

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

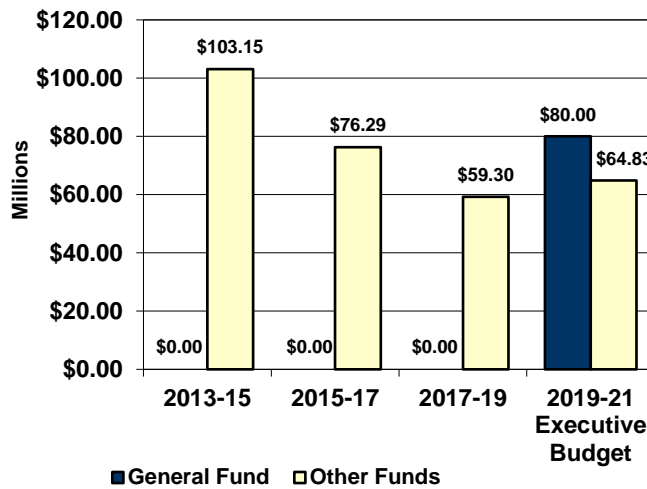
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	181.50	\$80,000,000	\$64,825,329	\$144,825,329
2017-19 Legislative Appropriations	181.50	0	59,299,204	59,299,204
Increase (Decrease)	0.00	\$80,000,000	\$5,526,125	\$85,526,125

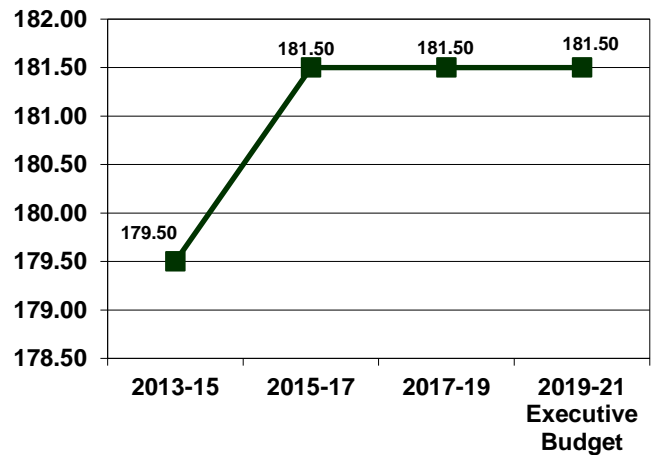
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$0	\$80,000,000	\$80,000,000
2017-19 Legislative Appropriations	0	0	0
Increase (Decrease)	\$0	\$80,000,000	\$80,000,000

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$80,000,000	\$64,825,329	\$144,825,329
2019-21 Base Level	0	59,299,204	59,299,204
Increase (Decrease)	\$80,000,000	\$5,526,125	\$85,526,125

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 \$1,493,034 is for salary increases, \$687,776 is for health insurance increases, and \$187,205 is for retirement increases. The House added funding for salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month. The House did not add funding for retirement contribution increases.	\$0	\$2,368,015	\$2,368,015
2. Adjusts funding for postage and temporary salaries	\$0	(\$75,550)	(\$75,550)
3. Increases funding for information technology costs	\$0	\$1,071,800	\$1,071,800
4. Adds funding for Microsoft Office 365 licensing	\$0	\$37,352	\$37,352

5. Increases funding for professional development and other professional services	\$0	\$139,508	\$139,508
6. Increases funding for utilities, insurance, and other operating expenses	\$0	\$55,000	\$55,000
7. Increases funding for contingency expenses	\$0	\$1,000,000	\$1,000,000
8. Adds funding for information technology equipment	\$0	\$700,000	\$700,000
9. Adds one-time funding from the general fund (legacy fund earnings) for a transfer to the infrastructure revolving loan fund. The House did not include a transfer from the general fund to the infrastructure revolving loan fund.	\$55,000,000	\$0	\$55,000,000
10. Adds one-time funding from the general fund (legacy fund earnings) for a transfer to a school construction loan fund. The House did not include a transfer from the general fund to the school construction loan fund.	\$25,000,000	\$0	\$25,000,000

Other Sections in House Bill No. 1014

Transfer to general fund - Section 7 provides for a transfer of \$140 million from the Bank of North Dakota's current earnings and undivided profits to the general fund for the 2019-21 biennium.

Transfer to partnership in assisting community expansion (PACE) fund - Section 8 provides for a transfer of \$26 million from the Bank's current earnings and undivided profits to the PACE fund for the 2019-21 biennium.

Transfer to Ag PACE fund - Section 9 provides for a transfer of \$3 million from the Bank's current earnings and undivided profits to the Ag PACE fund for the 2019-21 biennium.

Transfer to biofuels PACE fund - Section 10 provides for a transfer of \$1 million from the Bank's current earnings undivided profits to the biofuels PACE fund for the 2019-21 biennium.

Transfer to beginning farmer revolving loan fund - Section 11 provides for a transfer of \$6 million from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund for the 2019-21 biennium.

Transfer to North Dakota development fund - Section 12 provides for a transfer of \$15 million from the Bank's current earnings and undivided profits to the North Dakota development fund for the 2019-21 biennium with the requirement that the funding be used to move existing venture capital assets from the Bank to the North Dakota development fund.

Deficiency Appropriation

Senate Bill No. 2024 - provides a deficiency appropriation of \$1 million from the general fund to the Bank of North Dakota for interest repayments on loans obtained to respond to unlawful activity associated with the construction of the Dakota Access Pipeline.

Continuing Appropriations

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

Agriculture PACE - Section 6-09.13-04 - Buy down interest rates on agriculture-related loans.

Beginning farmer revolving loan fund - Section 6-09-15.5 - Direct loans or to buy down 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

The financial statement audit for the Bank of North Dakota conducted by Eide Bailly LLP, during the 2017-18 interim identified no significant findings.

Major Related Legislation

House Bill No. 1028 - Requires the Bank of North Dakota to provide a \$50 million line of credit to the Public Employees Retirement System for the administration of a self-insurance health plan.

House Bill No. 1092 - Clarifies the Bank's authorization to use funds to support the Bank's education programs, including the higher education savings plan.

House Bill No. 1106 - Requires the Bank to provide a \$25 million line of credit to the reinsurance association of North Dakota to provide reimbursements to insurers participating in an invisible reinsurance pool for the individual health insurance market.

House Bill No. 1141 - Exempts officers and employees of the Bank from the employee classification system.

House Bill No. 1171 - Creates a skilled workforce student loan repayment program and transfers \$5 million of Bank profits to provide grants to repay eligible student loans.

House Bill No. 1333 - Creates an innovation loan fund to support technology advancement and transfers \$3 million of Bank profits to provide low-interest rate loans to qualifying new or expanding businesses.

House Bill No. 1435 - Requires the Bank to provide a \$120 million line of credit to the Information Technology Department for the development of the statewide interoperable radio network.

House Bill No. 1494 - Requires the Bank to set interest rates at the market rate for loans to political subdivisions if the political subdivision imposes additional taxes or fees to repay the loan.

Senate Bill No. 2008 - 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.

Senate Bill No. 2039 - Establishes a skilled workforce scholarship program administered by the Bank and transfers \$10 million from the Bank's current earnings and undivided profits for the program.

Senate Bill No. 2098 - Removes requirements specifying the terms, rates, and maximum amounts for residential loans issued by the Bank.

Senate Bill No. 2099 - Removes a requirement for the Governor to establish a task force to review loan applications under the Bank's medical facility infrastructure loan fund.

Senate Bill No. 2197 - Clarifies the interest rates that the Bank may charge on loans issued to family farmers.

Senate Bill No. 2214 - Authorizes the Bank to use up to \$5 million from the school construction assistance revolving loan fund to continue interest rate buydowns on school construction loans held by the Bank.

Senate Bill No. 2276 - Provides legislative intent to expand the investments of the legacy fund to include Bank programs.

Senate Bill No. 2282 - Creates an economic diversification grant program administered by the Bank to provide grants to research universities to support the innovation of new businesses and new products and transfers 15 percent of the legacy fund earnings for the program.

Senate Bill No. 2296 - Increases the limit for fuel production facility loan guarantees to \$50 million.

Senate Bill No. 2357 - Authorizes the Bank to implement a loan guarantee program for North Dakota residents employed by the federal government who are impacted by a federal government shutdown.

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
2019-21 Biennium Base Level	181.50	\$0	\$59,299,204	\$59,299,204	181.50	\$0	\$59,299,204	\$59,299,204
2019-21 Ongoing Funding Changes								
Base payroll changes			\$230,000	\$230,000			\$230,000	\$230,000
Salary increase			1,493,034	1,493,034			894,823	894,823
Health insurance increase			687,776	687,776			812,098	812,098
Retirement contribution increase			187,205	187,205				0
Adjusts funding for postage and temporary salaries			(75,550)	(75,550)			(75,550)	(75,550)
Increases funding for information technology costs			876,800	876,800			876,800	876,800
Adds funding for Microsoft Office 365 licensing			37,352	37,352			37,352	37,352
Increases funding for professional development and services			139,508	139,508			139,508	139,508
Increases funding for utilities, insurance, and other operating costs			250,000	250,000			250,000	250,000
Increases funding for contingency expenses			1,000,000	1,000,000			1,000,000	1,000,000
Adds funding for information technology equipment			700,000	700,000			700,000	700,000
Total ongoing funding changes	0.00	\$0	\$5,526,125	\$5,526,125	0.00	\$0	\$4,865,031	\$4,865,031
One-time funding items								
Transfer to infrastructure revolving loan fund		\$55,000,000		\$55,000,000				\$0
Transfer to school construction loan fund		25,000,000		25,000,000				0
Total one-time funding changes	0.00	\$80,000,000	\$0	\$80,000,000	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$80,000,000	\$5,526,125	\$85,526,125	0.00	\$0	\$4,865,031	\$4,865,031
2019-21 Total Funding	181.50	\$80,000,000	\$64,825,329	\$144,825,329	181.50	\$0	\$64,164,235	\$64,164,235

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

	Executive Budget Recommendation	House Version
Transfer to general fund	Section 6 would provide for a transfer of \$140 million from the Bank of North Dakota's current earnings and undivided profits to the general fund for the 2019-21 biennium.	Section 7 provides for a transfer of \$140 million from the Bank of North Dakota's current earnings and undivided profits to the general fund for the 2019-21 biennium and identifies the transfer as an ongoing revenue source.
Transfer to infrastructure revolving loan fund	Section 7 would provide for a transfer of \$55 million from the general fund to the infrastructure revolving loan fund.	
Transfer to school construction loan fund	Section 8 would provide for a transfer of \$25 million from the general fund to a school construction loan fund.	
Transfer to partnership in assisting community expansion (PACE) fund	Section 10 would provide for a transfer of \$26 million from the Bank's current earnings and undivided profits to the PACE fund for the 2019-21 biennium.	Section 8 provides for a transfer of \$26 million from the Bank's current earnings and undivided profits to the PACE fund for the 2019-21 biennium.
Transfer to Ag PACE fund	Section 11 would provide for a transfer of \$3 million from the Bank's current earnings and undivided profits to the Ag PACE fund for the 2019-21 biennium.	Section 9 provides for a transfer of \$3 million from the Bank's current earnings and undivided profits to the Ag PACE fund for the 2019-21 biennium.

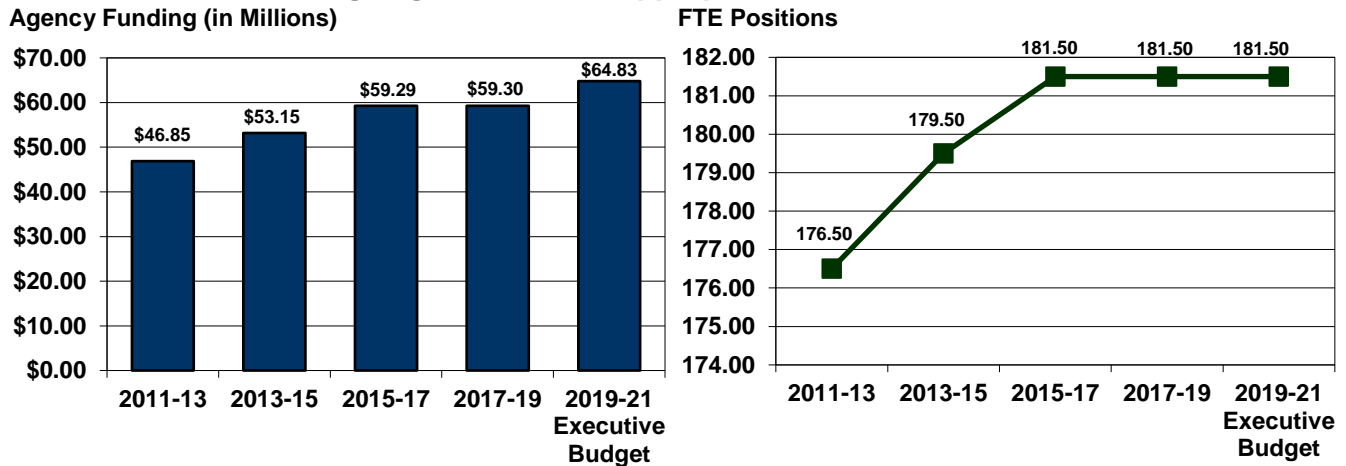
Other Sections for Bank of North Dakota - Budget No. 471

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Transfer to biofuels PACE fund	Section 12 would provide for a transfer of \$1 million from the Bank's current earnings and undivided profits to the biofuels PACE fund for the 2019-21 biennium.	Section 10 provides for a transfer of \$1 million from the Bank's current earnings and undivided profits to the biofuels PACE fund for the 2019-21 biennium.
Transfer to beginning farmer revolving loan fund	Section 13 would provide for a transfer of \$6 million from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund for the 2019-21 biennium.	Section 11 provides for a transfer of \$6 million from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund for the 2019-21 biennium.
Transfer to school construction loan fund	Section 14 would provide for a transfer of \$5 million from the Bank's current earnings and undivided profits to a school construction loan fund for the 2019-21 biennium.	
Transfer to North Dakota development fund	Section 19 would provide for a transfer of \$15 million from the Bank's current earnings and undivided profits to the North Dakota development fund for the 2019-21 biennium with the requirement that the funding be used to move existing venture capital assets from the Bank to the North Dakota development fund.	Section 12 provides for a transfer of \$15 million from the Bank's current earnings and undivided profits to the North Dakota development fund for the 2019-21 biennium with the requirement that the funding be used to move existing venture capital assets from the Bank to the North Dakota development fund.

Department 471 - Bank of North Dakota

Historical Appropriations Information

Ongoing Other Funds Appropriations Since 2011-13



Ongoing Other Funds Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing other funds appropriations	\$46,853,155	\$53,150,147	\$59,287,301	\$59,299,204	\$64,825,329
Increase (decrease) from previous biennium	N/A	\$6,296,992	\$6,137,154	\$11,903	5,526,125
Percentage increase (decrease) from previous biennium	N/A	13.4%	11.5%	0.0%	9.3%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	13.4%	26.5%	26.6%	38.4%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

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

1. Provided 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. Reduced 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 (\$2,385,776)
3. Added funding for information technology equipment \$65,000

2019-21 Biennium (Executive Budget Recommendation)

1. Adjusts funding for postage and temporary salaries (\$75,550)
2. Increases funding for information technology costs \$1,071,800
3. Adds funding for Microsoft Office 365 licensing \$37,352
4. Increases funding for professional development and other professional services \$139,508
5. Increases funding for utilities, insurance, and other operating expenses \$55,000

6. Increases funding for contingency expenses	\$1,000,000
7. Adds funding for information technology equipment	\$700,000

**GOVERNOR'S RECOMMENDATION FOR THE
INDUSTRIAL COMMISSION AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2019, and ending June 30, 2020, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$22,014,084	\$1,740,329	\$23,754,413
Operating Expenses	5,305,888	686,099	5,991,987
Capital Assets	-	5,000,000	5,000,000
Grants - Bond Payments	13,210,484	(2,701,717)	10,508,767
Contingencies	<u>221,737</u>	<u>(221,737)</u>	<u>0</u>
Total all funds	\$40,752,193	\$4,502,974	\$45,255,167
Less estimated income	<u>15,343,206</u>	<u>2,671,741</u>	<u>18,014,947</u>
Total general fund	\$25,408,987	\$1,831,233	\$27,240,220
Full-time equivalent positions	110.25	0.00	110.25

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$58,489,204	\$84,826,125	\$143,315,329
Capital assets	810,000	700,000	1,510,000
Total all funds	<u>\$59,299,204</u>	<u>\$85,526,125</u>	<u>\$144,825,329</u>
Less estimated income	59,299,204	5,526,125	64,825,329
Total general fund	\$0	\$80,000,000	\$80,000,000
Full-time equivalent positions	181.50	0.00	181.50

Subdivision 3.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$39,308,519	\$7,371,412	\$46,679,931
Operating expenses	28,195,000	1,642,000	29,837,000
Contingencies	500,000	0	500,000
Agriculture promotion	210,000	0	210,000
Total from mill and elevator fund	<u>\$68,213,519</u>	<u>\$9,013,412</u>	<u>\$77,226,931</u>
Full-time equivalent positions	153.00	4.00	157.00

Subdivision 4.

HOUSING FINANCE AGENCY

Adjustments or

	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,892,056	\$723,593	\$8,615,649
Operating expenses	4,743,355	602,921	5,346,276
Grants	31,794,828	21,671,772	53,466,600
Housing finance agency contingencies	100,000	0	100,000
Total special funds	<u>\$44,530,239</u>	<u>\$22,998,286</u>	<u>\$67,528,525</u>
Full-time equivalent positions	44.00	0.00	44.00

Subdivision 5.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$25,408,987	\$81,831,233	\$107,240,220
Grand total special funds	<u>187,386,168</u>	<u>40,209,564</u>	<u>227,595,732</u>
Grand total all funds	\$212,795,155	\$122,040,797	\$334,835,952

SECTION 2. ONE-TIME FUNDING – EFFECT ON BASE BUDGET – REPORT TO SIXTY-SIXTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the grand total appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Litigation	\$1,000,000	\$0
Industrial water supply asset study	150,000	0
Soil remediation study	5,000,000	0
Ordinary high-water mark survey review	800,000	0
Housing incentive fund	0	20,000,000
Infrastructure loan fund	0	55,000,000
School construction loan fund	0	25,000,000
Equipment - BND	0	700,000
RBDMS upgrade	0	5,000,000
Rare earth study	0	160,000
Proppant sand study	<u>0</u>	<u>110,000</u>
Total all funds	\$6,950,000	\$105,970,000
Total special fund	<u>6,950,000</u>	<u>25,970,000</u>
Total general fund	\$0	\$80,000,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The industrial commission shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS. The amount of \$10,508,767 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2019, and ending June 30, 2021:

North Dakota university system	\$4,959,448
North Dakota university system - energy conservation projects	415,664
Department of corrections and rehabilitation	689,299
Department of corrections and rehabilitation – energy conservation projects	16,180
State department of health	644,884
Job service North Dakota	434,847
Office of management and budget	567,125
Office of attorney general	647,500

State historical society	1,177,875
Parks and recreation department	66,875
Research and extension service	483,337
Veterans' home	405,733
Total	\$10,508,767

SECTION 4. APPROPRIATION. In addition to the amount appropriated to the housing finance agency in subdivision 4 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. APPROPRIATION - ADDITIONAL FUNDS FROM BONDS - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the emergency commission, funds that may become available to the commission from bonds authorized by law to be issued by the state industrial commission for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER – BANK OF NORTH DAKOTA PROFITS TO THE GENERAL FUND. During the biennium beginning July 1, 2019, and ending June 30, 2021, the industrial commission shall transfer to the state general fund \$140,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget after consultation with the Bank of North Dakota president.

SECTION 7. TRANSFER – INFRASTRUCTURE REVOLVING LOAN FUND. The Bank of North Dakota and total general fund line items in subdivision 2 of section 1 of this Act includes the sum of \$55,000,000 which the office of management and budget shall transfer to the infrastructure revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. TRANSFER – SCHOOL CONSTRUCTION LOAN FUND. The Bank of North Dakota and total general fund line items in subdivision 2 of section 1 of this Act includes the sum of \$25,000,000 which the office of management and budget shall transfer to the school construction loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. TRANSFER – ENTITIES WITHIN THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND. The sum of \$1,184,893, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the state industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers shall be made during the biennium beginning July 1, 2019, and ending June 30, 2021, upon order of the commission. Transfers from the student loan trust must be made to the extent permitted by sections 54-17-24 and 54-17-25.

SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$26,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the partnership in assisting community expansion fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$3,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture partnership in assisting community expansion fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of

\$1,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the biofuels partnership in assisting community expansion fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer the sum of \$6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. TRANSFER - BANK OF NORTH DAKOTA – SCHOOL CONSTRUCTION LOAN FUND. The Bank of North Dakota shall transfer the sum of \$5,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the school construction loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 15. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in subdivision 1 of section 1 of this Act includes \$5,000,000 from the strategic investment and improvements fund for a risk based data management system upgrade.

SECTION 16. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in subdivision 1 of section 1 of this Act includes \$160,000 from the strategic investment and improvements fund for a rare earth research project.

SECTION 17. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in subdivision 1 of section 1 of this Act includes \$110,000 from the strategic investment and improvements fund for a proppant sand research project.

SECTION 18. SPECIAL FUNDS TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO HOUSING INCENTIVE FUND. The less estimated income line item in subdivision 4 of section 1 of this Act includes the sum of \$20,000,000, or so much of the sum as may be necessary, from the strategic investment and improvements fund which may be transferred at the direction of the housing finance agency for the purpose of a transfer to the housing incentive fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 19. TRANSFER – BANK OF NORTH DAKOTA – TRANSFER TO THE NORTH DAKOTA DEVELOPMENT FUND INC. The Bank of North Dakota shall transfer the sum of \$15,000,000, from the Bank's current earnings and undivided profits to the North Dakota Development Fund Inc. during the biennium beginning July 1, 2019 and ending June 30, 2021. The funding must be used in accordance with N.D.C.C. 10-30.5 and to purchase existing New Venture Capital assets held by the Bank of North Dakota.

SECTION 20. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$4,500,000 from the lignite research fund, or so much of the amount as may be necessary, may be used for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section may also be used for the purpose of contracting for nonmatching studies and activities in support of the lignite vision 21 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for the purposes stated in this section are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 21. EXEMPTION – INDUSTRIAL COMMISSION FUND. The amount appropriated to the industrial commission in the special funds appropriation line item in section 1 of chapter 39 of the 2017 Session Laws and transferred pursuant to section 8 of chapter 39 of the 2017 Session Laws is not subject

to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for administrative services rendered by the commission during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 22. EXEMPTION – ORDINARY HIGH-WATER MARK SURVEY REVIEW. The amount appropriated to the industrial commission in section 1 of chapter 39 of the 2017 Session Laws is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for expert legal testimony relating to the review during the biennium beginning July 1, 2019, and June 30, 2021.