

**Bank of North Dakota
Budget 471
Senate Bill No. 2014**

	FTE Positions	General Fund	Other Funds	Total
2009-11 legislative appropriation	176.50	\$11,100,000 ¹	\$44,317,274	\$55,417,274
2007-09 legislative appropriation	<u>176.50</u>	<u>13,600,000</u>	<u>38,226,090</u>	<u>51,826,090</u>
2009-11 appropriation increase (decrease) to 2007-09 appropriation	0	(\$2,500,000)	\$6,091,184	\$3,591,184

¹This amount includes \$1.7 million of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$9.4 million.

NOTE: The 2009-11 legislative appropriation amounts include \$150,000 of special funds for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for executive branch employees.

Item Description

One-time funding - The Legislative Assembly identified \$1.7 million from the general fund for one-time funding. These items, which are summarized below, are not to be considered part of the agency's base budget for preparing the 2011-13 executive budget, and the Bank of North Dakota is to report to the Appropriations Committees during the 2011 legislative session on the use of this funding.

Biofuels PACE fund	\$700,000
Ag PACE disaster program	1,000,000
Total	\$1,700,000

Ag PACE disaster program - Section 15 of Senate Bill No. 2014 provides for a transfer of up to \$1 million from the general fund to the Ag PACE fund for a disaster program to assist farmers and livestock producers that suffered extraordinary losses directly as a result of the weather-related events in the winter and spring of 2009. The Bank of North Dakota must return any Ag PACE disaster program funds not obligated by January 1, 2011, to the general fund. The Bank of North Dakota may transfer funds available in the PACE and biofuels PACE programs to the Ag PACE program for providing additional funds for the disaster program for the 2009-11 biennium. Section 16 of the bill provides for a transfer of Bank of North Dakota current earnings and accumulated and undivided profits to the general fund during the 2009-11 biennium in an amount equal to any general fund money deposited in the Ag PACE fund and obligated for the disaster program.

Status/Result

The following is a summary of the status of the Bank of North Dakota's one-time funding:

Biofuels PACE fund	The biofuels PACE fund has \$2.4 million, including the \$700,000 one-time funding, available for interest buydown for the 2009-11 biennium. As of May 24, 2010, the Bank has spent or committed \$355,005 of this amount for interest buydown on loans.
Ag PACE disaster program	See Ag PACE disaster program section below.

As of April 9, 2010, two borrowers received \$20,606 of interest buydown through the Ag PACE disaster program. The Bank of North Dakota anticipates the current funding level for the Ag PACE fund will be sufficient for the disaster program and will not require the transfer of \$1 million from the general fund.

Salary equity adjustments - The Bank of North Dakota received an allocation of \$150,000 of special funds for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for executive branch employees.

Transfer of Bank of North Dakota profits - Section 8 of Senate Bill No. 2332 provides for a transfer of up to \$8 million of the Bank of North Dakota profits to the health information technology loan fund or electronic health information exchange fund to meet any required federal fund match. Section 9 of the bill provides for a contingent transfer of up to \$5 million of Bank of North Dakota profits to the health information technology planning loan fund if actual general fund revenues for the period July 1, 2009, through September 30, 2009, exceed estimated general fund revenues for that period by at least \$22.5 million.

The table below provides information relating to the salary equity adjustments provided to employees of the Bank of North Dakota beginning July 1, 2009:

	Amount	Number of Employees
Administrative staff	\$43,926	29
Accounting staff	42,853	32
Information technology staff	17,027	8
Regulatory staff	17,035	7
Lending staff	14,570	7
Collections staff	14,589	11
Total	\$150,000	94

As of June 2010, the Health Information Technology Office director has not yet requested a transfer to the health information technology loan fund or electronic health information exchange fund.

The conditions provided for in Section 9 of Senate Bill No. 2332 have been met, and the Health Information Technology Office director has requested the \$5 million of Bank of North Dakota profits be transferred to the health information technology planning loan fund.

Estimated 2009-11 Bank of North Dakota capital structure - The following schedule shows an analysis of the Bank of North Dakota estimated capital structure for the 2009-11 biennium:

June 30, 2009, capital	\$237,066,000
Estimated 2009-11 biennium profits	118,000,000 ¹
2009-11 biennium transfers to the health information technology loan fund or electronic health information exchange fund per Section 8 of Senate Bill No. 2332	(8,000,000)
2009-11 biennium transfer to the health information technology loan fund per Section 9 of Senate Bill No. 2332	(5,000,000)
Estimated capital on June 30, 2011	\$342,066,000

¹Actual calendar year 2009 profits were \$58 million.