

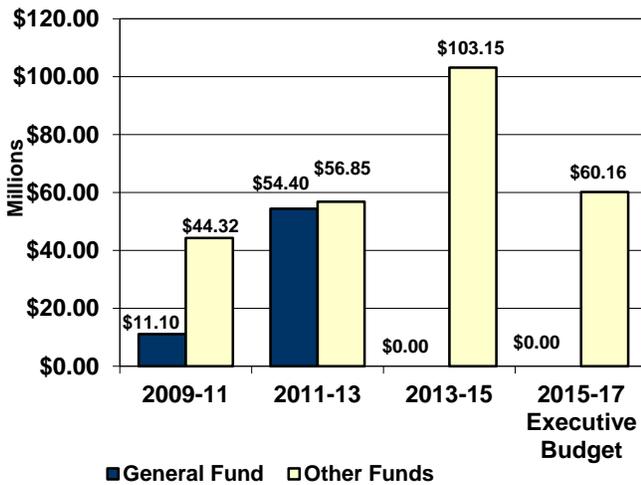
**Department 471 - Bank of North Dakota  
 House Bill No. 1014**

**Executive Budget Comparison to Prior Biennium Appropriations**

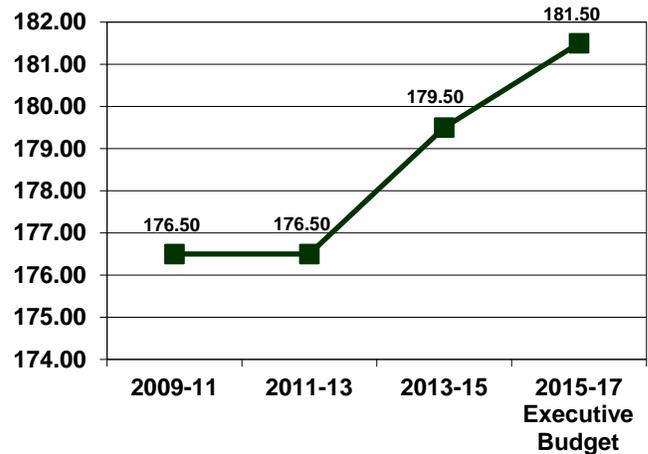
	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	181.50	\$0	\$60,163,693	\$60,163,693
2013-15 Legislative Appropriations <sup>1</sup>	179.50	0	103,150,147	103,150,147
Increase (Decrease)	2.00	\$0	(\$42,986,454)	(\$42,986,454)

<sup>1</sup>The 2013-15 appropriation amounts include \$50 million of one-time funding from the strategic investment and improvements fund for the medical facility infrastructure loan program.

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$0	\$60,163,693	\$60,163,693
2015-17 Base Level	0	53,150,147	53,150,147
Increase (Decrease)	\$0	\$7,013,546	\$7,013,546

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$1,536,370 relates to performance increases, \$191,239 is for market equity adjustments, \$794,479 is for health insurance increases, and \$158,886 is for retirement contribution increases	\$0	\$2,680,974	\$2,680,974
2. Adds funding for 1 FTE credit analyst position	\$0	\$177,836	\$177,836
3. Adds funding for 1 FTE information security position	\$0	\$209,809	\$209,809
4. Increase funding for operating expenses, including \$2.5 million for information technology costs and \$800,000 for audit fees	\$0	\$3,968,123	\$3,968,123

**Other Sections in Bill**

**Transfer to partnership in assisting community expansion (PACE) fund** - Section 7 provides for a transfer of \$28 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2015-17 biennium.

**Transfer to Ag PACE fund** - Section 8 provides for a transfer of \$3 million from the Bank of North Dakota's current earnings and undivided profits to the Ag PACE fund for the 2015-17 biennium.

**Transfer to biofuels PACE fund** - Section 9 provides for a transfer of \$2 million from the Bank of North Dakota's current earnings and undivided profits to the biofuels PACE fund for the 2015-17 biennium.

**Transfer to beginning farmer revolving loan fund** - Section 10 provides for a transfer of \$7 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2015-17 biennium.

**Short line railroad revolving loan fund** - Section 14 provides a transfer of \$10 million from the strategic investment and improvements fund to the short line railroad fund for the 2015-17 biennium. Section 15 creates a new section to North Dakota Century Code Chapter 6-09 to establish a short line railroad revolving loan fund administered by the Bank of North Dakota and to provide a continuing appropriation.

**Flex PACE program** - Section 20 amends Section 22 of Chapter 579 of the 2011 Session Laws to expand the Flex PACE program from areas impacted by oil and gas development to the entire state and to extend the program until the end of the 2017-19 biennium.

### **Continuing Appropriations**

**PACE** - Section 6-09.14-02 - Buydown interest rates on loans for new or expanding businesses.

**Ag PACE** - Section 6-09.13-04 - Buydown interest rates on agriculture-related loans.

**Beginning farmer revolving loan fund** - Section 6-09-15.5 - Direct loans or to buydown interest rates on loans to beginning farmers for the first purchase of farm real estate or chattels.

**College SAVE** - Section 6-09-38 - Higher education savings plan.

**Medical facility infrastructure loan fund** - Section 6-09-47 - Loans for medical facility construction.

### **Significant Audit Findings**

There are no significant audit findings for this agency.

### **Major Related Legislation**

**House Bill No. 1049** - Creates an addiction counseling internship revolving loan program administered by the Bank of North Dakota and provides for a transfer of \$1 million from the general fund to a revolving loan fund.

**House Bill No. 1137** - Creates a capital infrastructure revolving loan program administered by the Public Finance Agency and transfers \$100 million of Bank of North Dakota profits to a capital infrastructure revolving loan fund.

**Senate Bill No. 2165** - Provides an allocation of \$5,000 to each eligible individual, which is managed by the Bank of North Dakota, until the time when the individual may use the funds for higher education expenses, loan repayments, or nursing home costs.

**Senate Bill No. 2178** - Creates a school construction loan program administered by the Bank of North Dakota and provides a transfer of \$125 million for the strategic investment and improvements fund.

**Bank of North Dakota - Budget No. 471**  
**House Bill No. 1014**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE</b>			
	<b>Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2015-17 Biennium Base Level</b>	179.50	\$0	\$53,150,147	\$53,150,147
<b>2015-17 Ongoing Funding Changes</b>				
Base payroll changes			(\$23,196)	(\$23,196)
Salary increase - Performance			1,536,370	1,536,370
Salary increase - Market equity			191,239	191,239
Retirement contribution increase			158,886	158,886
Health insurance increase			794,479	794,479
FTE credit analyst position	1.00		177,836	177,836
FTE information security position	1.00		209,809	209,809
Changes to operating expenses			3,968,123	3,968,123
<b>Total ongoing funding changes</b>	<b>2.00</b>	<b>\$0</b>	<b>\$7,013,546</b>	<b>\$7,013,546</b>
<b>One-time funding items</b>				
No executive budget one-time funding items				\$0
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>2.00</b>	<b>\$0</b>	<b>\$7,013,546</b>	<b>\$7,013,546</b>
<b>2015-17 Total Funding</b>	<b>181.50</b>	<b>\$0</b>	<b>\$60,163,693</b>	<b>\$60,163,693</b>

**Other Sections in House Bill No. 1014**

	<b>Executive Budget Recommendation</b>
Transfer to PACE	Section 7 provides for a transfer of \$28 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2015-17 biennium.
Transfer to Ag PACE	Section 8 provides for a transfer of \$3 million from the Bank of North Dakota's current earnings and undivided profits to the Ag PACE fund for the 2015-17 biennium.
Transfer to biofuels PACE	Section 9 provides for a transfer of \$2 million from the Bank of North Dakota's current earnings and undivided profits to the biofuels PACE fund for the 2015-17 biennium.
Transfer to beginning farmer revolving loan fund	Section 10 provides for a transfer of \$7 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2015-17 biennium.
Short line railroad revolving loan fund	Section 14 provides a transfer of \$10 million from the strategic investment and improvements fund to the short line railroad fund for the 2015-17 biennium. Section 15 creates a new section to Chapter 6-09 to establish a short line railroad revolving loan fund administered by the Bank of North Dakota and to provide a continuing appropriation.
Flex PACE program	Section 20 amends Section 22 of Chapter 579 of the 2011 Session Laws to expand the Flex PACE program from areas impacted by oil and gas development to the entire state and to extend the program until the end of the 2017-19 biennium.