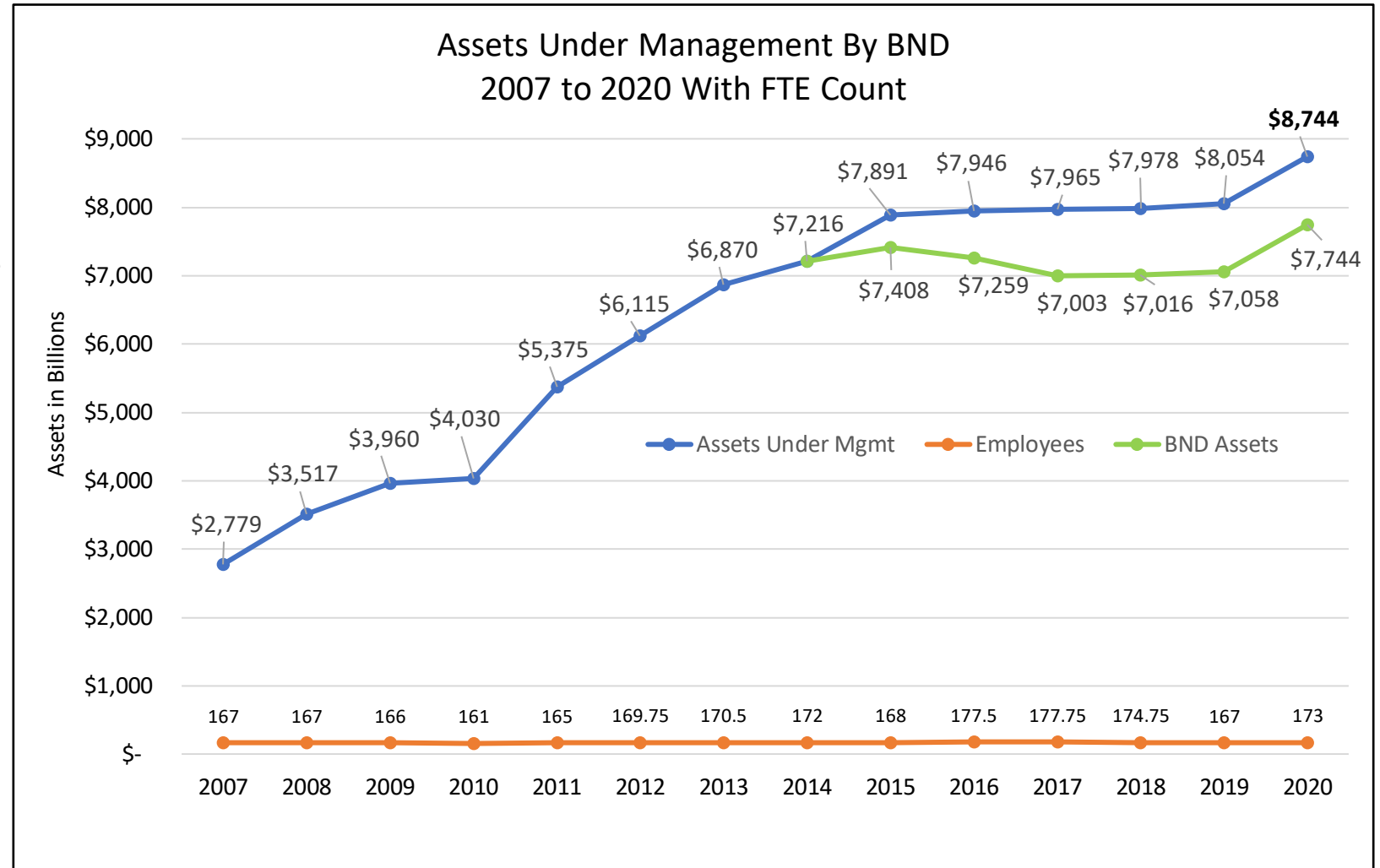


Senate Bill 2014

Growth of BND

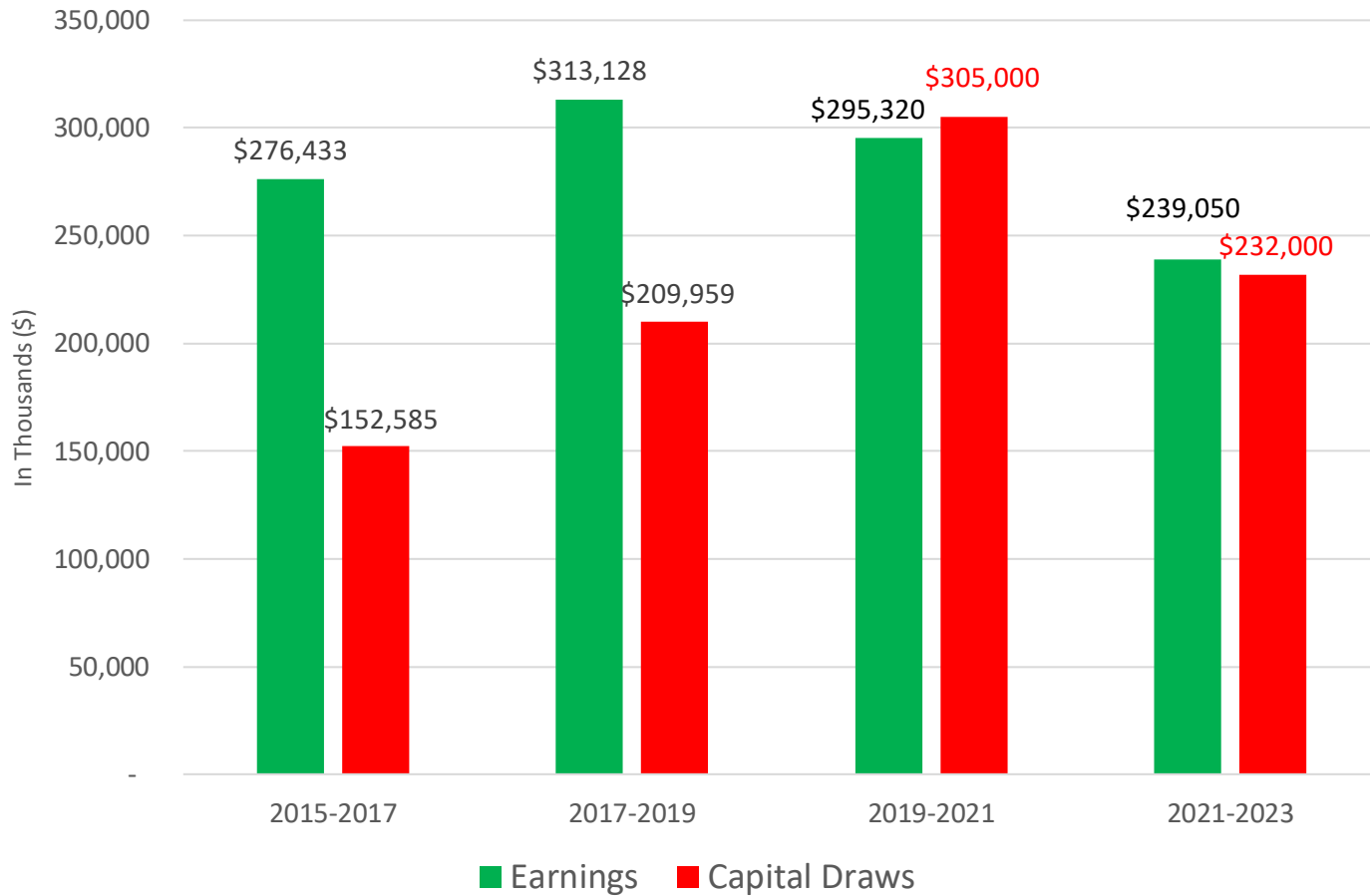
Key Points

- Despite the drop in income, 2020 was BND's best year ever.
- BND continues to excel in its performance with \$8.7 billion under management while maintaining a stable employee count.
- BND is seeking efficiencies by merging operations with Housing Finance Agency, utilizing ND ITD and creation of a one-application for infrastructure funding
- Creation of Valuation Services to assist local financial institutions.



BND Biennium Earnings & Capital Draws 2015-2023

BND Earnings & Capital Draws 2015-2023



Note: \$2 billion in loans put on the balance sheet in 2020--
\$404 million originated in commercial and agriculture disaster programs

Capital Draws

2019-2021

\$140,000,000	General Fund Transfer
\$ 37,000,000	Buy Down Programs
\$ 20,000,000*	NDUS Deferred Maintenance
\$ 20,000,000*	SIRN
\$ 15,000,000	ND Development Fund Transfer
\$ 15,000,000	LIFT Program
\$ 6,000,000*	Skilled Workforce
\$ 2,000,000	APUC Fund Transfer
\$255,000,000	Appropriated Capital Draws
\$ 50,000,000*	Small Employer Loan Fund (SELF)
\$305,000,000	Total Biennium Capital Draw

2021-2023—Anticipated Capital Draw

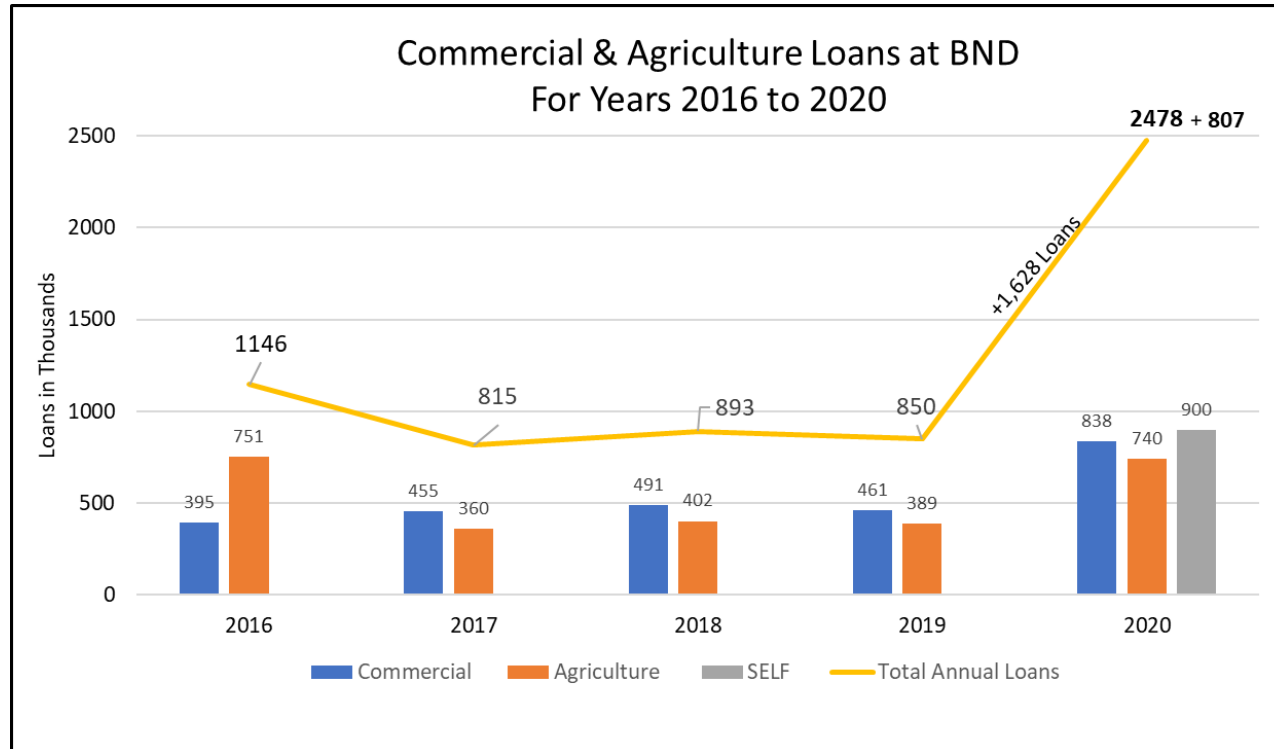
\$140,000,000	Anticipated for General Fund
\$ 40,000,000	Buy Down Programs
\$ 3,000,000	APUC Transfer
\$ 52,000,000*	IRLF Transfer (Remaining of \$100m)
\$235,000,000	

* Funds not totally Drawn



SB 2014 Industrial Commission - Bank of North Dakota		
	Governor's Recommendation	Bank of North Dakota Request
21-23 Base Level FTE	165.5	171.5
Bank of North Dakota Operations		
21-23 Base Level Operations	\$ 62,847,799.00	\$ 62,847,799.00
Base Payroll Changes	(2,017,365.00)	(1,198,063.00)
Increase in ITD Expense due to Consolidation	3,287,172.00	3,287,172.00
Increase funding for ITD Projects	1,833,473.00	1,833,473.00
Decrease funding for Contingency	(500,000.00)	(500,000.00)
Total Recommended 21-23 Operating Expense	\$ 65,451,079.00	\$ 66,270,381.00
Bank of North Dakota Capital Assets	\$ 1,510,000.00	\$ 1,510,000.00
BND 21-23 Special Funds Budget	\$ 66,961,079.00	\$ 67,780,381.00

BND Proposed FTE Changes for the 21-23 Biennium



Highlights

1. Transfer 16 positions to ND ITD as a result of consolidation.
2. Retain 6 positions for a net transfer of 10 positions / reduction in BND FTE Count.
3. Monitor proposed administrated programs and additional workload on BND.

- BND's loan volume grew dramatically in the last year. These loans will remain on the balance sheet and require servicing for the life of the loans.
- BND will require staffing for its new valuation service that will launch in 2021.
- BND's special assets division anticipates an increased workload in the 21-23 biennium.
- BND expects loan volume to increase in programs managed for the legislature including the Infrastructure Revolving Loan Fund, School Construction and Water projects.
- BND is initiating outreach to state agencies to determine what increased services they could require and how the Bank can best meet their needs.
- BND is currently filling six open FTE positions.

BND--Proposed Amendments to SB2014

SECTION 1. APPROPRIATION

Full-time equivalent positions	Base Level	Governors Rec	Appropriation
	181.50	165.5	<u>171.5</u>

SECTION 9. TRANSFER - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION.

The Bank of North Dakota shall transfer the sum of ~~\$4,000,000~~, \$5,000,000 or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture partnership in assisting community expansion fund during the biennium beginning July 1, 2021, and ending June 30, 2023

SECTION 11. TRANSFER - BEGINNING FARMER REVOLVING LOAN FUND.

The Bank of North Dakota shall transfer the sum of ~~\$6,000,000~~, \$8,000,000 or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 14. TRANSFER – AGRICULTURE PRODUCTS UTILIZATION COMMISSION. The Bank of North Dakota shall transfer the sum of \$3,000,000 or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

Proposed Amendment to Revolving Loan Fund in NDCC 06-09-49