

State of North Dakota  
**Recovery Plan**

**State and Local Fiscal Recovery  
Funds**

2022 Report

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## **GENERAL OVERVIEW**

### **Executive Summary**

The North Dakota legislature, having met during a November 2021 special legislative session, appropriated \$944,634,705, approximately 94% of the State Fiscal Recovery Fund (SFRF) allocation. Due to its extraordinary revenue loss during the pandemic, North Dakota's entire SFRF allocation is dedicated to project expenditure category group 6 – Revenue Replacement. Consequently, all expenditures will fall under project expenditure category 6.1 – Provision of Government Services. Government services, as defined by the North Dakota legislature, includes economic development and workforce development initiatives, infrastructure and deferred maintenance initiatives, state service delivery and information technology improvements, and healthcare and emergency response initiatives.

### **Uses of Funds**

North Dakota is a national leader in energy production but is a small state in terms of overall economic output and population. The state currently ranks 3<sup>rd</sup> in oil production, but 48<sup>th</sup> in state gross domestic product (GDP), and 47<sup>th</sup> in population. North Dakota state government revenues are heavily impacted by volatility in oil prices and crude oil production. The COVID-19 pandemic led to a global collapse in oil prices, an unprecedented drop in North Dakota oil production, and a corresponding decline in state revenues.

State general and special fund revenues in state fiscal year 2019 (July 1, 2018, through June 30, 2019) totaled \$6.8 billion. Fiscal year 2021 revenues totaled only \$5.8 billion. Adjusting fiscal year 2019 revenues by an annual 5.2% inflationary factor leads to an inflation-adjusted revenue loss calculation of nearly \$1.8 billion in fiscal year 2021. The state's allocation of SFRF is \$1.008 billion. Consequently, the entire state SFRF allocation is dedicated to replacement of lost revenue and the provision of government services.

The strategy employed in the allocation of the North Dakota SFRF funding is to generally support government services through an array of programs and initiatives, including economic development and workforce development initiatives, infrastructure and deferred maintenance initiatives, state service delivery and information technology improvements, and healthcare and emergency response initiatives.

### **Community Engagement**

North Dakota's SLFRF money was allocated by the 2021 North Dakota Legislative Assembly, during a November 2021 special legislative session. The legislative process is a forum for community and citizen engagement. The bills introduced in the special session and ultimately approved through the legislative process involved a series of public hearings to receive citizen and community input to determine the most effective allocation of these funds.

## **PROJECT INVENTORY**

North Dakota's SLFRF moneys have been allocated to support government services and replace lost state revenue. There are no specific projects on which to report.