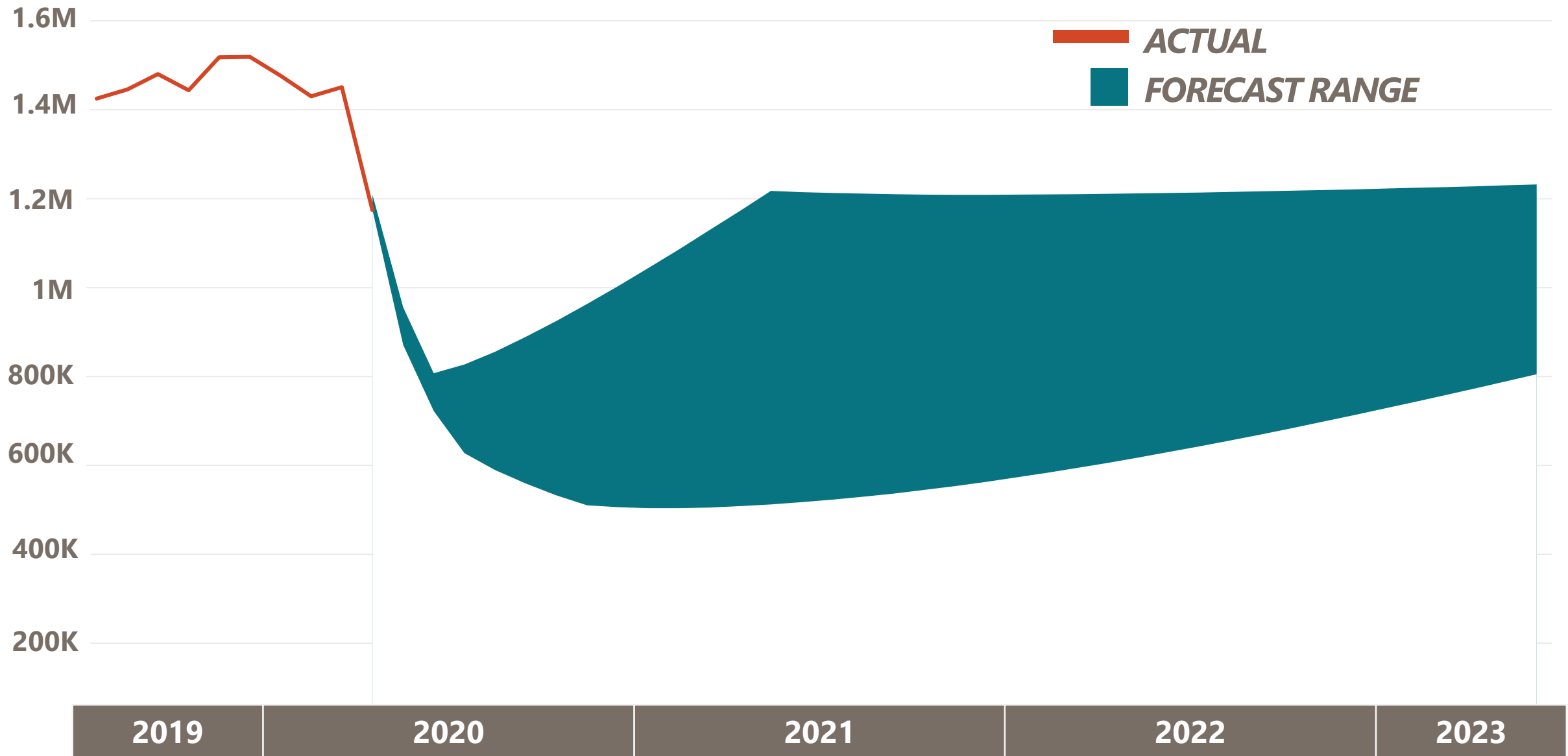
OIL TAX
REVENUE

ND OIL PRICE SCENARIOS

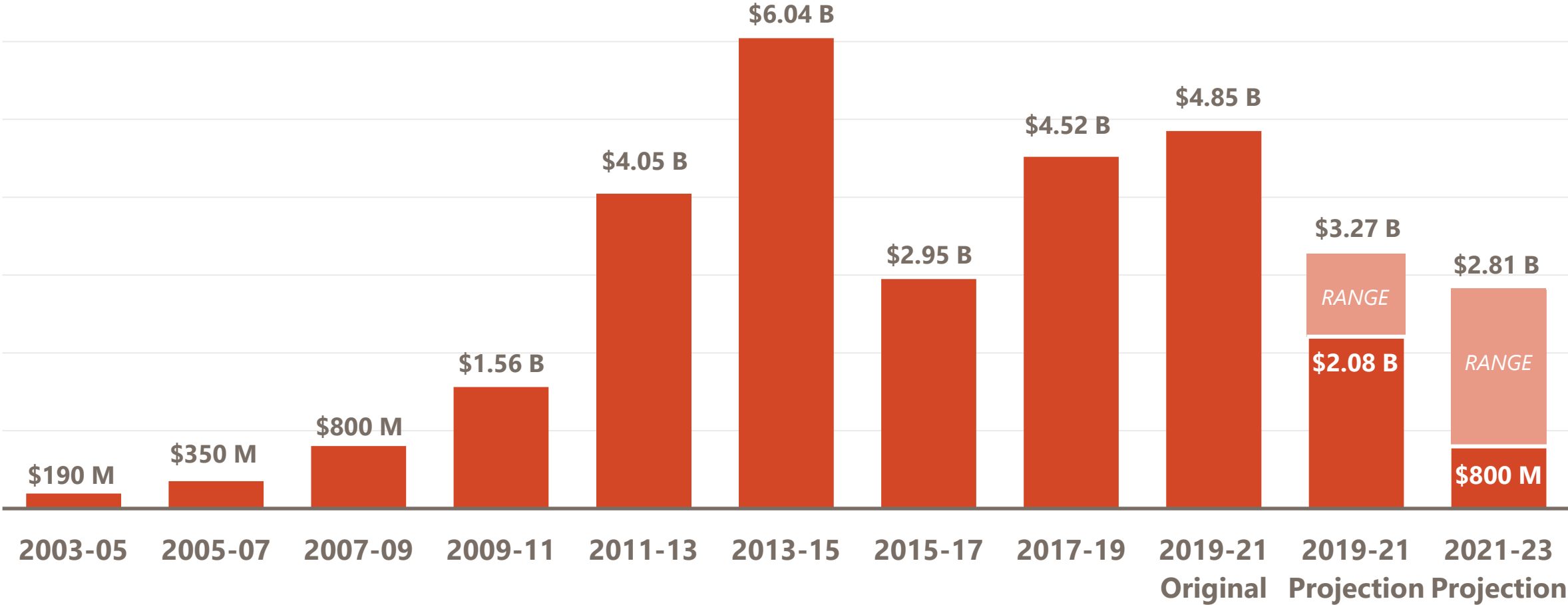
WTI PRICE PER BARREL LESS TRANSPORTATION DISCOUNTS



ND OIL PRODUCTION SCENARIOS

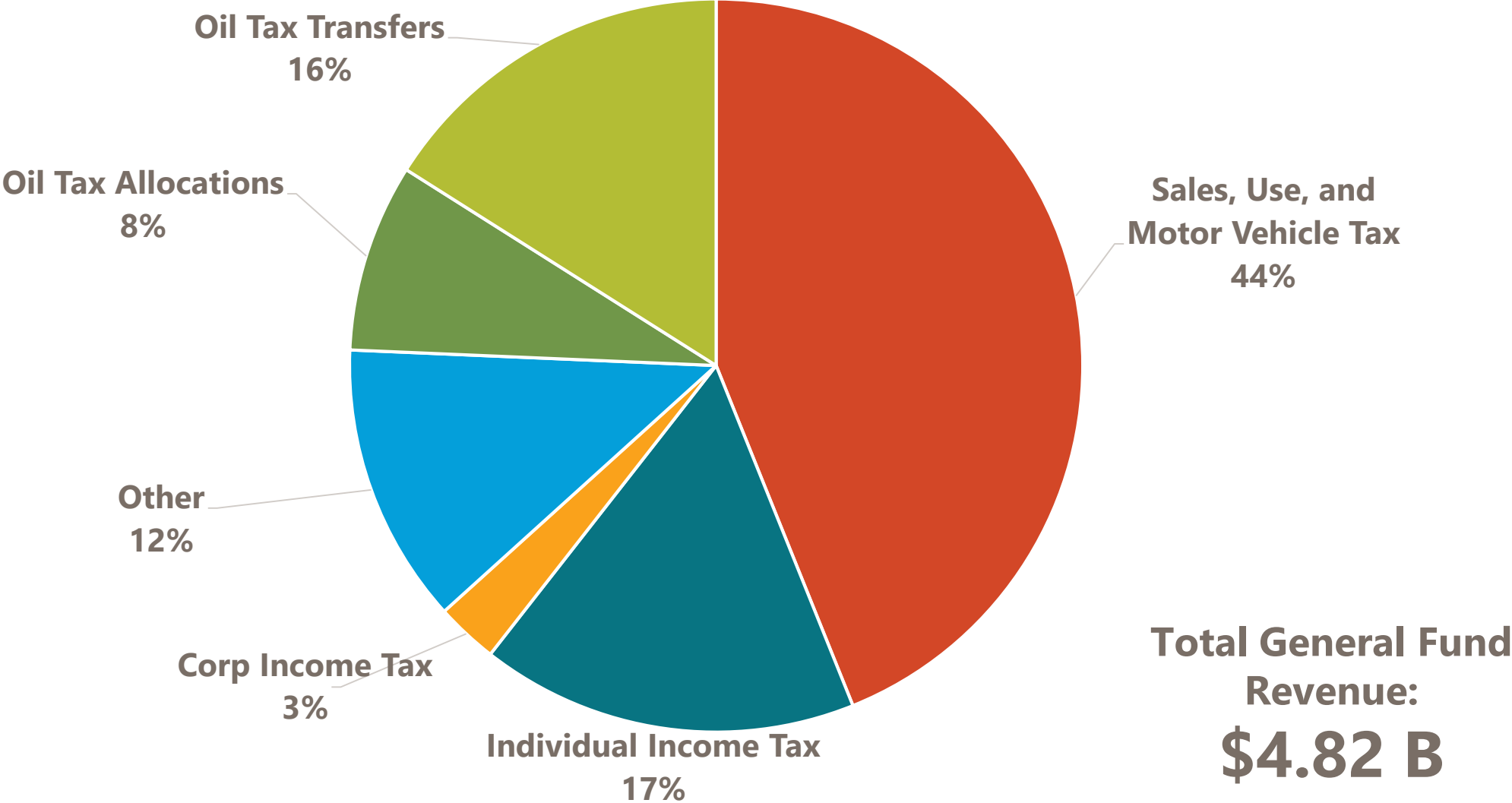


ND OIL TAX REVENUES



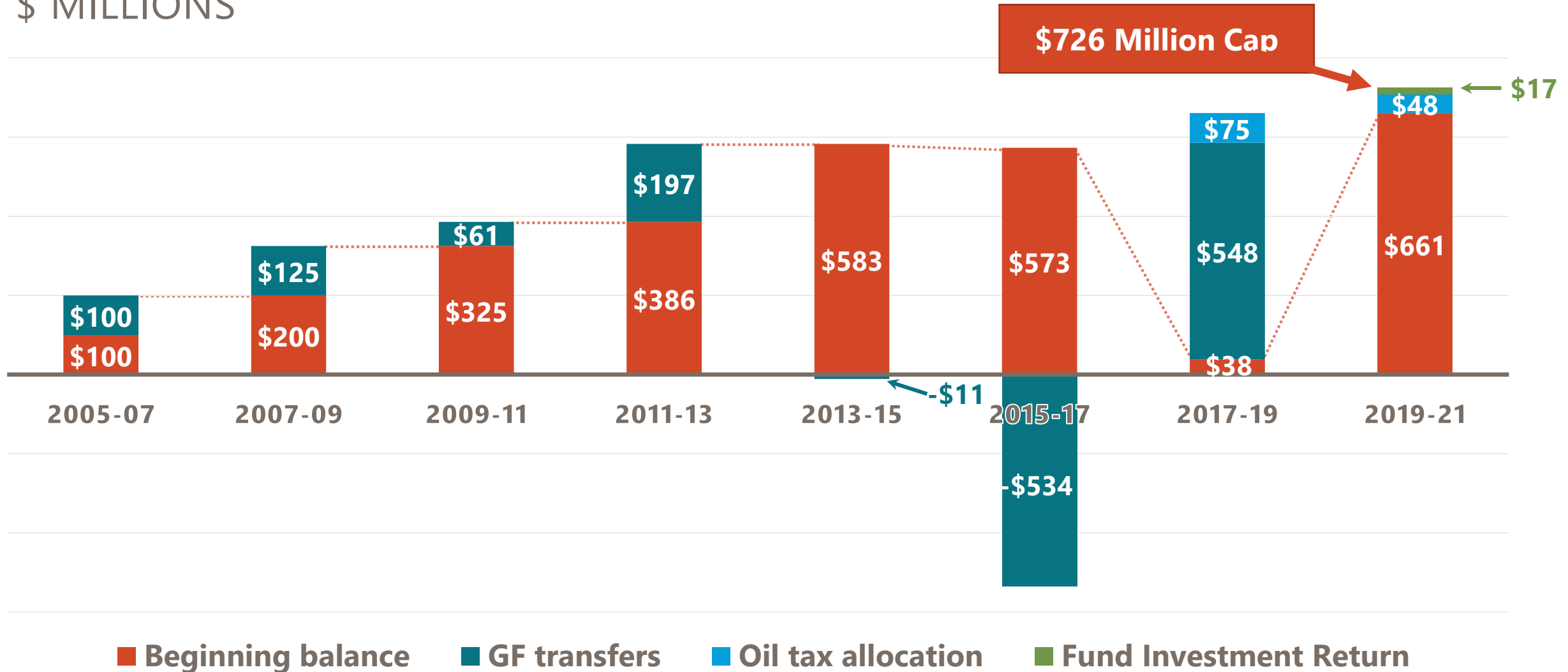
Total oil and gas taxes collected, including tribal revenue sharing and allocations to political subdivisions, Legacy Fund and other funds.

2019-21 GENERAL FUND REVENUE SOURCES



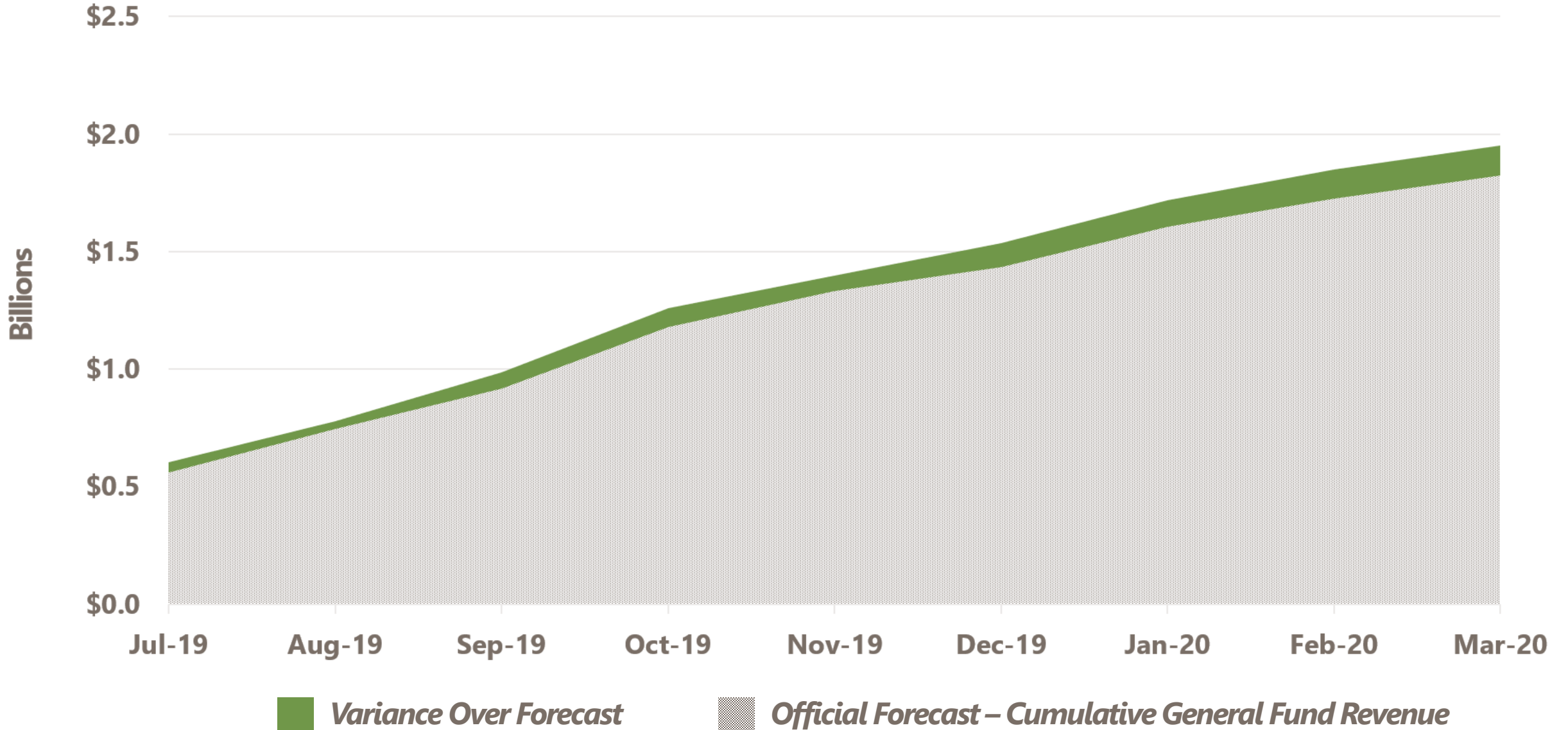
BUDGET STABILIZATION FUND: IMPORTANT BACKSTOP FOR VOLATILE REVENUES

\$ MILLIONS



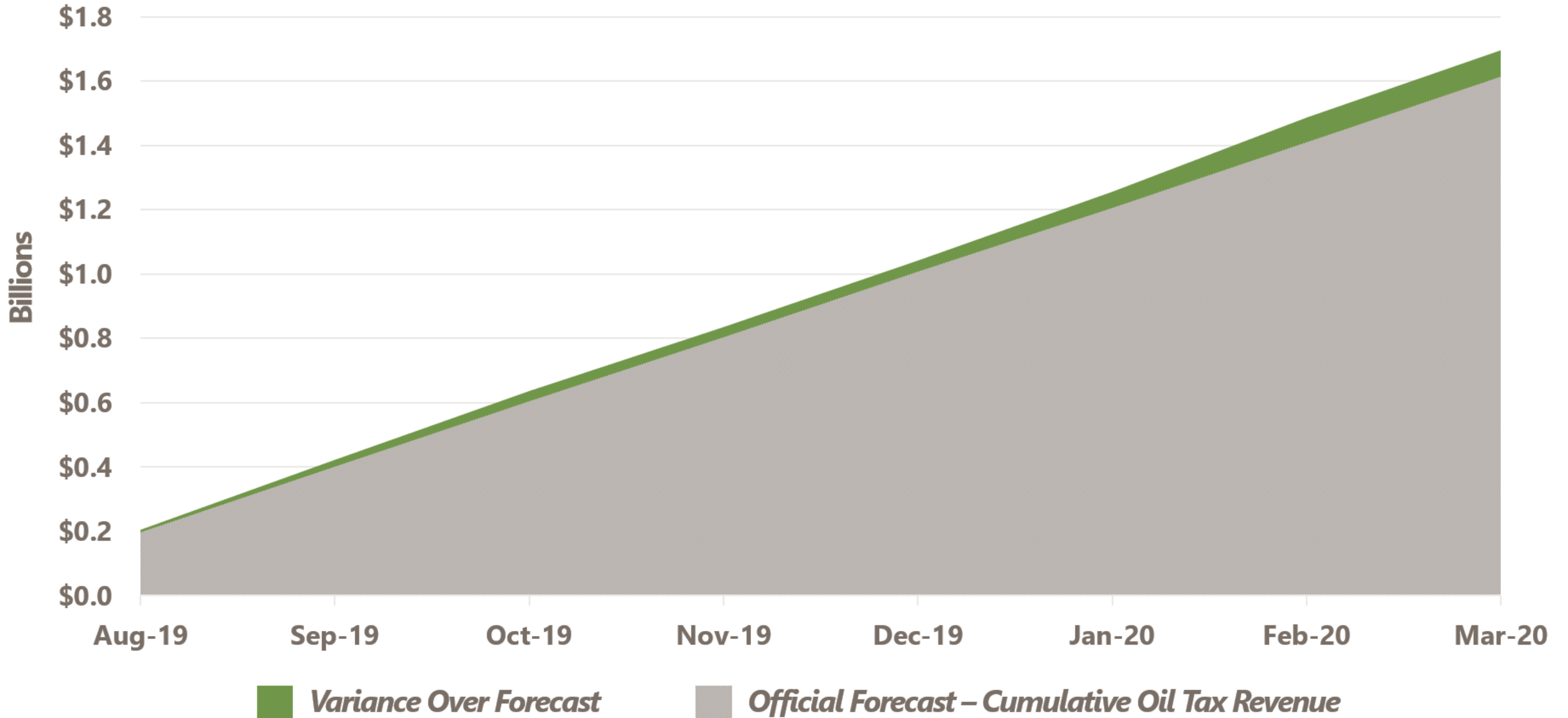
GENERAL FUND REVENUES

EXCEED FORECAST BY \$121 M (MARCH 31, 2020)

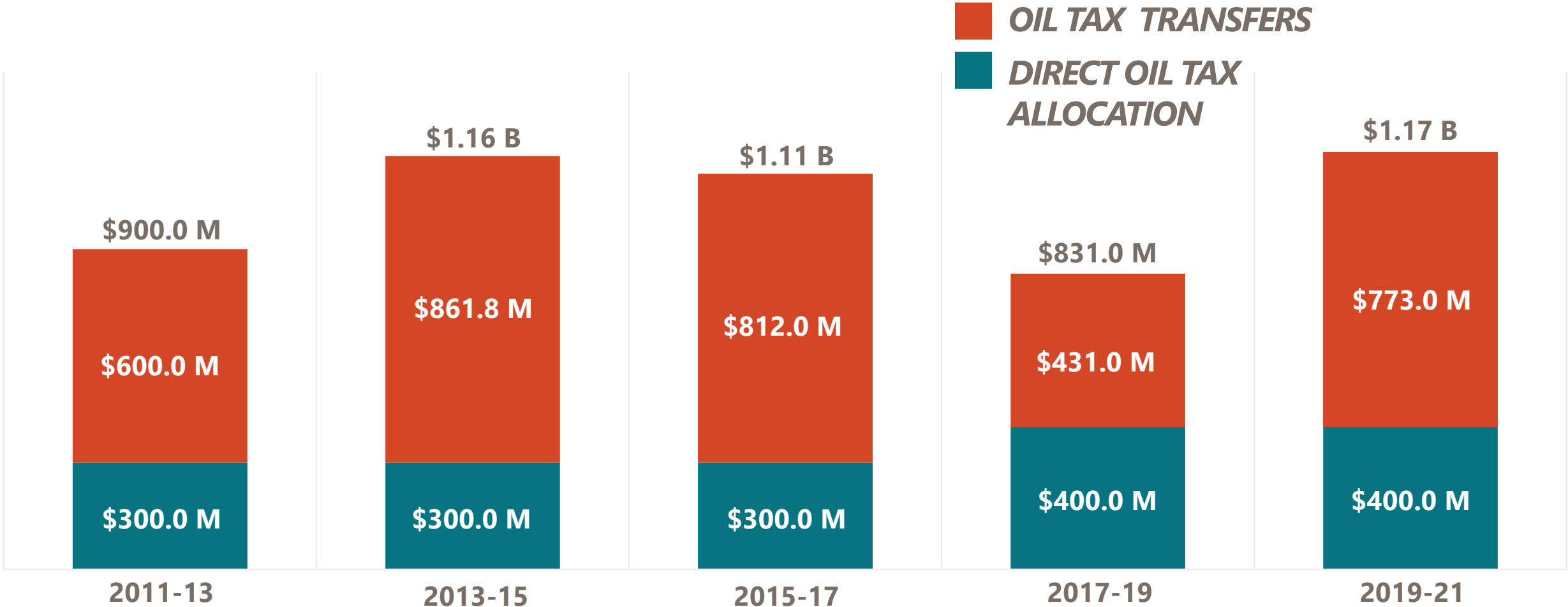


OIL TAX REVENUES

EXCEED FORECAST BY \$82 M (MARCH 31, 2020)



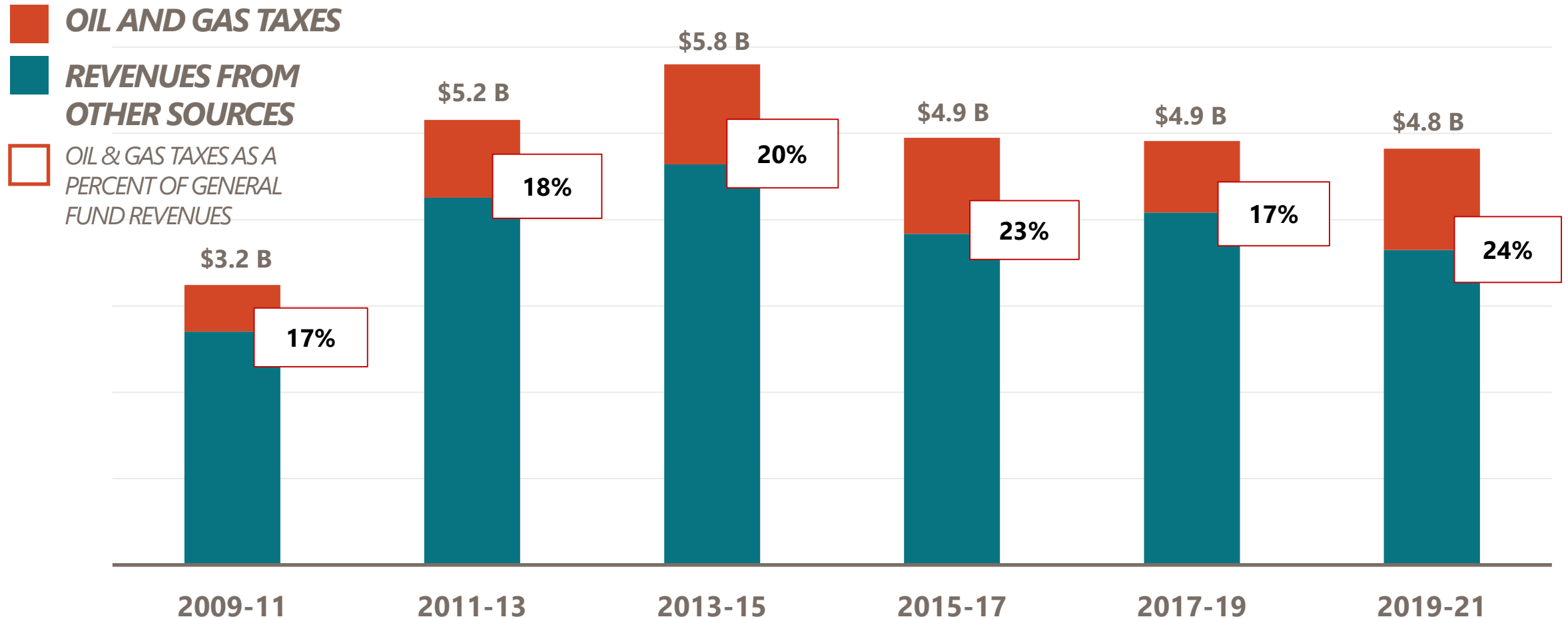
CONTINUED USE OF OIL TAX TRANSFERS TO BALANCE BUDGET



Oil tax revenue and related transfers to the General Fund

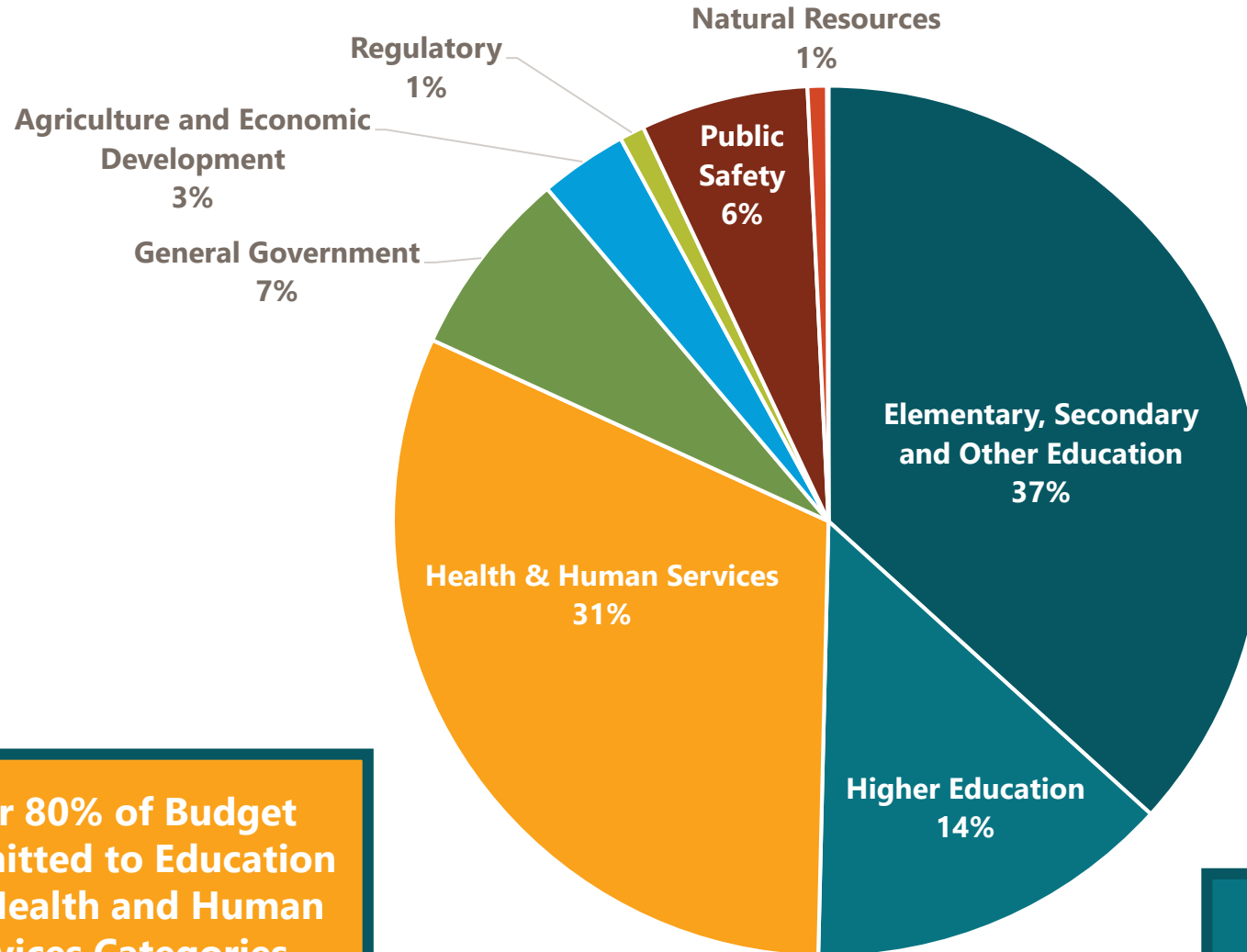
GENERAL FUND REVENUES

BETWEEN 17-24% OVER PAST SIX BIENNIA



GENERAL FUND SPENDING COMMITMENTS

ADD TO CHALLENGE OF REDUCING BUDGET



Total 2019-21 General Fund Appropriation:

\$4.84 B

Over 80% of Budget Committed to Education and Health and Human Services Categories

Over 50% of Budget Committed to Education

THE OPPORTUNITY





CITIZEN FOCUS

How can we serve our citizens better?



WORK AS ONE

How can we break down silos to focus on whole of government approach?



MAKE A DIFFERENCE

How can we focus on the impact of our work?



LEADERSHIP EVERYWHERE

How can we better enable Team ND to lead?



GROWTH MINDSET

How can we develop transformative solutions to better serve citizens?

ACHIEVING MORE
with
LESS EFFORT



2021-2023 BUDGET GUIDELINES



OPPORTUNITY TO RETHINK



ANALYZE VACANT POSITIONS



INVEST IN PROCESS IMPROVEMENT



EMBRACE TELEWORK



EMBRACE TECHNOLOGY

BUDGET GUIDELINES

BASE BUDGET

For general fund agencies:

- Reductions to 2019-21 biennium general fund appropriations, excluding major grant programs
 - **5%** - Adjusted base budget < \$5 million
 - **10%** - Adjusted base budget = \$5 million to \$20 million
 - **15%** - Adjusted base budget > \$20 million

BUDGET GUIDELINES

BASE BUDGET

For institutions of higher education:

- 10% reduction in the funding formula payment rates

For special funds agencies:

- Within your current base budget, reprioritize 5% of your budget to shift dollars from low performing, low return programs to areas that move you toward your strategic goals

For all agencies:

- Within base budget, reprioritize to fund cost to continue 2019-21 salary increases

BUDGET GUIDELINES

OPTIONAL REQUESTS

- Agencies can request funding for optional scenarios in addition to their base
- Required outcome measures for every \$ requested through an optional scenario

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Jeff Savadel