

**Department 471 - Bank of North Dakota
Senate Bill No. 2015**

	FTE Positions	General Fund	Other Funds	Total
2001-03 Schafer Executive Budget	178.50	\$8,500,000	\$30,780,867	\$39,280,867
1999-2001 Legislative Appropriations	<u>178.50</u>	<u>8,567,000</u>	<u>27,442,439</u>	<u>36,009,439¹</u>
Increase (Decrease)	<u>0.00</u>	<u>(\$67,000)</u>	<u>\$3,338,428</u>	<u>\$3,271,428</u>

2001-03 Hoeven Executive Budget	<u>178.50</u>	<u>\$8,500,000</u>	<u>\$30,780,867</u>	<u>\$39,280,867</u>
Hoeven Increase (Decrease) to Schafer	<u>0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

¹The 1999-2001 appropriation amounts include \$94,382 of other funds for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$13,304 of other funds for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000.

Major Schafer Recommendations Affecting Bank of North Dakota 2001-03 Budget

	General Fund	Other Funds	Total
1. Eliminates administration funding for the beginning entrepreneur loan guarantee program (\$10,000) and for the North Dakota higher education savings plan.	(\$67,000)		(\$67,000)
2. Decreases capital improvement funding from \$105,000 to \$30,000.		(\$75,000)	(\$75,000)
3. Increases the contingency funding from \$1.5 million to \$2.85 million for internal development of student loan software.		\$1,350,000	\$1,350,000
4. Increases equipment funding from \$500,000 to \$736,500, including \$220,000 for remittance and image processing services.		\$236,500	\$236,500
5. Provides for an 8.4 percent increase in operating expenses due in part to software purchases for remittance and image processing services and providing e-commerce and web site access to customers.		\$912,224	\$912,224
6. Funding from the general fund is provided at the same level as the 1999-2001 biennium for the following programs:			
PACE - \$6 million			
Ag PACE - \$1.5 million			
Beginning farmer - \$1 million			

**Major Hoeven Recommendations Affecting Bank of North Dakota 2001-03 Budget
Compared to the Bill as Introduced (Schafer Budget)**

	General Fund	Other Funds	Total
1. The Hoeven budget recommendation does not change the Schafer executive budget recommendation for this agency.			

Major Legislation Affecting the Bank of North Dakota

Section 11 of House Bill No. 1015 provides that the Bank of North Dakota transfer \$50 million from the Bank's current earnings and accumulated undivided profits to the general fund. No more than \$15 million of the \$50 million to be transferred may come from the accumulated and undivided profits of the Bank, and no transfer may reduce the Bank's capital structure below \$100 million.

Section 12 of House Bill No. 1015 allows for a contingency transfer of additional funds from the Bank of North Dakota to the general fund if actual 2001-03 revenues are less than projected. The additional funds transferred may not exceed the lesser of the amount of the revenue shortfall or \$25 million, and no transfer could be made which would reduce the Bank's capital structure below \$100 million.

House Bill No. 1043 provides a \$2 million general fund appropriation to the Bank of North Dakota to administer a student loan payment program available to graduates of eligible postsecondary educational institutions in the state who are residents of the state and are employed in target industries located in the state.

House Bill No. 1051 provides that the Industrial Commission establish a farmers equity trust fund at the Bank of North Dakota for use by the Agricultural Products Utilization Commission to acquire ownership interests in value-added agricultural projects or for loans to value-added agricultural projects.

Senate Bill No. 2112 authorizes the Department of Transportation to obtain a Bank of North Dakota loan for matching federal emergency relief funds and to repay the loan by the end of the biennium by requesting a deficiency appropriation.