

# *North Dakota Legacy Fund*

**The Legacy Fund Founders Committee intends to protect the vote of the people, maintain the integrity of the fund and allow the principal to grow—to preserve the one-time harvest of oil revenues.**

In 2010, prior to the general election, members of the Legacy Fund Committee stated, ***“The Legacy Fund would secure North Dakota’s financial future by providing a consistent state revenue stream for our children and grandchildren, long after the oil industry takes a downturn.”***

## **POLICY GUIDANCE:**

- Don’t spend any principal ... except in case of a catastrophic event
- Don’t spend earnings until they are banked
  - \$200MM has been borrowed in current biennium
  - Postpone additional spending until next biennium
    - Reduce risk and mitigate volatility
- SAVE MOST of EARNINGS.....75%
  - Assemble DATA for projected Legacy Fund balance (high/low scenarios)
  - Require validated, independent DATA for spending
- Avoid permanent commitments of Legacy Fund earnings
  - Impedes fund growth
  - Reduces flexibility of fund
- Beneficiaries must have financial commitment (no “free money”)
- Spending should be based upon long-term strategic planning, not short-term spending demands

In recent history, North Dakota has seen wild swings of state revenues based upon oil production and prices (1980s and 2015), which required extreme adjustments in state spending. Oil revenues currently represent 20%\* of proposed general fund spending. The Legacy Fund was created in part to mitigate against these wild swings in state revenues.

\*Not including sales, personal and corporate income tax resulting from oil activity.

## **Members of the Legacy Fund Founders Committee**

<i>*Robert Harms</i>	<i>State Treasurer, Kelly Schmidt</i>
<i>Daryl Lies, ND Farm Bureau</i>	<i>* Rep. Dave Weiler (ret.)</i>
<i>*Terry Fleck</i>	<i>*Tammy Ibach</i>
<i>*Dave McIver</i>	<i>Arik Spencer, GNDC</i>
<i>*Bill Shalhoob</i>	<i>*Sen. Connie Triplett (ret.)</i>
<i>*Kent Blickensderfer</i>	<i>*Ken Tupa</i>
<i>*Bruce Govig</i>	<i>*Ed Schafer</i>
<i>*Rep. Chris Griffen</i>	<i>*Sen. Rich Wardner</i>
<i>*Brad Bekkedahl</i>	<i>*Mayor Ward Koeser</i>
<i>*Jim Maxon</i>	<i>*Bob Graveline</i>
<i>*Pete Zimmerman</i>	

*\*Indicates original committee members 2009-10*

**For more information contact:**      *Robert Harms, 701.471.0959*  
*Robert@harmsgroup.com*