

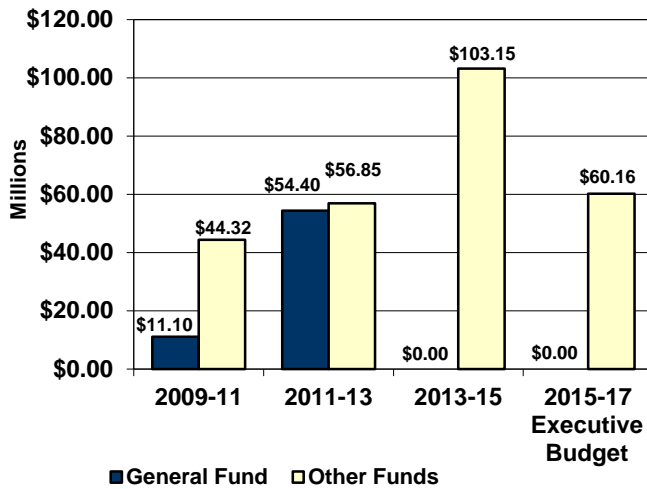
Department 471 - Bank of North Dakota
 House Bill No. 1014

Executive Budget Comparison to Prior Biennium Appropriations

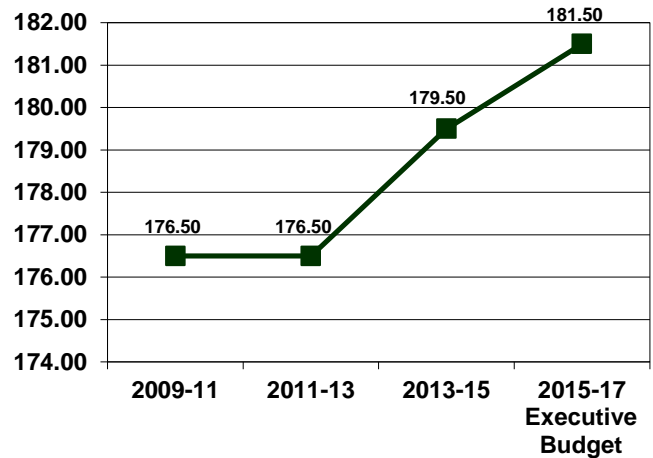
	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	181.50	\$0	\$60,163,693	\$60,163,693
2013-15 Legislative Appropriations ¹	179.50	0	103,150,147	103,150,147
Increase (Decrease)	2.00	\$0	(\$42,986,454)	(\$42,986,454)

¹The 2013-15 appropriation amounts include \$50 million of one-time funding from the strategic investment and improvements fund for the medical facility infrastructure loan program.

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$0	\$60,163,693	\$60,163,693
2015-17 Base Level	0	53,150,147	53,150,147
Increase (Decrease)	\$0	\$7,013,546	\$7,013,546

First House Action

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

**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 \$1,536,370 relates to performance increases, \$191,239 is for market equity adjustments, \$794,479 is for health insurance increases, and \$158,886 is for retirement contribution increases. The House provided funding for performance salary increases of 2 to 4 percent per year and funding for health insurance increases, but did not include funding for market equity increases or funding for retirement contribution increases.	\$0	\$2,680,974	\$2,680,974
2. Adds funding for 1 credit analyst FTE position	\$0	\$177,836	\$177,836
3. Adds funding for 1 information security FTE position	\$0	\$209,809	\$209,809
4. Increase funding for operating expenses, including \$2.5 million for information technology costs and \$800,000 for audit fees	\$0	\$3,968,123	\$3,968,123

Other Sections in Bill

Transfer to partnership in assisting community expansion (PACE) fund - 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 2015-17 biennium.

Transfer to Ag PACE fund - Section 8 provides for a transfer of \$3 million from the Bank of North Dakota's current earnings and undivided profits to the Ag PACE fund for the 2015-17 biennium.

Transfer to biofuels PACE fund - 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 2015-17 biennium.

Transfer to beginning farmer revolving loan fund - Section 10 provides for a transfer of \$7 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2015-17 biennium.

Short line railroad revolving loan fund - Section 14 provides a transfer of \$10 million from the strategic investment and improvements fund to the short line railroad fund for the 2015-17 biennium. Section 15 creates a new section to North Dakota Century Code Chapter 6-09 to establish a short line railroad revolving loan fund administered by the Bank of North Dakota and to provide a continuing appropriation. **The House did not include these sections.**

Flex PACE program - Section 17 amends Section 22 of Chapter 579 of the 2011 Session Laws to expand the Flex PACE program from areas impacted by oil and gas development to the entire state and to extend the program until the end of the 2017-19 biennium.

Continuing Appropriations

PACE - 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.

Medical facility infrastructure loan fund - Section 6-09-47 - Loans for medical facility construction.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1049 - Creates an addiction counseling internship revolving loan program administered by the Bank of North Dakota and provides for a transfer of \$150,000 from the student loan trust fund to a revolving loan fund.

House Bill No. 1053 - Exempts the Bank of North Dakota from required centralized desktop support services provided by the Information Technology Department.

House Bill No. 1373 - Provides a continuing appropriation to the Bank of North Dakota and allows the Bank to charge an annual administrative fee for managing and promoting the North Dakota Achieving a Better Life Experience (ABLE) plan.

House Bill No. 1443 - Creates an infrastructure revolving loan program administered by the Bank of North Dakota and provides for a transfer of \$100 million from the Bank's profits and \$50 million from the strategic investment and improvements fund to the infrastructure revolving loan fund.

Senate Bill No. 2178 - Creates a school construction loan interest rate buydown program administered by the Bank of North Dakota and provides an appropriation of \$19,697,572 from the general fund.

Bank of North Dakota - Budget No. 471
House Bill No. 1014
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	179.50	\$0	\$53,150,147	\$53,150,147	179.50	\$0	\$53,150,147	\$53,150,147
2015-17 Ongoing Funding Changes								
Base payroll changes			(\$23,196)	(\$23,196)			(\$23,196)	(\$23,196)
Salary increase - Performance			1,536,370	1,536,370			1,148,633	1,148,633
Salary increase - Market equity			191,239	191,239				0
Retirement contribution increase			158,886	158,886				0
Health insurance increase			794,479	794,479			794,479	794,479
FTE credit analyst position	1.00		177,836	177,836	1.00		177,836	177,836
FTE information security position	1.00		209,809	209,809	1.00		209,809	209,809
Changes to operating expenses			3,968,123	3,968,123			3,968,123	3,968,123
Total ongoing funding changes	2.00	\$0	\$7,013,546	\$7,013,546	2.00	\$0	\$6,275,684	\$6,275,684
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	2.00	\$0	\$7,013,546	\$7,013,546	2.00	\$0	\$6,275,684	\$6,275,684
2015-17 Total Funding	181.50	\$0	\$60,163,693	\$60,163,693	181.50	\$0	\$59,425,831	\$59,425,831

Other Sections in House Bill No. 1014

	Executive Budget Recommendation	House Version
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 2015-17 biennium.	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 2015-17 biennium.
Transfer to Ag PACE	Section 8 provides for a transfer of \$3 million from the Bank of North Dakota's current earnings and undivided profits to the Ag PACE fund for the 2015-17 biennium.	Section 8 provides for a transfer of \$3 million from the Bank of North Dakota's current earnings and undivided profits to the Ag PACE fund for the 2015-17 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 2015-17 biennium.	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 2015-17 biennium.
Transfer to beginning farmer revolving loan fund	Section 10 provides for a transfer of \$7 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2015-17 biennium.	Section 10 provides for a transfer of \$7 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2015-17 biennium.

Executive Budget Recommendation

House Version

Short line railroad revolving loan fund

Section 14 provides a transfer of \$10 million from the strategic investment and improvements fund to the short line railroad fund for the 2015-17 biennium. Section 15 creates a new section to North Dakota Century Code Chapter 6-09 to establish a short line railroad revolving loan fund administered by the Bank of North Dakota and to provide a continuing appropriation.

Flex PACE program

Section 20 amends Section 22 of Chapter 579 of the 2011 Session Laws to expand the flex PACE program from areas impacted by oil and gas development to the entire state and to extend the program until the end of the 2017-19 biennium.

Section 17 amends Section 22 of Chapter 579 of the 2011 Session Laws to expand the flex PACE program from areas impacted by oil and gas development to the entire state and to extend the program until the end of the 2017-19 biennium.