

**Department 413 - Department of Financial Institutions
Senate Bill No. 2008**

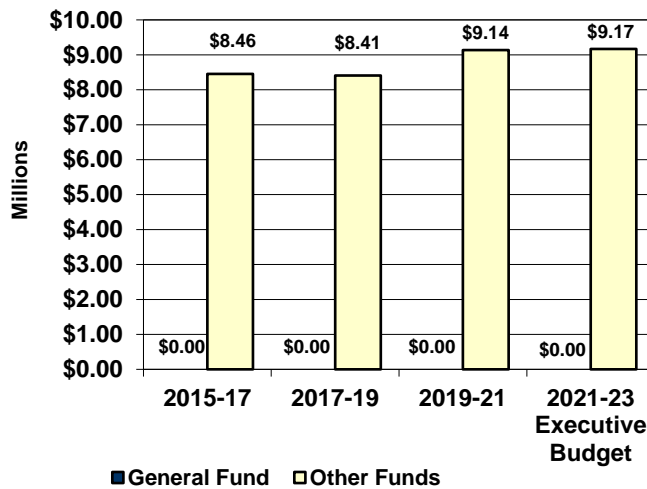
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	31.00	\$0	\$9,167,283	\$9,167,283
2019-21 Legislative Appropriations	31.00	0	9,135,872	9,135,872
Increase (Decrease)	0.00	\$0	\$31,411	\$31,411

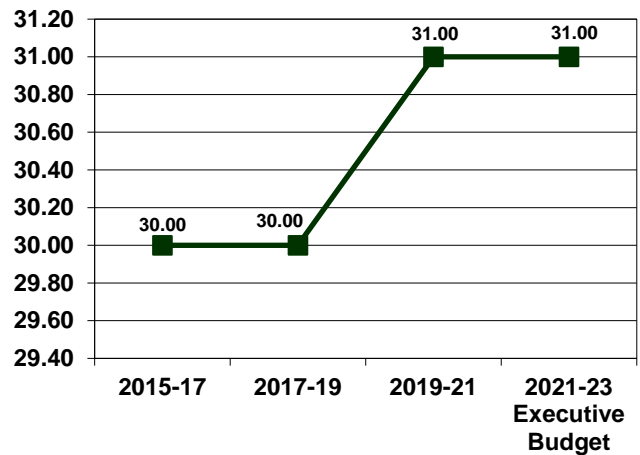
Ongoing and One-Time Other Funds Appropriations

	Ongoing Other Funds Appropriation	One-Time Other Funds Appropriation	Total Other Funds Appropriation
2021-23 Executive Budget	\$9,167,283	\$0	\$9,167,283
2019-21 Legislative Appropriations	8,684,567	451,305	9,135,872
Increase (Decrease)	\$482,716	(\$451,305)	\$31,411

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$0	\$9,167,283	\$9,167,283
2021-23 Base Level	0	8,684,567	8,684,567
Increase (Decrease)	\$0	\$482,716	\$482,716

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. Adds funding for state employee salary and benefit increases, of which \$189,706 is for salary increases, \$1,416 is for health insurance increases, and \$38,289 is for retirement contribution increases	\$0	\$229,411	\$229,411
2. Increases funding for salaries and wages to promote employee retention	\$0	\$50,000	\$50,000
3. Increases funding for professional development to provide a total of \$363,059	\$0	\$130,280	\$130,280
4. Reduces funding for travel to provide a total of \$547,376	\$0	(\$104,024)	(\$104,024)
5. Increases funding for information technology data processing to provide a total of \$351,744	\$0	\$95,789	\$95,789
6. Reduces funding for rentals/leases of buildings or land to provide a total of \$152,659	\$0	(\$65,425)	(\$65,425)

7. Increases operating expenses for the financial literacy program	\$0	\$40,000	\$40,000
8. Reduces funding for operating fees and services to provide a total of \$75,071	\$0	(\$29,459)	(\$29,459)
9. Reduces funding for other operating expenses as part of reprioritization of special funds	\$0	(\$21,831)	(\$21,831)
10. Reduces funding for professional services to provide a total of \$45,000	\$0	(\$19,139)	(\$19,139)
11. Adds funding for Microsoft Office 365 license expenses	\$0	\$3,305	\$3,305

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

Line item transfers - Section 3 would authorize the Department of Financial Institutions to transfer between line items during the 2021-23 biennium and requires the department to notify the Office of Management and Budget and the Legislative Council.

Continuing Appropriations

No continuing appropriations for this agency.

Deficiency Appropriation

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

Senate Bill No. 2101 - Amends various sections of North Dakota Century Code relating to credit union loans, the regulatory fund, assessment of civil money penalties, appointment of receivers, supervision and examinations, assessments, real estate loans, bank mergers, bank branches, bank investments, trust branches, credit union powers, credit union board notice, and sale or purchase of banking institutions or holding companies; and repeals Section 6-06-14, relating to credit union loans; and to provide a penalty.

Senate Bill No. 2102 - Amends various sections of the Century Code relating to dissolution, insolvency, suspension, emergency receivership, and liquidation of institutions under the Department of Financial Institutions' supervision; financial institutions cross references, cease and desist orders, and prompt corrective action; and repeals Chapter 6-07, relating to dissolution, insolvency, suspension, emergency receivership, and liquidation of institutions under the Department of Financial Institutions' supervision.

Senate Bill No. 2103 - Amends various sections of the Century Code relating to money broker charges, money broker exemptions, collection agency exemptions, and deferred presentment service transaction procedures; and repeals Section 13-04.1-09.2, relating to money broker charges.

Department of Financial Institutions - Budget No. 413
Senate Bill No. 2008
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2021-23 Biennium Base Level	31.00	\$0	\$8,684,567	\$8,684,567
2021-23 Ongoing Funding Changes				
Base payroll changes			\$173,809	\$173,809
Salary increase			\$189,706	\$189,706
Health insurance increase			\$1,416	\$1,416
Retirement contribution increase			\$38,289	\$38,289
Increases funding for salaries and wages for retention			\$50,000	\$50,000
Increases funding for professional development			\$130,280	\$130,280
Reduces funding for travel			(\$104,024)	(\$104,024)
Increases funding for data processing			\$95,789	\$95,789
Reduces funding for rentals/leases of buildings or land			(\$65,425)	(\$65,425)
Increases operating expenses for the financial literacy program			\$40,000	\$40,000
Reduces funding for operating fees and services			(\$29,459)	(\$29,459)
Reduces funding for other operating expenses			(\$21,831)	(\$21,831)
Reduces funding for professional services			(19,139)	(19,139)
Adds funding for Microsoft Office 365 license expenses			3,305	3,305
Total ongoing funding changes	0.00	\$0	\$482,716	\$482,716
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	\$482,716	\$482,716
2021-23 Total Funding	31.00	\$0	\$9,167,283	\$9,167,283
<i>Total ongoing changes as a percentage of base level</i>	<i>0.0%</i>		<i>5.6%</i>	<i>5.6%</i>
<i>Total changes as a percentage of base level</i>	<i>0.0%</i>		<i>5.6%</i>	<i>5.6%</i>

Other Sections in Department of Financial Institutions - Budget No. 413

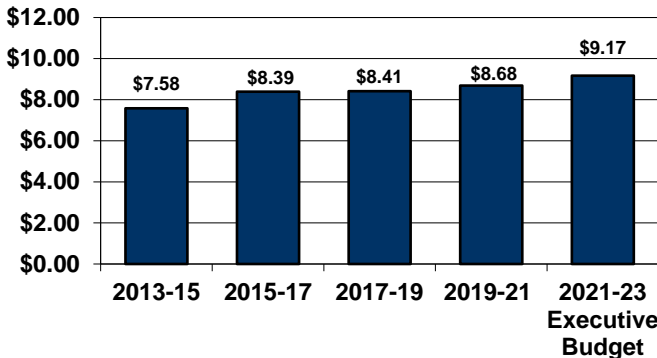
	Executive Budget Recommendation
Line item transfers	Section 3 would authorize the Department of Financial Institutions to transfer funds between line items during the 2021-23 biennium.

Department 413 - Department of Financial Institutions

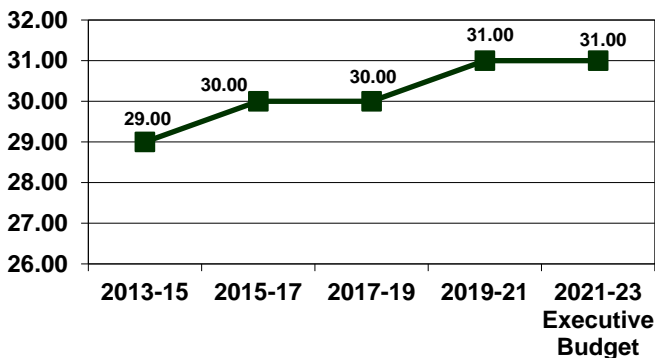
Historical Appropriations Information

Ongoing Other Funds Appropriations Since 2013-15

Agency Funding (in Millions)



FTE Positions



Ongoing Other Funds Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$7,580,217	\$8,389,442	\$8,409,912	\$8,684,567	\$9,167,283
Increase (decrease) from previous biennium	N/A	\$809,225	\$20,470	\$274,655	\$482,716
Percentage increase (decrease) from previous biennium	N/A	10.7%	0.2%	3.3%	5.6%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	10.7%	10.9%	14.6%	20.9%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2015-17 Biennium

- 1. Added funding for 1 FTE credit union examiner position and related operating expenses \$218,089
- 2. Added funding for operating expenses \$116,207
- 3. Reduced contingency funding (\$79,000)

2017-19 Biennium

- 1. Reduced funding for salaries and wages in anticipation of savings from vacant positions and employee turnover (\$185,196)
- 2. Reduced contingency funding to provide \$20,000 (\$57,000)

2019-21 Biennium

- 1. Added 1 FTE cybersecurity/money transmitter examiner (\$194,559) and related operating expenses (\$60,000) \$254,559

2021-23 Biennium (Executive Budget Recommendation)

- 1. Increases funding for salaries and wages to promote employee retention \$50,000
- 2. Increases funding for professional development to provide a total of \$363,059 \$130,280
- 3. Reduces funding for travel to provide a total of \$547,376 (\$104,024)
- 4. Increases funding for information technology data processing to provide a total of \$351,744 \$95,789
- 5. Reduces funding for rentals/leases of buildings or land to provide a total of \$152,659 (\$65,425)
- 6. Increases operating expenses for the Financial Literacy Program \$40,000
- 7. Reduces funding for operating fees and services to provide a total of \$75,071 (\$29,459)
- 8. Reduces funding for other operating expenses as part of reprioritization of special funds (\$21,831)
- 9. Reduces funding for professional services to provide a total of \$45,000 (\$19,139)
- 10. Adds funding for Microsoft Office 365 license expenses \$3,305

**GOVERNOR'S RECOMMENDATION FOR THE
DEPT. OF FINANCIAL INSTITUTIONS 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 from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2021 and ending June 30, 2023 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$7,022,654	\$453,220	\$7,475,874
Operating Expenses	1,641,913	29,496	1,671,409
Contingency	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Special Funds	\$8,684,567	\$482,716	\$9,167,283
Full-time Equivalent Positions	31.00	0.00	31.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
IT Project	<u>\$451,305</u>	<u>\$ 0</u>
Total Other Funds	\$451,305	\$ 0

SECTION 3. LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the department of financial institutions may transfer between line items within section 1 of this Act during the biennium beginning July 1, 2021 and ending June 30, 2023. The department of financial institutions shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.