

**Department 475 - Mill and Elevator Association
House Bill No. 1014**

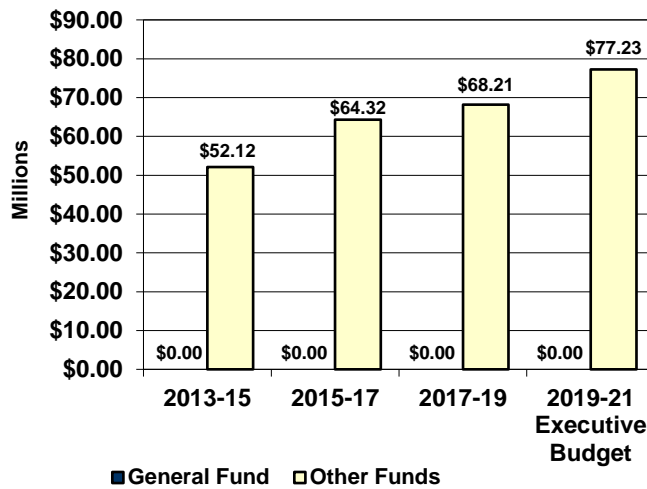
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	157.00	\$0	\$77,226,931	\$77,226,931
2017-19 Legislative Appropriations	153.00	0	68,213,519	68,213,519
Increase (Decrease)	4.00	\$0	\$9,013,412	\$9,013,412

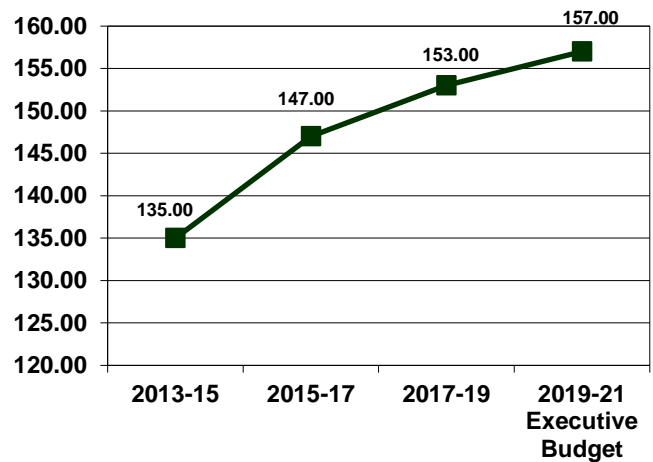
Ongoing and One-Time Other Funds Appropriations

	Ongoing Other Funds Appropriation	One-Time Other Funds Appropriation	Total Other Funds Appropriation
2019-21 Executive Budget	\$77,226,931	\$0	\$77,226,931
2017-19 Legislative Appropriations	68,213,519	0	68,213,519
Increase (Decrease)	\$9,013,412	\$0	\$9,013,412

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$0	\$77,226,931	\$77,226,931
2019-21 Base Level	0	68,213,519	68,213,519
Increase (Decrease)	\$0	\$9,013,412	\$9,013,412

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 base payroll changes, including salary increases	\$0	\$3,477,828	\$3,477,828
2. Provides funding for state employee benefit increases, of which \$578,184 is for health insurance increases and \$206,550 is for retirement increases	\$0	\$784,734	\$784,734
3. Increases funding for overtime	\$0	\$2,227,085	\$2,227,085
4. Increases funding for temporary employees	\$0	\$311,600	\$311,600
5. Adds funding for 4 FTE positions, including 2 food safety workers and 2 utility workers	\$0	\$570,165	\$570,165
6. Adds funding for increased costs related to utilities, insurance, and repairs	\$0	\$1,642,000	\$1,642,000

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

The executive budget did not include any other sections related to the Mill and Elevator Association.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

The financial statement audit for the Mill and Elevator Association conducted by the State Auditor's office during the 2017-18 interim identified no significant findings.

Major Related Legislation

At this time, no major related legislation has been introduced affecting this agency.

Mill and Elevator Association - Budget No. 475
House Bill No. 1014
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Position	General Fund	Other Funds	Total
2019-21 Biennium Base Level	153.00	\$0	\$68,213,519	\$68,213,519
2019-21 Ongoing Funding Changes				
Base payroll changes			\$3,477,828	\$3,477,828
Health insurance increase			578,184	578,184
Retirement contribution increase			206,550	206,550
Increases funding for overtime			2,227,085	2,227,085
Increases funding for temporary employees			311,600	311,600
Adds funding for 4 FTE positions	4.00		570,165	570,165
Adds funding for increases in operating costs			1,642,000	1,642,000
Total ongoing funding changes	4.00	\$0	\$9,013,412	\$9,013,412
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	4.00	\$0	\$9,013,412	\$9,013,412
2019-21 Total Funding	157.00	\$0	\$77,226,931	\$77,226,931

Other Sections for Mill and Elevator Association - Budget No. 475

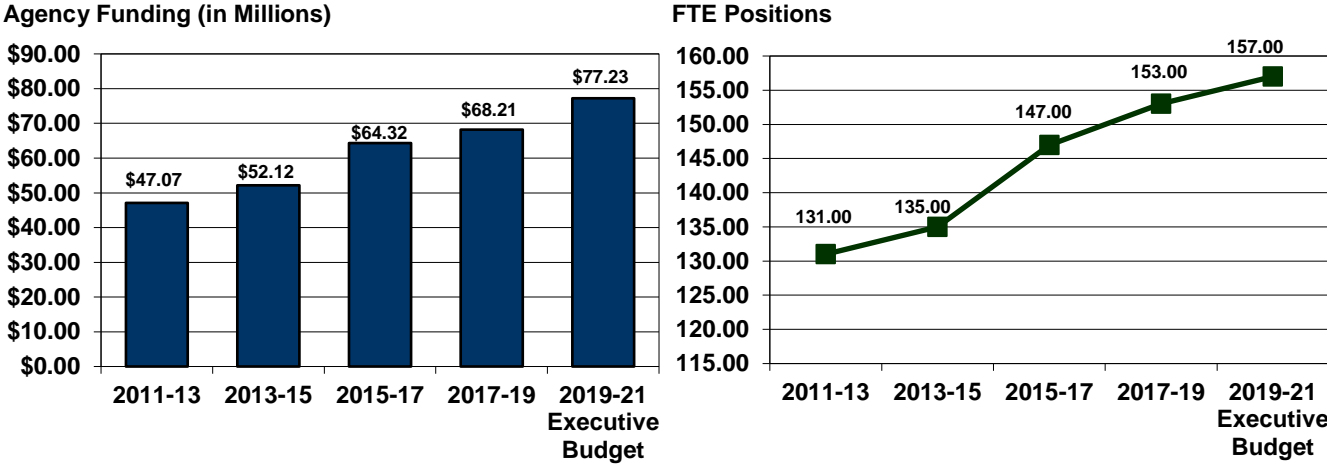
Executive Budget Recommendation

The executive budget did not include any other sections related to the Mill and Elevator Association.

Department 475 - Mill and Elevator Association

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	\$47,071,877	\$52,123,557	\$64,315,898	\$68,213,519	\$77,226,931
Increase (decrease) from previous biennium	N/A	\$5,051,680	\$12,192,341	\$3,897,621	\$9,013,412
Percentage increase (decrease) from previous biennium	N/A	10.7%	23.4%	6.1%	13.2%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	10.7%	36.6%	44.9%	64.1%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2013-15 Biennium

- 1. Added funding for 4 FTE positions, including a supervisor position, an information system analyst position, a rail car checker position, and a sales representative position \$622,678
- 2. Added funding for operating expenses related to production increases \$1,352,131

2015-17 Biennium

- 1. Added funding for 12 FTE positions, including 3 mill operator positions, 3 rail car loader positions, 2 flour packer positions, 2 utility worker positions, 1 electrician position, and 1 maintenance worker position \$1,643,906
- 2. Added funding for operating expenses related to a new milling unit \$5,531,000
- 3. Increased funding for contingencies to provide total funding of \$500,000 \$100,000

2017-19 Biennium

- 1. Provided funding for base payroll changes, including salary increases \$2,539,491
- 2. Reduced funding for salaries and wages, primarily related to overtime (\$684,923)
- 3. Added funding for 6 FTE positions, including 2 grain handling positions, 2 food safety positions, 1 flour packer position, and 1 utility worker position \$768,893
- 4. Adds funding for operating expenses related to utilities, supplies, and repairs \$868,000

2019-21 Biennium (Executive Budget Recommendation)

- 1. Provides funding for base payroll changes, including salary increases \$3,477,828
- 2. Provides funding for state employee benefit increases, of which \$578,184 is for health insurance increases and \$206,550 is for retirement increases \$784,734
- 3. Increases funding for overtime \$2,227,085
- 4. Increases funding for temporary employees \$311,600

5. Adds funding for 4 FTE positions, including 2 food safety workers and 2 utility workers	\$570,165
6. Adds funding for increased costs related to utilities, insurance, and repairs	\$1,642,000

**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.