

**Department 413 - Department of Financial Institutions
House Bill No. 1008**

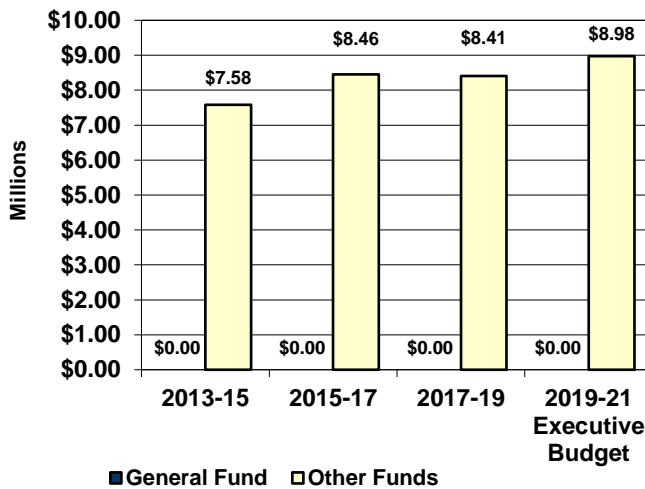
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	31.00	\$0	\$8,978,343	\$8,978,343
2017-19 Legislative Appropriations	30.00	0	8,409,912	8,409,912
Increase (Decrease)	1.00	\$0	\$568,431	\$568,431

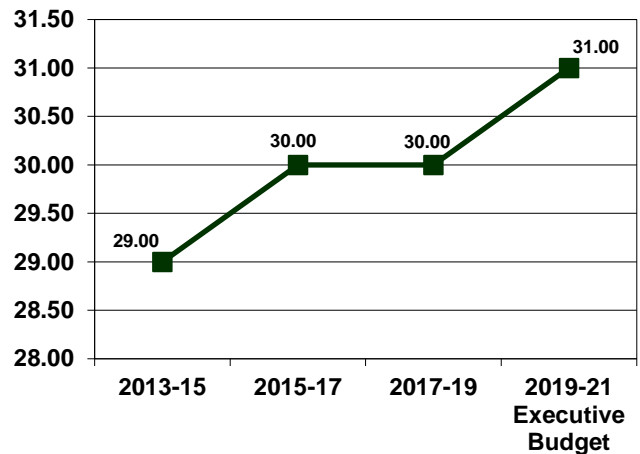
Ongoing and One-Time Other Funds Appropriations

	Ongoing Other Funds Appropriation	One-Time Other Funds Appropriation	Total Other Funds Appropriation
2019-21 Executive Budget	\$8,527,038	\$451,305	\$8,978,343
2017-19 Legislative Appropriations	8,409,912	0	8,409,912
Increase (Decrease)	\$117,126	\$451,305	\$568,431

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$0	\$8,978,343	\$8,978,343
2019-21 Base Level	0	8,409,912	8,409,912
Increase (Decrease)	\$0	\$568,431	\$568,431

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. Adds funding for state employee salary and benefit increases, of which \$287,206 is for salary increases, \$117,155 is for health insurance increases, and \$37,072 is for retirement contribution increases	\$0	\$441,433	\$441,433
2. Adds 1 FTE cybersecurity/money transmitter examiner (\$194,559) and related operating expenses (\$60,000)	\$0	\$254,559	\$254,559
3. Increases funding for credit union examiner	\$0	\$39,136	\$39,136
4. Reduces operating expenses	\$0	(\$294,160)	(\$294,160)
5. Adds one-time funding for website redesign	\$0	\$451,305	\$451,305

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Line item transfers - Section 3 would authorize the Department of Financial Institutions to transfer up to 10 percent of the agency's total appropriation between line items during the 2019-21 biennium.

Additional income - Section 4 would appropriate any additional income from federal or other funds that may become available to the Department of Financial Institutions during the 2019-21 biennium.

Exemption - Website redesign project - Section 5 would provide that the total appropriation for the agency's 2017-19 operating expenses line item is exempt from North Dakota Century Code Section 54-44.1-11 and is continued into the 2019-21 biennium, for the continued development of the website redesign and information technology project.

Continuing Appropriations

No continuing appropriations for this agency.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

Senate Bill No. 2093 - Amends various sections of Title 6 and Title 13, to change the requirement of capital and liquid assets, increases the surety bond requirement from \$25,000 to \$50,000, and increases the renewal fee for a licensee under Chapter 13-09, from \$450 to \$500 or one-fourth of 1 percent of the money transmission dollar volume in North Dakota in a 12-month period. This bill also repeals various chapters under Title 13.

Department of Financial Institutions - Budget No. 413
House Bill No. 1008
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	30.00	\$0	\$8,409,912	\$8,409,912
2019-21 Ongoing Funding Changes				
Base payroll changes			(\$323,842)	(\$323,842)
Salary increase			287,206	287,206
Health insurance increase			117,155	117,155
Retirement contribution increase			37,072	37,072
Adds 1 FTE cybersecurity/money transmitter examiner	1.00		254,559	254,559
Increases funding for credit union examiner			39,136	39,136
Reduces operating expenses			(294,160)	(294,160)
Total ongoing funding changes	1.00	\$0	\$117,126	\$117,126
One-time funding items				
Adds funding for website redesign			\$451,305	\$451,305
Total one-time funding changes	0.00	\$0	\$451,305	\$451,305
Total Changes to Base Level Funding	1.00	\$0	\$568,431	\$568,431
2019-21 Total Funding	31.00	\$0	\$8,978,343	\$8,978,343

Other Sections for Department of Financial Institutions - Budget No. 413

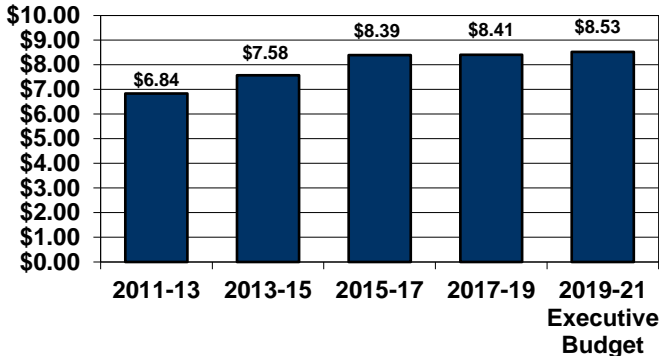
	Executive Budget Recommendation
Line item transfers	Section 3 would authorize the Department of Financial Institutions to transfer up to 10 percent of the total appropriation between line items during the 2019-21 biennium.
Appropriation - Additional federal funds or other funds	Section 4 would appropriate any additional income from federal or other funds that may become available to the Department of Financial Institutions during the 2019-21 biennium.
Exemption - Website redesign project	Section 5 would provide that the total appropriation for the agency's 2017-19 biennium operating expenses line item is exempt from North Dakota Century Code Section 54-44.1-11 and is continued into the 2019-21 biennium, for the continued development of the website redesign and information technology project.

Department 413 - Department of Financial Institutions

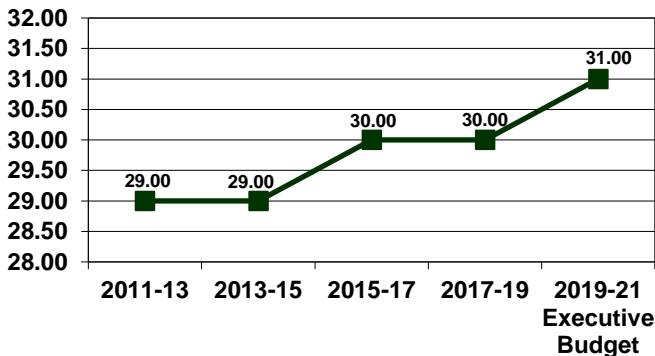
Historical Appropriations Information

Ongoing Other Funds Appropriations Since 2011-13

Agency Funding (in Millions)



FTE Positions



Ongoing Other Funds Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing other funds appropriations	\$6,836,318	\$7,580,217	\$8,389,442	\$8,409,912	\$8,527,038
Increase (decrease) from previous biennium	N/A	\$743,899	\$809,225	\$20,470	\$117,126
Percentage increase (decrease) from previous biennium	N/A	10.9%	10.7%	0.2%	1.4%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	10.9%	22.7%	23.0%	24.7%

Major Increases (Decreases) in Other Funds Appropriations

2013-15 Biennium

- 1. Added contingency funding for costs related to switching to a national mortgage licensing system \$136,000

2015-17 Biennium

- 1. Added funding for 1 FTE credit union examiner position and related operating expenses \$218,089
- 2. Added funding for operating expenses \$116,207
- 3. Reduced contingency funding (\$79,000)

2017-19 Biennium

- 1. Reduced funding for salaries and wages in anticipation of savings from vacant positions and employee turnover (\$185,196)
- 2. Reduced contingency funding to provide \$20,000 (\$57,000)

2019-21 Biennium (Executive Budget Recommendation)

- 1. Adds 1 FTE cybersecurity/money transmitter examiner (\$194,559) and related operating expenses (\$60,000) \$254,559
- 2. Increases funding for credit union examiner \$39,136
- 3. Reduces operating expenses (\$294,160)

**GOVERNOR'S RECOMMENDATION FOR THE
DEPT. OF FINANCIAL INSTITUTIONS AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2019, and ending June 30, 2021 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,813,840	\$351,286	\$7,165,126
Operating expenses	1,576,072	217,145	1,793,217
Contingency	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total special funds	\$8,409,912	\$568,431	\$8,978,343
Full-time equivalent positions	30.00	1.00	31.00

SECTION 2. ONE-TIME FUNDING. - The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
IT Project	\$ 0	<u>\$451,305</u>
Total other fund	\$ 0	\$451,305

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of financial institutions shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the department of financial institutions may transfer between line items within section 1 of this Act up to ten percent of the total appropriation contained in section 1 during the biennium beginning July 1, 2019, and ending June 30, 2021. The department of financial institutions shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section

SECTION 4. APPROPRIATION - In addition to the amounts appropriated to the department of financial institutions in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. EXEMPTION. The amount appropriated for the operating expenses, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation line are available for continued development of the website redesign and informational technology project during the biennium beginning July 1, 2019, and ending June 30, 2021.