



Legislative Directed Loan Programs School Construction

Timeline of School Construction Revolving Loan Fund

2015 Legislative Session

- Legislature made a decision to offer a low interest revolving loan fund for schools
- Put legislation in place to enable BND to offer the demonstration program utilizing a buydown approach (5% down to 2%)
- In the 2015-2017 Biennium, BND made \$123,000,000 in loans to school districts.

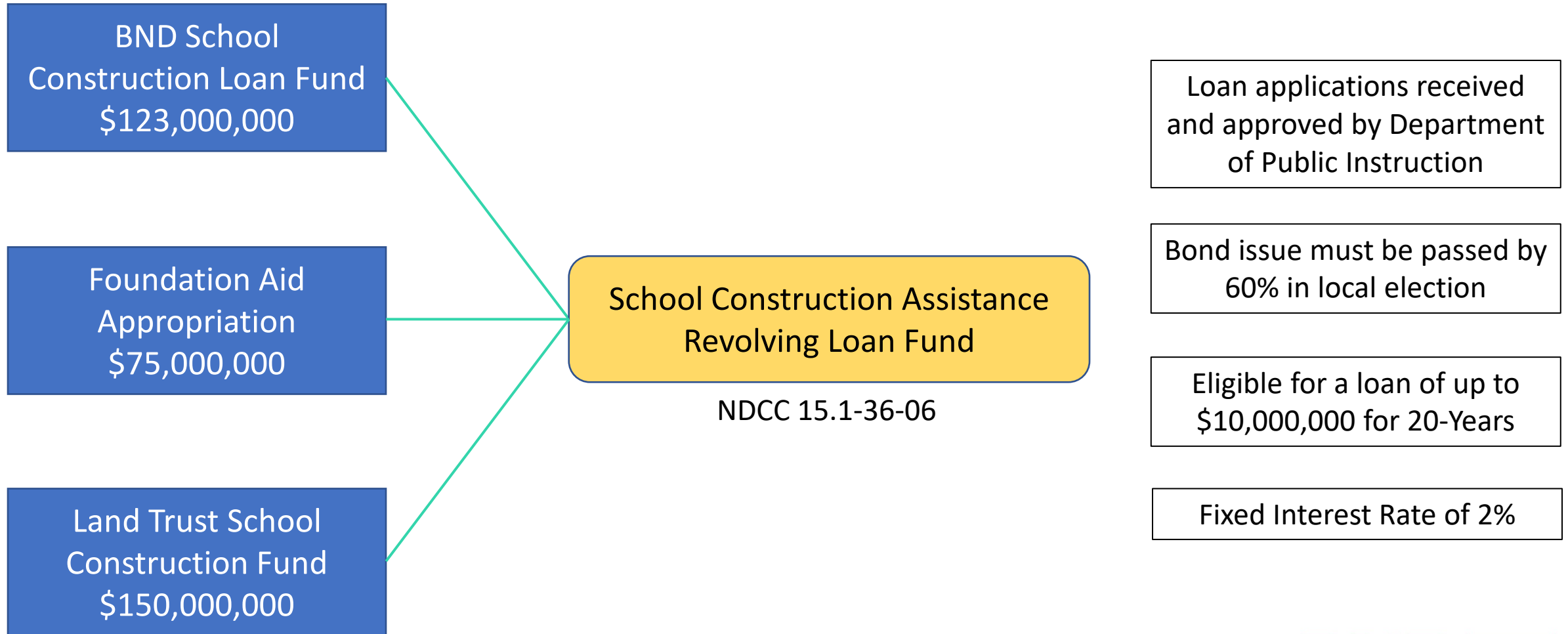


2016 Ballot Measure

- Legislature Passed SCR4003 to place a measure on the ballot
- Measure 2 passed in the 2016 general election enabling legislature to access excess revenues in the Foundation Aid Stabilization Fund for education purposes.

Timeline of School Construction Revolving Loan Fund

2017 Became the “Merge” Session



Current Status of SCARLF—January 2023

| | | |
|--|--|----------------------|
| Cash Balance | | 38,498,289.00 |
| Repayments through 6/30/2023 | | 15,393,970.00 |
| Available Funds | | 53,892,259.00 |
| | | |
| In Construction Commitments | | 8,716,425.00 |
| Approved Commitments | | 30,000,000.00 |
| Pending Applications | | 10,000,000.00 |
| Current Available | | 5,175,834.00 |
| | | |
| 2023 - 2025 Repayments | | 45,000,000.00 |
| Available for New Loans 2023-2025 | | 50,175,834.00 |

Total Loans Outstanding: \$311,000,000

SCALF with \$75 million appropriation from SB 2284
Allows for \$85 million of new loans per biennium

| | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Beginning Cash | \$ 5,175,834.00 | \$ 63,929,930.25 | \$ 47,710,923.98 | \$ 34,031,810.99 | \$ 22,905,587.08 | \$ 14,345,248.04 | \$ 8,363,789.68 | \$ 4,974,207.80 |
| Appropriation | \$ 75,000,000.00 | | | | | | | |
| Draws Funded | \$ (40,000,000.00) | \$ (42,500,000.00) | \$ (42,500,000.00) | \$ (42,500,000.00) | \$ (42,500,000.00) | \$ (42,500,000.00) | \$ (42,500,000.00) | \$ (42,500,000.00) |
| Admin Fee | \$ (1,694,239.22) | \$ (1,766,501.74) | \$ (1,825,768.46) | \$ (1,872,039.38) | \$ (1,905,314.51) | \$ (1,925,593.83) | \$ (1,932,877.35) | \$ (1,927,165.08) |
| Repayments | \$ 25,448,335.47 | \$ 28,047,495.47 | \$ 30,646,655.47 | \$ 33,245,815.47 | \$ 35,844,975.47 | \$ 38,444,135.47 | \$ 41,043,295.47 | \$ 43,642,455.47 |
| Ending Cash | \$ 63,929,930.25 | \$ 47,710,923.98 | \$ 34,031,810.99 | \$ 22,905,587.08 | \$ 14,345,248.04 | \$ 8,363,789.68 | \$ 4,974,207.80 | \$ 4,189,498.19 |
| Beginning Loans | \$ 324,296,178.84 | \$ 338,847,843.37 | \$ 353,300,347.90 | \$ 365,153,692.43 | \$ 374,407,876.96 | \$ 381,062,901.49 | \$ 385,118,766.02 | \$ 386,575,470.55 |
| Draws Funded | \$ 40,000,000.00 | \$ 42,500,000.00 | \$ 42,500,000.00 | \$ 42,500,000.00 | \$ 42,500,000.00 | \$ 42,500,000.00 | \$ 42,500,000.00 | \$ 42,500,000.00 |
| Repayments | \$ (25,448,335.47) | \$ (28,047,495.47) | \$ (30,646,655.47) | \$ (33,245,815.47) | \$ (35,844,975.47) | \$ (38,444,135.47) | \$ (41,043,295.47) | \$ (43,642,455.47) |
| Ending Loans | \$ 338,847,843.37 | \$ 353,300,347.90 | \$ 365,153,692.43 | \$ 374,407,876.96 | \$ 381,062,901.49 | \$ 385,118,766.02 | \$ 386,575,470.55 | \$ 385,433,015.08 |

Policy Proposal in SB2284

SECTION 9. AMENDMENT. Subsection 5 of section 15.1-36-08 of the North Dakota Century Code is amended and reenacted as follows:

1 5. If the superintendent of public instruction approves the loan, the Bank of North Dakota
2 shall issue a loan from the school construction assistance revolving loan fund. For a
3 loan made under this section:

4 a. Thelf the school construction project totals less than seventy-five million dollars,
5 the maximum loan amount for which a school district may qualify is ten million
6 dollars. However, if a school district's unobligated general fund balance on the
7 preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the
8 loan amount under this section may not exceed eighty percent of the project's
9 cost up to a maximum loan amount of eight million dollars;

School Construction Project Under
\$75m remains at \$10m loan limit

10 b. If the school construction project totals seventy-five million dollars or more, the
11 maximum loan amount for which a school district may qualify is fifty million
12 dollars. However, if a school district's unobligated general fund balance on the
13 preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the
14 loan amount under this section may not exceed eighty percent of the project's
15 cost up to a maximum loan amount of forty million dollars;

School Construction Project Over
\$75m increases loan limit to \$50m

16 c. The term of the loan is twenty years, unless the board of the school district
17 requests a shorter term in the written loan application; and

18 e.d. The interest rate of the loan may not exceed two percent per year.



Policy Proposal in SB2284

19 **SECTION 10. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL**
20 **CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND.** The office of management and
21 budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the
22 school construction assistance revolving loan fund during the biennium beginning July 1, 2023,
23 and ending June 30, 2025.

Existing School Construction Loans

School Construction Assistance

January 2023

| Name | City | State | Original Note Date | Principal Balance |
|--------------------------------|-------------|-------|--------------------|-------------------|
| PARK RIVER AREA SCHOOL DIST #8 | PARK RIVER | ND | 8/6/2015 | \$5,902,983.19 |
| MINTO PUBLIC SCH DISTRICT #20 | MINTO | ND | 8/7/2015 | \$3,536,858.58 |
| KULM PUBLIC SCHOOL DISTRICT #7 | KULM | ND | 9/15/2015 | \$2,698,718.99 |
| WILLISTON BASIN SCHOOL DIST007 | WILLISTON | ND | 9/25/2015 | \$13,634,675.44 |
| NEDROSE SCHOOL DISTRICT #4 | MINOT | ND | 10/27/2015 | \$7,244,605.90 |
| ALEXANDER PUBLIC SCHL DIS NO 2 | ALEXANDER | ND | 12/15/2015 | \$5,674,695.07 |
| GRENORA PUBLIC SCHOOL DIST #99 | GRENORA | ND | 12/2/2015 | \$3,339,911.00 |
| DICKINSON PUBLIC SCHOOL DIS #1 | DICKINSON | ND | 4/1/2016 | \$7,940,734.47 |
| HILLSBORO PUBLIC SCHOOL DIST#9 | HILLSBORO | ND | 8/11/2016 | \$791,417.83 |
| SOUTH HEART SCHOOL DIST 9 | SOUTH HEART | ND | 9/1/2016 | \$5,183,677.98 |
| STRASBURG PUBLIC SCHOOL DIST | STRASBURG | ND | 10/12/2016 | \$2,086,839.17 |
| BISMARCK PUBLIC SCHOOL DIST | BISMARCK | ND | 6/29/2017 | \$4,232,096.45 |
| CARRINGTON PUBLIC SCHOOL DIST | CARRINGTON | ND | 11/15/2016 | \$7,633,382.12 |
| FLASHER PUBLIC SCHOOL DIST #39 | FLASHER | ND | 12/1/2016 | \$3,640,644.50 |
| DIVIDE COUNTY PUB SCHOOL DIST | CROSBY | ND | 2/1/2017 | \$5,272,800.78 |

| | | | | |
|--------------------------------|-------------|----|-----------|-----------------|
| MAPLETON PUBLIC SCHOOL DIST | MAPLETON | ND | 2/22/2017 | \$3,891,976.85 |
| MOTT REGENT SCHOOL DIST #1 | MOTT | ND | 3/1/2017 | \$4,401,420.77 |
| EDGELEY PUBLIC SCHOOL DIST #3 | EDGELEY | ND | 5/3/2017 | \$2,180,326.76 |
| CENTRAL CASS PUBLIC SCHOOL | CASSELTON | ND | 6/30/2017 | \$6,501,048.44 |
| HATTON EIELSON DISTRICT 7 | HATTON | ND | 8/1/2018 | \$5,128,962.75 |
| STANLEY PUBLIC SCHOOL DIST #2 | STANLEY | ND | 6/25/2015 | \$3,492,478.53 |
| MANDAN PUBLIC SCHOOL DIST | MANDAN | ND | 8/1/2013 | \$6,458,616.18 |
| NORTHERN CASS PUB SCHOOL #97 | HUNTER | ND | 8/1/2013 | \$1,035,899.79 |
| WEST FARGO PUB SCHOOL DIST #6 | WEST FARGO | ND | 6/1/2020 | \$9,165,268.46 |
| WEST FARGO PUB SCHOOL DIST #6 | WEST FARGO | ND | 8/1/2013 | \$10,385,149.52 |
| WEST FARGO PUB SCHOOL DIST #6 | WEST FARGO | ND | 4/1/2014 | \$5,704,772.42 |
| RICHLAND PUBLIC SCHOOL DIS #44 | COLFAX | ND | 8/1/2013 | \$2,465,133.61 |
| NEW ENGLAND PUB SCHOOL DIS #9 | NEW ENGLAND | ND | 8/15/2013 | \$641,792.92 |
| NEW ENGLAND PUB SCHOOL DIS #9 | NEW ENGLAND | ND | 7/1/2019 | \$4,941,537.73 |
| SURREY PUBLIC SCHOOL DIST #41 | SURREY | ND | 8/15/2013 | \$555,880.48 |
| TURTLE LAKE-MERCER DIST #72 | TURTLE LAKE | ND | 11/1/2013 | \$1,084,803.99 |

| | | | | |
|--------------------------------|--------------|----|------------|-----------------|
| GRAND FORKS PUB SCHOOL DIST #1 | GRAND FORKS | ND | 12/2/2013 | \$8,950,211.40 |
| WAHPETON PUBLIC SCHOOL DIST#37 | WAHPETON | ND | 1/22/2014 | \$11,483,755.52 |
| GRAFTON PUBLIC SCHOOL DIST #18 | GRAFTON | ND | 4/1/2014 | \$8,419,965.62 |
| BISMARCK PUBLIC SCHOOL DIST | BISMARCK | ND | 6/30/2014 | \$9,831,385.53 |
| BISMARCK PUBLIC SCHOOL DIST | BISMARCK | ND | 9/19/2018 | \$8,213,861.28 |
| POWERS LAKE PUB SCHOOL DIST#27 | POWERS LAKE | ND | 7/1/2014 | \$1,254,165.56 |
| MINOT PUBLIC SCHOOL DIST #1 | MINOT | ND | 11/13/2014 | \$12,796,281.06 |
| SOUTH PRAIRIE SCHOOL DIST 70 | MINOT | ND | 11/14/2014 | \$5,577,147.22 |
| TIOGA PUBLIC SCHOOL DIST #15 | TIOGA | ND | 12/1/2014 | \$4,379,255.42 |
| WESTHOPE PUB SCHOOL DIST #17 | WESTHOPE | ND | 12/1/2014 | \$1,963,922.74 |
| MCKENZIE COUNTY SCHOOL DIST #1 | WATFORD CITY | ND | 1/28/2015 | \$4,570,287.48 |
| MCKENZIE COUNTY SCHOOL DIST #1 | WATFORD CITY | ND | 3/1/2020 | \$9,064,775.54 |
| CENTRAL CASS PUBLIC SCHOOL | CASSELTON | ND | 12/1/2017 | \$7,717,816.35 |
| UNITED PUBLIC SCHOOL DISTRICT | DES LACS | ND | 5/15/2018 | \$7,998,255.26 |
| EIGHT MILE PUBLIC SCHOOL DIST6 | TRENTON | ND | 6/1/2018 | \$7,305,001.71 |
| NEW ROCKFORD SHEYENNE SCHOOL 2 | NEW ROCKFORD | ND | 6/1/2018 | \$2,646,125.35 |

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|--------------------------------|-----------|----|-----------|----------------|
| PARSHALL SCHOOL DISTRICT | PARSHALL | ND | 8/9/2018 | \$4,614,652.01 |
| BOTTINEAU PUBLIC SCHOOL DIST | BOTTINEAU | ND | 8/1/2019 | \$6,524,286.48 |
| NORTHWOOD SCHOOL DISTRICT #129 | NORTHWOOD | ND | 8/1/2019 | \$5,042,208.14 |
| ENDERLIN AREA PSD #24 | ENDERLIN | ND | 6/18/2020 | \$1,267,858.10 |
| RUGBY PUBLIC SCHOOL DIST. NO 5 | RUGBY | ND | 7/1/2022 | \$1,824,253.96 |
| LARIMORE PSD NO 44 | LARIMORE | ND | 7/1/2022 | \$435,672.72 |