

**Mill and Elevator Association
Budget No. 475
House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	170.00	\$0	\$97,242,033	\$97,242,033 ¹
2021-23 legislative appropriation	<u>156.00</u>	<u>0</u>	<u>88,377,209</u>	<u>88,377,209</u>
2023-25 appropriation increase (decrease) to 2021-23 appropriation	14.00	\$0	\$8,864,824	\$8,864,824

¹The 2023-25 legislative appropriation does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description

Full-time equivalent changes - The Legislative Assembly approved 170 FTE positions for the Mill and Elevator Association for the 2023-25 biennium, an increase of 14 FTE positions. The Legislative Assembly approved 14 undesignated FTE positions for increased milling capacity.

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, including \$45.1 million from the general fund and \$37.4 million from other funds, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

New and vacant FTE funding pool - The Legislative Assembly reduced the 2023-25 biennium other funds appropriation authority for the Mill and Elevator Association by \$4,123,895 for the new and vacant FTE funding pool. Of the \$4,123,895, \$2,367,332 relates to new FTE positions and \$1,756,563 relates to anticipated vacancy savings.

Projects - During the 2023 legislative session, the Mill and Elevator Association identified current and future projects, including a wheat middlings storage and handling facility (\$34 million) and related Phase 2 (\$8 million) and Phase 3 (\$7 million) projects, a durum wheat truck loading bin project (\$4 million), and a whole wheat milling capacity increase project (\$3 million).

Transfer to agricultural products utilization fund - North Dakota Century Code Section 54-18-21, enacted by the Legislative Assembly in 2009, provides that within 30 days after the conclusion of each fiscal year, the Industrial Commission transfer 5 percent of the net income earned by the Mill and Elevator Association during that fiscal year to the agricultural products utilization fund. Money in the fund is available to the Agricultural

Status/Result

Of the 14 new FTE positions, 1 FTE electrician position was filled in July 2023. The Mill and Elevator Association is in the process of hiring 3 FTE second shift terminal mixer positions, anticipates filling 3 FTE middlings facility feed loader positions in October 2024, and anticipates filling 1 FTE equipment oiler position and 1 FTE mechanic position in fiscal year 2025. The mill anticipates filling the remaining 5 FTE fourth shift milling operation positions only if a fourth shift is added.

The Mill and Elevator Association did not receive any funding for targeted market equity increases.

Through January 2024, the Mill and Elevator Association had not received any funding from the new and vacant FTE funding pool and reported estimated vacant FTE position savings of \$868,874 related to an average of 19 vacancies, ranging from 16 to 23 vacancies, for the first 7 months of the 2023-25 biennium. Of the \$868,874, the mill used \$37,242 for accrued leave payouts and \$203,262 for overtime.

The Mill and Elevator Association is in the process of completing the middlings storage and handling project, including the related Phase 2 and Phase 3 projects, for a total project cost of \$56 million. The project is anticipated to be completed by October 2024. The durum wheat truck loading bin project and the whole wheat milling capacity increase project are under consideration as future projects.

The Mill and Elevator Association had fiscal year 2023 income of approximately \$17,200,000 and transferred \$861,913 to the agricultural products utilization fund for the 2nd year of the 2021-23 biennium (fiscal year 2023). The total transferred for both years of the 2021-23 biennium was \$1,595,803. The estimated transfers to the agricultural products utilization fund during the 2023-25 biennium total \$1,800,000.

Products Utilization Commission to provide grants to develop and expand the use of agricultural products.

Transfer to general fund - Section 54-18-19, enacted by the Legislative Assembly in 2009, requires the Industrial Commission transfer to the general fund 50 percent of the annual earnings and undivided profits of the Mill and Elevator Association 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.

The Mill and Elevator Association had fiscal year 2023 income of approximately \$17,300,000 and transferred \$8,188,176 to the general fund for the 2nd year of the 2021-23 biennium (fiscal year 2023). The total transferred for both years of the 2021-23 biennium was \$15,160,126. The 2023 Legislative Assembly estimated the 2023-25 biennium transfers to the general fund would total \$14,700,000.