# North Dakota Legislative Council

Prepared for Budget Section - Leadership Division
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## PRELIMINARY BUDGET OUTLOOK - 2027-29 BIENNIUM

The schedule below provides an update on the status of the 2025-27 biennium budget and a preliminary outlook for the budget for the 2027-29 biennium.

### GENERAL FUND

| | 2025-27 Biennium | 2027-29 Biennium |
|---|---|---|
| Beginning balance | $1,329,518,405 | $279,819,962 |
| Revenues | | |
| Base level ongoing revenues[1] | $5,056,746,408 | $5,334,252,264 |
| Actual revenues over (under) forecast to date[2] | (42,000,000) | (42,000,000) |
| Preliminary remaining income tax estimate of federal "One Big Beautiful Bill Act"[3] | (60,000,000) | (20,000,000) |
| Ongoing transfers[4] | 272,414,974 | 235,800,974 |
| One-time revenues and transfers | 0 | 0 |
| Total General Fund revenues | $5,227,161,382 | $5,508,053,238 |
| Total resources available | $6,556,679,787 | $5,787,873,200 |
| Appropriations | | |
| Ongoing General Fund appropriations | ($6,113,200,565) | ($6,113,200,565) |
| One-time General Fund appropriations | (163,659,260) | |
| Cost-to-continue items for the 2027-29 biennium: | | |
| State employee 3 percent 2nd year salary increase[5] | | ($15,000,000) |
| Fully fund 2025-27 new and vacant FTE pool positions | | (17,400,000) |
| Department of Health and Human Services provider 2 percent 2nd year inflationary increases | | (9,700,000) |
| Department of Health and Human Services cost and caseload increases | | (61,000,000) |
| State school aid 2.5 percent 2nd year increase | | (38,300,000) |
| Additional Common Schools Trust Fund income | | 135,000,000 |
| K-12 enrollment and local share property value changes | | 11,200,000 |
| Replace state school aid funding provided from carryover | | (11,000,000) |
| Replace a portion of Foundation Aid Stabilization Fund support for state school aid | | (27,000,000) |
| Continue career and technical education rates | | (4,000,000) |
| Repay Bank of North Dakota lines of credit[6] | | (201,000,000) |
| Total cost-to-continue items | | ($238,200,000) |
| Other appropriation changes | | Unknown |
| Total appropriations | ($6,276,859,825) | ($6,351,400,565) |
| Deficiency appropriations | Unknown | |
| Unspent appropriation authority (turnback) | Unknown | |
| Ending balance (shortfall) | $279,819,962 | ($563,527,365) |

[1]2027-29 biennium ongoing revenues reflect a 3 percent annual increase.

[2]These amounts are based on actual General Fund revenue collections through August 2026.

[3]These amounts are based on preliminary Tax Department estimates adjusted for the estimated effect already reflected in actual revenues to date through August 2026.

[4]Ongoing transfers include:

- Bank of North Dakota profits ($140,000,000);
- Mill and Elevator profits ($20,000,000);
- Lottery ($14,039,806);
- Gas tax administration ($1,761,168); and
- Budget Stabilization Fund interest ($96,614,000 in the 2025-27 biennium and $60,000,000 in the 2027-29 biennium).

[5]This amount excludes higher education.

[6]Bank of North Dakota lines of credit that may need to be repaid (excluding accrued interest) in the 2027-29 biennium include:

- Office of Management and Budget for new State Hospital ($100 million) and Minot state office building ($5.6 million);
- Department of Environmental Quality for wastewater infrastructure grants ($9.7 million);
- Department of Veterans' Affairs for Veterans' National Cemetery ($3 million);
- Department of Health and Human Services for a child welfare technology project ($8.4 million);
- Industrial Commission for clean sustainable energy projects ($38 million);
- Department of Corrections and Rehabilitation for equipment if federal funds are not available ($1 million);
- Agriculture Commissioner for value-added agricultural processing facilities ($15 million); and
- Historical Society for the State Military Museum project ($20 million).

## OTHER MAJOR FUNDS

| Strategic Investment and Improvements Fund | 2025-27 Biennium | 2027-29 Biennium |
|---|---|---|
| Beginning balance available for appropriation or transfer | $1,614,375,856 | $1,139,964,075 |
| Revenues | | |
| Oil and gas tax revenues (original projection) | $295,560,000 | |
| Potential additional revenuues[1] | 334,450,000 | |
| Production royalties | 289,000,000 | |
| Mineral leases and investment earnings | 62,000,000 | |
| Total revenues | $981,010,000 | |
| Appropriations and transfers | (1,455,421,781) | |
| Ending balance (shortfall) | $1,139,964,075 | |

[1]Based on actual oil tax collections for the 1st year of the biennium and oil production averaging 1.15 million barrels per day and oil price declining from $85 to $60 per barrel during the 2nd year of the biennium.

| Budget Stabilization Fund | 2025-27 Biennium | 2027-29 Biennium |
|---|---|---|
| Beginning balance before adjustments and transfers | $938,462,224 | $941,528,974 |
| Adjustments and transfers | | |
| January 2026 special legislative session appropriation increase | 1,023,750 | |
| September 2026 special legislative session appropriation increase | 3,000 | |
| Contingent Dakota Access Pipeline loan repayment becoming effective | 2,040,000 | |
| Ending balance (shortfall) | $941,528,974 | |

| Foundation Aid Stabilization Fund | 2025-27 Biennium | 2027-29 Biennium |
|---|---|---|
| Beginning balance available for appropriation or transfer | $229,321,870 | $206,231,870 |
| Revenues | | |
| Oil extraction tax collections (original projection) | 172,930,000 | |
| Potential additional oil extraction tax collections[1] | 36,980,000 | |
| Appropriations - State school aid | (233,000,000) | |
| Ending balance (shortfall) | $206,231,870 | |

[1]Based on actual oil tax collections for the 1st year of the biennium and oil production averaging 1.15 million barrels per day and oil price declining from $85 to $60 per barrel during the 2nd year of the biennium.

| Social Services Fund | 2025-27 Biennium | 2027-29 Biennium |
|---|---|---|
| Beginning balance | $252,799,245 | $266,999,245 |
| Revenues - Allocation of oil and gas tax collections | 250,000,000 | |
| Appropriations and transfers - Transfer to Human Service Finance Fund | (235,800,000) | |
| Ending balance (shortfall) | $266,999,245 | |

| Legacy Earnings Fund | 2025-27 Biennium | 2027-29 Biennium |
|---|---|---|
| Balance available at 8 percent (percent of market value) | $686,881,086 | $894,800,000 |
| Allocations | | |
| Transfer to Legacy Sinking and Interest Fund | (102,622,743) | (102,622,743) |
| Transfer to Highway Fund (30 percent of remainder) | (175,277,503) | (237,653,177) |
| Transfer to Legacy Property Tax Relief Fund (70 percent of remainder) | (408,980,840) | (554,524,080) |
| Amount remaining | $0 | $0 |