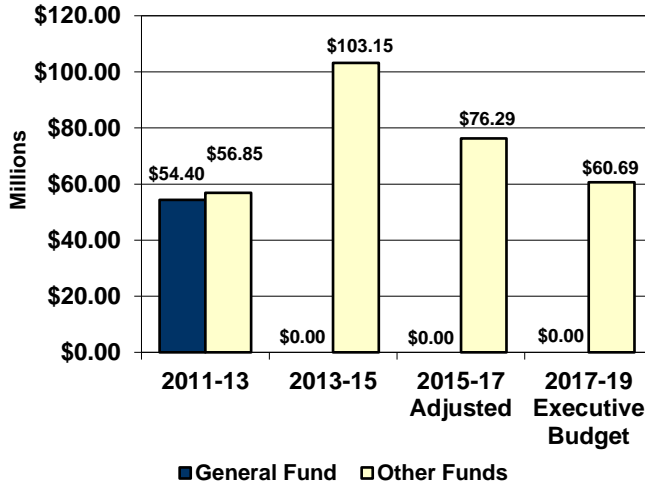


**Department 471 - Bank of North Dakota
Senate Bill Nos. 2014 and 2074**

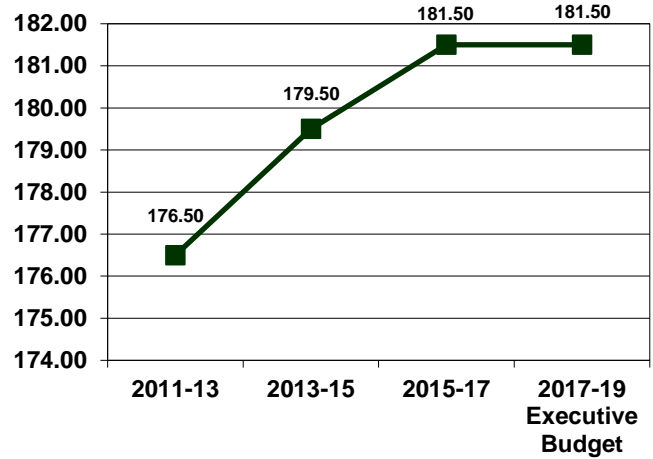
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2017-19 Executive Budget	181.50	\$0	\$60,688,521	\$60,688,521
2015-17 Adjusted Legislative Appropriations	181.50	0	76,287,301	76,287,301
Increase (Decrease)	0.00	\$0	(\$15,598,780)	(\$15,598,780)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2017-19 Executive Budget	\$0	\$60,688,521	\$60,688,521
2017-19 Base Level	0	59,287,301	59,287,301
Increase (Decrease)	\$0	\$1,401,220	\$1,401,220

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$140,619 is for salary increases and \$520,884 is for health insurance increases	\$0	\$661,503	\$661,503
2. Provides funding for additional salary increases related to higher starting salaries for new employees and higher than anticipated salary adjustments for market rate adjustments	\$0	\$1,459,131	\$1,459,131
3. Reduces funding for operating expenses primarily related to marketing activities that were funded with a federal grant that expired in calendar year 2016 as well as cost savings from efficiencies	\$0	(\$1,174,818)	(\$1,174,818)
4. Adds funding for information technology equipment	\$0	\$65,000	\$65,000

**Other Sections Recommended to be Added in Executive Budget
(As Detailed in Senate Bill No. 2074)**

Transfer to general fund - Section 7 provides for a transfer of \$200 million from the Bank of North Dakota's current earnings and undivided profits to the general fund for the 2017-19 biennium.

Transfer to partnership in assisting community expansion (PACE) fund - Section 10 provides for a transfer of \$16 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2017-19 biennium.

Transfer to Ag PACE fund - Section 11 provides for a transfer of \$2 million from the Bank of North Dakota's current earnings and undivided profits to the Ag PACE fund for the 2017-19 biennium.

Transfer to biofuels PACE fund - Section 12 provides for a transfer of \$1 million from the Bank of North Dakota's current earnings and undivided profits to the biofuels PACE fund for the 2017-19 biennium.

Transfer to beginning farmer revolving loan fund - Section 13 provides for a transfer of \$6 million from the Bank of North Dakota's current earnings and undivided profits to the beginning farmer revolving loan fund for the 2017-19 biennium.

School construction loan fund - Section 14 provides for a transfer of \$6 million from the Bank of North Dakota's current earnings and undivided profits to the school construction loan fund for the 2017-19 biennium.

Continuing Appropriations

PACE - North Dakota Century Code Section 6-09.14-02 - Buydown interest rates on loans for new or expanding businesses.

Agriculture 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.

North Dakota achieving a better life experience plan - Section 6-09-38.1 - Savings plans for individuals with disabilities.

Rebuilders loan program - Section 6-09-46 - Loan program for residents to rebuild flood-damaged homes related to a flood event during 2011.

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

Federal student loan proceeds - Section 6-09-48 - Funds received in relation to federal student loans used to support the functions of the Bank of North Dakota related to higher education programs.

Infrastructure revolving loan fund - Section 6-09-49 - Loans for political subdivision infrastructure projects.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

House Bill No. 1008 - Section 3 provides for a transfer of up to \$900,000 from the beginning farmer revolving loan fund to the Public Service Commission for costs associated with a rail rate complaint case.

House Bill No. 1251 - Creates an inmate housing construction program and authorizes the Bank of North Dakota to provide financing or loan guarantees to low-income home buyers.

Senate Bill No. 2124 - Excludes an individual's assets under the North Dakota achieving a better life experience plan from determining eligibility for state and local benefits or assistance programs.

Senate Bill No. 2130 - Allows the Bank of North Dakota to continue collecting fees relating to defaulted student loans.

Senate Bill No. 2162 - Requires individuals in professional student exchange programs to obtain a note from the Bank of North Dakota which must be repaid if the student does not return to practice the profession in North Dakota.

Senate Bill No. 2174 - Authorizes the Adjutant General to borrow up to \$8 million from the Bank of North Dakota for law enforcement costs related to unlawful activity associated with the construction of the Dakota access pipeline.

Senate Bill No. 2178 - Clarifies the infrastructure projects that are eligible for loans from the infrastructure revolving loan fund.

Senate Bill No. 2179 - Adds new or existing airport infrastructure to the projects that are eligible for loans from the infrastructure revolving loan fund.

Bank of North Dakota - Budget No. 471
Senate Bill Nos. 2014 and 2074
Base Level Funding Changes

	<u>Executive Budget Recommendation</u>			
	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	181.50	\$0	\$59,287,301	\$59,287,301
2017-19 Ongoing Funding Changes				
Base payroll changes			\$390,404	\$390,404
Salary increase - Performance			140,619	140,619
Health insurance increase			520,884	520,884
Additional salary increases			1,459,131	1,459,131
Reduces operating expenses			(1,174,818)	(1,174,818)
Adds funding for information technology equipment			65,000	65,000
Total ongoing funding changes	0.00	\$0	\$1,401,220	\$1,401,220
One-time funding items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$0	\$1,401,220	\$1,401,220
2017-19 Total Funding	181.50	\$0	\$60,688,521	\$60,688,521

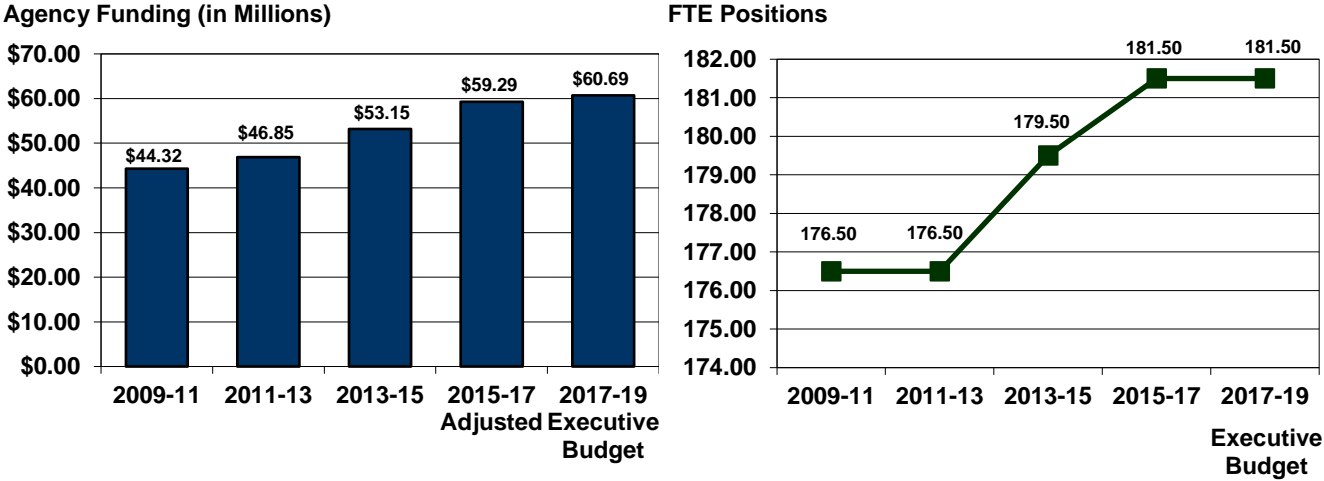
Other Sections in Bank of North Dakota - Budget No. 471

	<u>Executive Budget Recommendation</u>
Transfer to general fund	Section 7 provides for a transfer of \$200 million from the Bank of North Dakota's current earnings and undivided profits to the general fund for the 2017-19 biennium.
Transfer to partnership in assisting community expansion (PACE) fund	Section 10 provides for a transfer of \$16 million from the Bank of North Dakota's current earnings and undivided profits to the PACE fund for the 2017-19 biennium.
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Transfer to beginning farmer revolving loan fund	Section 13 provides for a transfer of \$6 million from the Bank of North Dakota's current earnings and undivided profits to the beginning farmer revolving loan fund for the 2017-19 biennium.
School construction loan fund	Section 14 provides for a transfer of \$6 million from the Bank of North Dakota's current earnings and undivided profits to the school construction loan fund for the 2017-19 biennium.

Department 471 - Bank of North Dakota

Historical Appropriations Information

Ongoing Other Funds Appropriations Since 2009-11



Ongoing Other Funds Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Executive Budget
Ongoing other funds appropriations	\$44,317,274	\$46,853,155	\$53,150,147	\$59,287,301	\$60,688,521
Increase (decrease) from previous biennium		\$2,535,881	\$6,296,992	\$6,137,154	\$1,401,220
Percentage increase (decrease) from previous biennium	N/A	5.7%	13.4%	11.6%	2.4%
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	5.7%	19.9%	33.8%	36.9%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2011-13 Biennium	
1. Added funding for Bank operations	\$1,821,357
2. Added funding information technology equipment	\$1,134,000
3. Reduced funding for the beginning farmer revolving loan program	(\$950,000)
2013-15 Biennium	
1. Added funding for 3 FTE positions, including a loan officer position, a compliance officer position, and a collection officer position	\$503,698
2. Added funding operating expenses	\$1,931,000
3. Added funding for information technology equipment	\$745,000
2015-17 Biennium	
1. Added funding for 2 FTE positions, including a credit analyst position and an information technology security position	\$387,645
2. Added funding for operating expenses, including \$2.5 million for information technology costs and \$800,000 for audit fees	\$3,968,123
2017-19 Biennium (Executive Budget Recommendation)	
1. Provides funding for additional salary increases related to higher starting salaries for new employees and higher than anticipated salary adjustments for market rate adjustments	\$1,459,131
2. Reduces funding for operating expenses primarily related to marketing activities that were funded with a federal grant that expired in calendar year 2016 as well as cost savings from efficiencies	(\$1,174,818)
3. Adds funding for information technology equipment	\$65,000