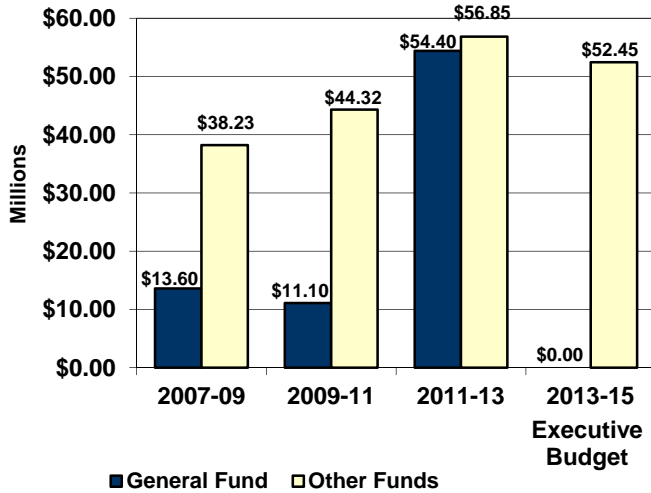


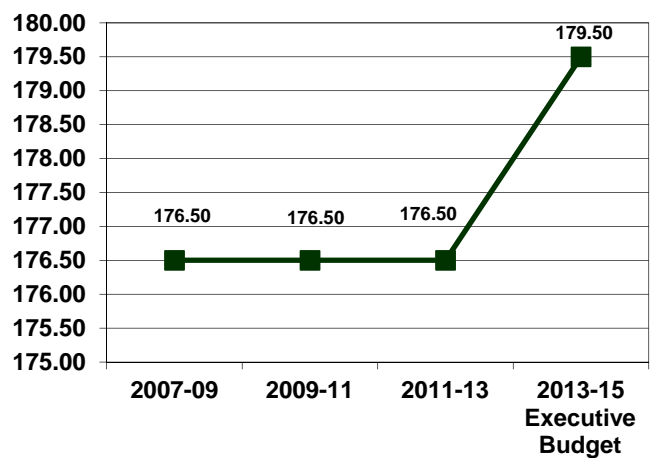
**Department 471 - Bank of North Dakota
 Senate Bill No. 2014**

	FTE Positions	General Fund	Other Funds	Total
2013-15 Executive Budget	179.50	\$0	\$52,452,928	\$52,452,928
2011-13 Legislative Appropriations	176.50	54,400,000	56,853,155	111,253,155
Increase (Decrease)	3.00	(\$54,400,000)	(\$4,400,227)	(\$58,800,227)

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2013-15 Executive Budget	\$0	\$0	\$0
2011-13 Legislative Appropriations	9,400,000	45,000,000	54,400,000
Increase (Decrease)	(\$9,400,000)	(\$45,000,000)	(\$54,400,000)

First House Action

Attached is a summary of first house changes.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Removes 2011-13 one-time funding for a loan to the Western Area Water Supply Authority	(\$25,000,000)	(\$10,000,000)	(\$35,000,000)
2. Provides for transfers to the partnership in assisting community expansion (PACE) fund (\$28 million), Ag PACE fund (\$2 million), biofuels PACE fund (\$2 million), and beginning farmer program (\$6 million) from the Bank of North Dakota's current earnings and undivided profits		\$38,000,000	\$38,000,000
3. Removes funding for transfers to the PACE (\$6 million), Ag PACE fund (\$1 million), biofuels PACE fund (\$1 million), and beginning farmer program (\$1.4 million)	(\$9,400,000)		(\$9,400,000)
4. Provides additional funding for increased operating expenses		\$1,931,000	\$1,931,000
5. Adds funding to replace information technology equipment and software		\$495,000	\$495,000
6. Adds funding to replace equipment over \$5,000		\$250,000	\$250,000
7. Adds 1 FTE loan officer position		\$217,702	\$217,702
8. Adds 1 FTE compliance officer		\$165,534	\$165,534
9. Adds 1 FTE collection officer		\$120,462	\$120,462

10. Provides funding for state employee salary increases of which \$1,220,611 relates to performance increases and \$430,648 is for market equity adjustments. The Senate added \$153,480 to correct the executive compensation package.	\$1,651,259	\$1,651,259
11. Removes one-time funding for the rebuilders loan program	(\$20,000,000)	(\$20,000,000)

Other Sections in Bill

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 2013-15 biennium.

Transfer to Ag PACE - Section 8 provides for a transfer of \$2 million from the Bank of North Dakota's current earnings and undivided profits to the Ag PACE fund for the 2013-15 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 2013-15 biennium.

Transfer to beginning farmer revolving loan fund - Section 10 provides for a transfer of \$6 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2013-15 biennium.

Emergency measure - Section 16 declares Sections 7 through 10 to be an emergency measure.

Continuing Appropriations

PACE - North Dakota Century Code 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

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1078 - Increases the amount the Bank of North Dakota may invest in North Dakota alternative and venture capital investments and early-stage capital funds from \$10 million to \$15 million

House Bill No. 1079 - Extends the use of flex PACE to assist with financing of affordable multifamily housing units through June 30, 2015

House Bill No. 1140 - Provides for a Bank of North Dakota loan of \$40 million to the Western Area Water Supply Authority

House Bill No. 1185 - Allows unexpended appropriations made for the rebuilders loan program for the 2011-13 biennium to continue into the 2013-15 biennium

Senate Bill No. 2096 - Provides a continuing appropriation for funds received by the Bank of North Dakota relating to the federal student loan program

Senate Bill No. 2132 - Provides for payments from the rebuilders loan program of up to \$30 million to be transferred to replenish the Bank of North Dakota's profits which were deposited in the rebuilders loan program fund. Payments in excess of \$30 million are to be deposited in the general fund. Allows unexpended appropriations made for the rebuilders loan program for the 2011-13 biennium to continue into the 2013-15 biennium.

Senate Bill No. 2187 - Provides for a medical facility infrastructure loan program to be administered by the Bank of North Dakota, provides a continuing appropriation to the Bank for funds in the newly created medical facility infrastructure fund, and provides for a transfer of \$12 million from the strategic investment and improvements fund to the medical facility infrastructure fund

Senate Bill No. 2361 - Requires the Bank to administer a student loan consolidation program, including a rural physician student loan consolidation program

ATTACH:1

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2014 - Funding Summary

	Executive Budget	Senate Changes	Senate Version
Industrial Commission			
Salaries and wages	\$17,710,630	\$172,713	\$17,883,343
Operating expenses	6,330,576		6,330,576
Capital assets	5,800		5,800
Grants - Lignite research	19,500,000		19,500,000
Grants - Bond payments	<u>19,809,969</u>		<u>19,809,969</u>
Total all funds	\$63,356,975	\$172,713	\$63,529,688
Less estimated income	<u>40,937,857</u>	<u>13,817</u>	<u>40,951,674</u>
General fund	\$22,419,118	\$158,896	\$22,578,014
FTE	98.75	0.00	98.75
Bank of North Dakota			
Capital assets	\$745,000		\$745,000
BND operations	<u>51,707,928</u>	<u>153,480</u>	<u>51,861,408</u>
Total all funds	\$52,452,928	\$153,480	\$52,606,408
Less estimated income	<u>52,452,928</u>	<u>153,480</u>	<u>52,606,408</u>
General fund	\$0	\$0	\$0
FTE	179.50	0.00	179.50
Housing Finance Agency			
Salaries and wages	\$7,437,231	\$7,868	\$7,445,099
Operating expenses	3,791,758		3,791,758
Grants	29,533,050		29,533,050
HFA contingencies	100,000		100,000
Housing incentive fund	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>
Total all funds	\$40,862,039	\$30,007,868	\$70,869,907
Less estimated income	<u>40,862,039</u>	<u>7,868</u>	<u>40,869,907</u>
General fund	\$0	\$30,000,000	\$30,000,000
FTE	46.00	0.00	46.00
Mill and Elevator			
Salaries and wages	\$29,849,124		\$29,849,124
Operating expenses	21,796,000		21,796,000
Contingencies	400,000		400,000
Agriculture promotion	<u>210,000</u>		<u>210,000</u>
Total all funds	\$52,255,124	\$0	\$52,255,124
Less estimated income	<u>52,255,124</u>	<u>0</u>	<u>52,255,124</u>
General fund	\$0	\$0	\$0
FTE	135.00	0.00	135.00
Commerce Department			
Market Study	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total all funds	\$0	\$500,000	\$500,000
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00
Bill Total			
Total all funds	\$208,927,066	\$30,834,061	\$239,761,127
Less estimated income	<u>186,507,948</u>	<u>175,165</u>	<u>186,683,113</u>
General fund	\$22,419,118	\$30,658,896	\$53,078,014
FTE	459.25	0.00	459.25

Senate Bill No. 2014 - Industrial Commission - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$17,710,630	\$172,713	\$17,883,343
Operating expenses	6,330,576		6,330,576
Capital assets	5,800		5,800
Grants - Lignite research	19,500,000		19,500,000
Grants - Bond payments	19,809,969		19,809,969
Total all funds	<u>\$63,356,975</u>	<u>\$172,713</u>	<u>\$63,529,688</u>
Less estimated income	<u>40,937,857</u>	<u>13,817</u>	<u>40,951,674</u>
General fund	\$22,419,118	\$158,896	\$22,578,014
FTE	98.75	0.00	98.75

Department 405 - Industrial Commission - Detail of Senate Changes

	Corrects Executive Compensation Package¹	Total Senate Changes
Salaries and wages	172,713	172,713
Operating expenses		
Capital assets		
Grants - Lignite research		
Grants - Bond payments		
Total all funds	<u>\$172,713</u>	<u>\$172,713</u>
Less estimated income	<u>13,817</u>	<u>13,817</u>
General fund	\$158,896	\$158,896
FTE	0.00	0.00

¹ Funding is added due to a calculation error in the executive compensation package.

This amendment provides for the following:

- Amends Section 57-51.1-07.3 to increase the amount allocated to the oil and gas research fund from \$4 million to \$10 million per biennium.
- Amends Section 57-51.1-07 to provide for 5 percent of the amount of oil extraction tax revenue allocated to the resources trust fund, not to exceed \$3 million per biennium, to be transferred to the renewable energy development fund. The executive recommendation provided for an allocation of one-half of 1 percent with no maximum.
- Amends Section 54-17.6-05 to reduce the size of the Oil and Gas Research Council from eight to seven members by removing the representative from an organization that is no longer active--the Northern Alliance of Independent Producers.
- Provides legislative intent relating to the oil and gas research fund and administrative rules for reserve pits.

Senate Bill No. 2014 - Bank of North Dakota - Senate Action

	Executive Budget	Senate Changes	Senate Version
Capital assets	\$745,000		\$745,000
BND operations	51,707,928	153,480	51,861,408
Total all funds	<u>\$52,452,928</u>	<u>\$153,480</u>	<u>\$52,606,408</u>
Less estimated income	<u>52,452,928</u>	<u>153,480</u>	<u>52,606,408</u>
General fund	\$0	\$0	\$0
FTE	179.50	0.00	179.50

Department 471 - Bank of North Dakota - Detail of Senate Changes

	Corrects Executive Compensation Package¹	Total Senate Changes
Capital assets		
BND operations	153,480	153,480
Total all funds	\$153,480	\$153,480
Less estimated income	153,480	153,480
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding is added due to a calculation error in the executive compensation package.

Senate Bill No. 2014 - Housing Finance Agency - Senate Action

	Executive Budget	Senate Changes	Senate Version
Salaries and wages	\$7,437,231	\$7,868	\$7,445,099
Operating expenses	3,791,758		3,791,758
Grants	29,533,050		29,533,050
HFA contingencies	100,000		100,000
Housing incentive fund		30,000,000	30,000,000
Total all funds	\$40,862,039	\$30,007,868	\$70,869,907
Less estimated income	40,862,039	7,868	40,869,907
General fund	\$0	\$30,000,000	\$30,000,000
FTE	46.00	0.00	46.00

Department 473 - Housing Finance Agency - Detail of Senate Changes

	Corrects Executive Compensation Package¹	Provides Transfer to Housing Incentive Fund²	Total Senate Changes
Salaries and wages	7,868		7,868
Operating expenses			
Grants			
HFA contingencies			
Housing incentive fund		30,000,000	30,000,000
Total all funds	\$7,868	\$30,000,000	\$30,007,868
Less estimated income	7,868	0	7,868
General fund	\$0	\$30,000,000	\$30,000,000
FTE	0.00	0.00	0.00

¹ Funding is added due to a calculation error in the executive compensation package.

² This amendment provides for a transfer of \$30 million from the general fund to the housing incentive fund during the 2013-15 biennium. The executive budget provided for the transfer to occur during the 2011-13 biennium.

This amendment amends Section 11 of the bill to provide that the transfer of \$30 million from the general fund to the housing incentive fund be made during the period beginning with the effective date of the Act and ending June 30, 2015. The executive budget provided for the transfer to be made in the 2011-13 biennium.

Senate Bill No. 2014 - Mill and Elevator - Senate Action

The Senate did not change the executive recommendation for the Mill and Elevator.

Senate Bill No. 2014 - Commerce Department - Senate Action

	Executive Budget	Senate Changes	Senate Version
Market Study		\$500,000	\$500,000
Total all funds	\$0	\$500,000	\$500,000
Less estimated income	0	0	0
General fund	\$0	\$500,000	\$500,000
FTE	0.00	0.00	0.00

Department 605 - Commerce Department - Detail of Senate Changes

	Adds Funding for a Value-Added Market Study¹	Total Senate Changes
Market Study	500,000	500,000
Total all funds	\$500,000	\$500,000
Less estimated income	0	0
General fund	\$500,000	\$500,000
FTE	0.00	0.00

¹ This amendment adds an appropriation for the Department of Commerce to provide for a value-added market study on renewable energy resources and oil and gas.