

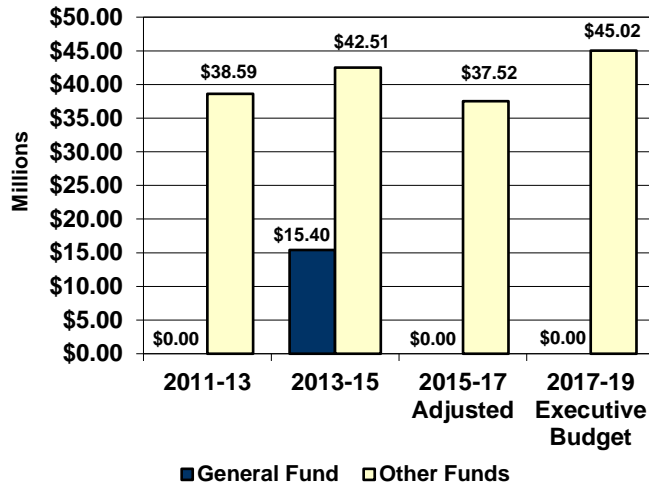
**Department 473 - Housing Finance Agency
Senate Bill No. 2014**

Dalrymple Executive Budget Comparison to Prior Biennium Appropriations

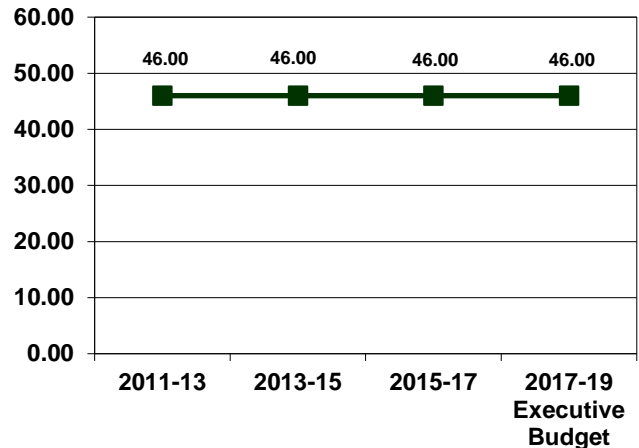
	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	46.00	\$0	\$45,022,790	\$45,022,790
2015-17 Adjusted Legislative Appropriations	46.00	0	37,520,089 ¹	37,520,089
Increase (Decrease)	0.00	\$0	\$7,502,701	\$7,502,701

¹The 2015-17 biennium adjusted legislative appropriations do not include \$970,000 of additional special funds authority related to additional income received and expenses incurred for additional volume in mortgage servicing premiums during the 2015-17 biennium.

Agency Funding



FTE Positions



Dalrymple Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	\$0	\$45,022,790	\$45,022,790
2017-19 Base Level	0	37,520,089	37,520,089
Increase (Decrease)	\$0	\$7,502,701	\$7,502,701

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

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

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$34,626 is for salary increases and \$128,790 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) The Senate removed funding for the salary increases.	\$0	\$163,416	\$163,416
2. Provides funding for additional salary increases related to salary adjustments for vacant positions and higher than anticipated 2015-17 biennium salary adjustments	\$0	\$257,425	\$257,425
3. Adds funding for federal Housing and Urban Development grants related to distributions from the federal housing trust fund	\$0	\$6,017,048	\$6,017,048
4. Increases funding for operating expenses	\$0	\$45,630	\$45,630
5. Reduces grant funding for program outreach related to assisting communities with housing development	\$0	(\$43,000)	(\$43,000)

6. Increases funding for operating expenses to continue additional expenses relating to increased volume in mortgage servicing premiums during the 2015-17 biennium, which were paid pursuant to additional income appropriation authority in Section 4 of 2015 House Bill No. 1014	\$0	\$970,000	\$970,000
7. The Burgum budget reduced funding for operating expenses. The Senate reduced salaries and wages by \$322,044, operating expenses by \$16,550, and grants by \$110,000.	\$0	(\$448,594)	(\$448,594)

Other Sections in Senate Bill No. 2014

Additional income - Section 4 provides appropriation authority to the Housing Finance Agency for any additional or unanticipated income from federal or other funds which may become available during the 2017-19 biennium. The section also requires the Housing Finance Agency to notify the Office of Management and Budget and the Legislative Council of additional income received.

Housing incentive fund - Section 19 continues the housing incentive fund for the 2017-19 biennium, changes the requirement for the Housing Finance Agency to report to the Budget Section from a quarterly report to a biennial report, and requires the Housing Finance Agency to report to the Industrial Commission upon request. Sections 21 and 23 provide up to \$5 million of income tax credits for contributions to the housing incentive fund reducing general fund revenues by \$2.5 million for individual income tax collections and \$2.5 million for corporate income tax collections. Section 26 repeals a section of North Dakota Century Code related to Housing Finance Agency reports to the Industrial Commission. Section 32 provides an effective date and expiration date related to the housing incentive fund tax credits.

Essential service worker home ownership incentive fund - Section 18 creates an essential service worker home ownership incentive program. Section 20 establishes the essential service worker home ownership incentive fund and identifies the uses of the fund. Sections 22 and 24 provide up to \$500,000 of income tax credits for contributions to the essential service worker home ownership incentive fund reducing general fund revenues by \$250,000 for individual income tax collections and \$250,000 for corporate income tax collections. Section 30 identifies 50 percent of the contributions to the essential service worker home ownership fund for planning regions one and eight and the remaining contributions for the other planning areas. Section 32 provides an effective date and expiration date related to the essential service worker home ownership incentive fund tax credits.

Continuing Appropriations

Housing incentive fund - Section 54-17-40 - Provides grants for housing projects.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

At this time, there is no major related legislation affecting this agency.

Housing Finance Agency - Budget No. 473
Senate Bill No. 2014
Base Level Funding Changes

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	46.00	\$0	\$37,520,089	\$37,520,089	46.00	\$0	\$37,520,089	\$37,520,089
2017-19 Ongoing Funding Changes								
Base payroll changes			\$92,182	\$92,182			\$92,182	\$92,182
Salary increase - Performance				0				0
Health insurance increase			128,790	128,790			128,790	128,790
Employee portion of health insurance			(67,468)	(67,468)				0
Additional salary increases			257,425	257,425			257,425	257,425
Adds Housing and Urban Development grants			6,017,048	6,017,048			6,017,048	6,017,048
Increases funding for operating expenses			45,630	45,630			45,630	45,630
Reduces budget - 1 percent			(448,594)	(448,594)			(448,594)	(448,594)
Reduces grant funding for program outreach			(43,000)	(43,000)			(43,000)	(43,000)
Increases funding for mortgage servicing premiums			970,000	970,000			970,000	970,000
Total ongoing funding changes	0.00	\$0	\$6,952,013	\$6,952,013	0.00	\$0	\$7,019,481	\$7,019,481
One-time funding items								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$0	\$6,952,013	\$6,952,013	0.00	\$0	\$7,019,481	\$7,019,481
2017-19 Total Funding	46.00	\$0	\$44,472,102	\$44,472,102	46.00	\$0	\$44,539,570	\$44,539,570

Other Sections in Housing Finance Agency - Budget No. 473

	Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)	Senate Version
Additional income	Section 4 provides appropriation authority to the Housing Finance Agency for any additional or unanticipated income from federal or other funds which may become available during the 2017-19 biennium.	Section 4 provides appropriation authority to the Housing Finance Agency for any additional or unanticipated income from federal or other funds which may become available during the 2017-19 biennium. The section also requires the Housing Finance Agency to notify the Office of Management and Budget and the Legislative Council of additional income received.

Other Sections in Housing Finance Agency - Budget No. 473

**Burgum Executive Budget Recommendation
(Changes to Dalrymple Budget in Bold)**

Senate Version

Housing incentive fund

Section 19 continues the housing incentive fund for the 2017-19 biennium and removes the provision for the Housing Finance Agency to report quarterly to the Budget Section.

Section 19 continues the housing incentive fund for the 2017-19 biennium, changes the requirement for the Housing Finance Agency to report to the Budget Section from a quarterly report to a biennial report, and requires the Housing Finance Agency to report to the Industrial Commission upon request. Sections 21 and 23 provide up to \$5 million of income tax credits for contributions to the housing incentive fund reducing general fund revenues by \$2.5 million for individual income tax collections and \$2.5 million for corporate income tax collections. Section 26 repeals a section of North Dakota Century Code related to Housing Finance Agency reports to the Industrial Commission. Section 32 provides an effective date and expiration date related to the housing incentive fund tax credits.

Essential service worker home ownership incentive fund

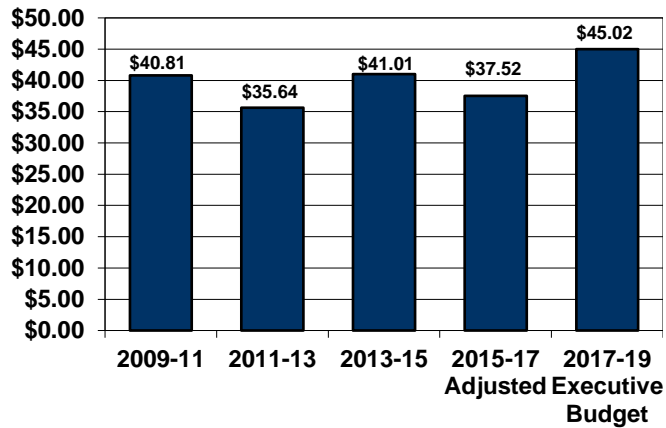
Section 18 creates an essential service worker home ownership incentive program. Section 20 establishes the essential service worker home ownership incentive fund and identifies the uses of the fund. Sections 22 and 24 provide up to \$500,000 of income tax credits for contributions to the essential service worker home ownership incentive fund reducing general fund revenues by \$250,000 for individual income tax collections and \$250,000 for corporate income tax collections. Section 30 identifies 50 percent of the contributions to the essential service worker home ownership fund for planning regions one and eight and the remaining contributions for the other planning areas. Section 32 provides an effective date and expiration date related to the essential service worker home ownership incentive fund tax credits.

Department 473 - Housing Finance Agency

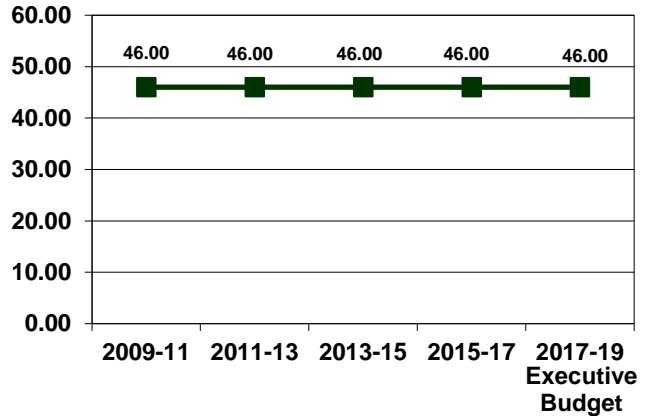
Historical Appropriations Information

Ongoing Other Funds Appropriations Since 2009-11

Agency Funding (in Millions)



FTE Positions



Ongoing Other Funds Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Ongoing other funds appropriations	\$40,813,769	\$35,640,046	\$41,007,497	\$37,520,089	\$45,022,790
Increase (decrease) from previous biennium	N/A	(\$5,173,723)	\$5,367,451	(\$3,487,408)	\$7,502,701
Percentage increase (decrease) from previous biennium	N/A	(12.7%)	15.1%	(8.5%)	20.0%
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	(12.7%)	0.5%	(8.1%)	10.3%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2011-13 Biennium

- 1. Reduced funding for federal Housing and Urban Development grants (\$5,960,440)

2013-15 Biennium

- 1. Added funding for grants under the federal neighborhood stabilization program \$4,000,000
- 2. Increased funding for program outreach \$131,000

2015-17 Biennium

- 1. Reduced funding for federal Housing and Urban Development grants (\$2,214,445)
- 2. Reduced funding for housing development grant programs (\$1,287,825)

2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)

- 1. Provides funding for state employee salary and benefit increases, of which \$34,626 is for salary increases and \$128,790 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) (The Senate removed funding for the salary increases.) \$163,416
- 2. Provides funding for additional salary increases related to salary adjustments for vacant positions and higher than anticipated 2015-17 biennium salary adjustments \$257,425
- 3. Adds funding for federal Housing and Urban Development grants related to distributions from the federal housing trust fund \$6,017,048
- 4. Increases funding for operating expenses \$45,630
- 5. Reduces grant funding for program outreach related to assisting communities with housing development (\$43,000)

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|---|-------------|
| 6. Increases funding for operating expenses to continue additional expenses relating to increased volume in mortgage servicing premiums during the 2015-17 biennium, which were paid pursuant to additional income appropriation authority in Section 4 of 2015 House Bill No. 1014 | \$970,000 |
| 7. The Burgum budget reduced funding for operating expenses. (The Senate reduced salaries and wages by \$322,044, operating expenses by \$16,550, and grants by \$110,000.) | (\$448,594) |