

**Mill and Elevator Association
Budget No. 475
Senate Bill No. 2014**

	FTE Positions	General Fund	Other Funds	Total
2009-11 executive budget (bills as introduced)	131.00	\$0	\$40,057,242	\$40,057,242
2009-11 legislative appropriations	131.00	0	40,057,242	40,057,242
Legislative increase (decrease) to executive budget	0.00	\$0	\$0	\$0
Legislative increase (decrease) to 2007-09 appropriations	0.00	\$0	\$3,291,633	\$3,291,633

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Mill and Elevator Association is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015.

Major Items

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
The Legislative Assembly did not change the executive recommendation for the Mill and Elevator Association.				
Total	<u>0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FTE Changes

The Legislative Assembly did not change the executive recommendation which included funding for 131 FTE positions, the same as the 2007-09 biennium.

Other Sections in Bill

Mill and Elevator study - Section 11 requires the Industrial Commission to obtain the services of a consultant to evaluate the Mill and Elevator during the 2009-10 interim. The evaluation must include a comparison to industry averages or standards of:

1. Financial data reflected on balance sheets and income statements;
2. Cashflow data;
3. Ratio analysis of working capital, operating efficiency, marketing, and other ratios;
4. Liquidity ratios to determine appropriate working capital needed for the mill;
5. Pretax income levels;
6. Business opportunities;
7. Capital investment and recommended net assets levels; and
8. Officer and employee compensation guidelines, including gain-sharing programs.

The Industrial Commission is to provide a summary report exclusive of proprietary information to the Budget Section on the results of the evaluation during the 2009-10 interim.

Transfer of Mill and Elevator profits - Section 12 creates a new section to North Dakota Century Code (NDCC) Chapter 54-18 requiring the Industrial Commission to transfer to the state general fund 50 percent of the annual earnings and undivided profits of the Mill and Elevator after any transfers to other state agricultural-related programs. The money must be transferred on an annual basis in the amounts and at the times requested by the director of the Office of Management and Budget.

Gain-sharing program - Section 12 creates a new section to NDCC Chapter 54-18 which defines a gain-sharing program as a program approved annually by the Industrial Commission with provisions that promote profitability, productivity, and safety. Any gain-sharing program approved by the Industrial Commission must include provisions that ensure that no payouts occur unless Mill and Elevator profits exceed \$1 million and transfers will be made to the state general fund for that program year.

Related Legislation

Agricultural fuel tax fund - Section 34 of Senate Bill No. 2018 creates a new section to NDCC Chapter 54-18 to provide that within 30 days after the conclusion of each fiscal year, the Industrial Commission is to transfer 5 percent of the net income earned by the Mill and Elevator during that fiscal year to the agricultural fuel tax fund. The 2009 Legislative Assembly appropriated funds from the agricultural fuel tax fund for the Agricultural Products Utilization Commission.