

Bank of North Dakota  
Budget No. 471  
Senate Bill No. 2014; House Bill No. 1619

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	187.00	\$0	\$97,376,777	\$97,376,777
2025-27 base budget	187.00	0	71,605,483	71,605,483
Legislative increase (decrease) to base budget	0.00	\$0	\$25,771,294	\$25,771,294

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**  
Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026			\$1,825,271	\$1,825,271
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			1,122,988	1,122,988
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$3,106,682 for new positions and \$2,323,303 for vacant positions			5,429,985	5,429,985
Transferred \$3,031,534 for estimated savings from vacant FTE positions from Bank of North Dakota operations line item to the new and vacant FTE pool line item and reduced the amount to \$2,122,074 resulting in the savings as shown			(909,460)	(909,460)
Added funding for the cost to continue 2023-25 biennium salary increases			343,487	343,487
Adjusted funding for operations, including a decrease of \$78,168 for operational savings and an increase of \$403,892 for information technology rate adjustments			325,724	325,724
Transferred \$804,278 from the Bank of North Dakota operations line item to the capital assets line item for base budget adjustments			0	0
Added <b>one-time funding</b> for capital improvements projects			2,633,299	2,633,299
Added <b>one-time funding</b> from the strategic investment and improvements fund (SIIF) for a long-term care facility infrastructure loan program in House Bill No. 1619			15,000,000	15,000,000
Total	0.00	\$0	\$25,771,294	\$25,771,294

### FTE Changes

The Legislative Assembly approved 187 FTE positions for the Bank of North Dakota for the 2025-27 biennium, the same as the 2023-25 biennium.

### One-Time Funding

The following is a summary of one-time funding items for the Bank of North Dakota for the 2025-27 biennium:

	General Fund	Other Funds	Total
Capital improvement projects	\$0	\$2,633,299	\$2,633,299
Long-term care facility infrastructure loan program (SIIF) - House Bill No. 1619	0	15,000,000	15,000,000
Total	\$0	\$17,633,299	\$17,633,299

### Estimated Capital Structure

The following schedule provides an analysis of the Bank of North Dakota's estimated capital structure for the 2025-27 biennium:

	Amount
Estimated beginning capital level (July 1, 2025)	\$1,271,000,000
Estimated 2025-27 biennium profits	393,000,000 <sup>1</sup>
Estimated capital available before transfers	\$1,664,000,000
Estimated 2025-27 biennium transfers	
Transfer to general fund (SB 2014)	(\$140,000,000)
Transfers relating to economic development programs (SB 2014)	(60,000,000)
Transfer to the University of North Dakota for the North Dakota small business development center (SB 2014)	(1,900,000)
Transfer to the Parks and Recreation Department for an interest rate buydown on Theodore Roosevelt Presidential Library line of credit (SB 2014)	(5,000,000)
Transfer to the State Board of Higher Education for a tuition scholarship program for dual-credit courses (HB 1003)	(1,500,000)
Transfer to agricultural products utilization fund (HB 1009)	(3,000,000)
Total estimated 2025-27 biennium transfers	(\$211,400,000)
Estimated ending capital level (June 30, 2027)	\$1,452,600,000

<sup>1</sup>Actual calendar year 2024 profits were \$200 million.

### Profits and Transfers of Profits and Accumulated Earnings

The following schedule provides information on the Bank of North Dakota's profits based on calendar years as well as transfers of profits and accumulated earnings to state funds from the 2013-15 biennium to the 2025-27 biennium:

	Based on Calendar Years	
	Bank Profits	Transfers to State Funds
2013-15 biennium - Calendar years 2013 and 2014	\$205,174,000	\$40,255,000
2015-17 biennium - Calendar years 2015 and 2016	\$266,809,000	\$257,875,000
2017-19 biennium - Calendar years 2017 and 2018	\$303,792,000	\$315,547,000
2019-21 biennium - Calendar years 2019 and 2020	\$310,250,000	\$217,659,000
2021-23 biennium - Calendar years 2021 and 2022	\$335,321,000	\$209,000,000
2023-25 biennium - Calendar years 2023 and 2024	\$393,174,000	\$232,800,000
2025-27 biennium (estimated)	\$393,000,000	\$211,400,000

### Bank of North Dakota Loans and Lines of Credit

The 2025 Legislative Assembly authorized loans and lines of credit from the Bank of North Dakota, as follows:

Bill No.	Description
HB 1008	Public Service Commission - Provides a loan of up to \$900,000 to pay any costs associated with a rail rate complaint case
HB 1012	Department of Health and Human Services - Authorizes a line of credit of up to \$8,411,218 for a child welfare technology project and creates an extraordinary medical needs housing loan fund administered by the Bank of North Dakota to provide loans for new construction projects for individuals with disabilities that have extraordinary medical needs
HB 1015	Office of Management and Budget - Provides a line of credit of up to \$100 million for costs associated with the construction of a new state hospital
HB 1018	State Historical Society - Authorizes a line of credit of up to \$20 million for a military gallery expansion project
HB 1020	Department of Water Resources - Authorizes a line of credit of up to \$100 million for a transfer to the water infrastructure revolving loan fund to provide funding for local cost-share loans and increases a line of credit by \$160 million, from \$100 million to \$260 million, to provide funding for water projects
HB 1027	Office of Management and Budget - Changes borrowing authority from the Insurance Commissioner to the Office of Management and Budget for the state fire and tornado fund related to changing the administration of the fund from the Insurance Commissioner to the Office of Management and Budget
HB 1332	Agriculture Commissioner - Authorizes a line of credit of up to \$30 million for deposit in the agriculture diversification and development fund to provide funding for a value-added agriculture production facility incentive grant program
HB 1487	Office of Management and Budget - Provides a line of credit of up to \$5.6 million to construct a facility in Minot to lease to other state agencies
HB 1577	Department of Environmental Quality - Provides a line of credit of up to \$9.7 million for wastewater infrastructure grants
SB 2014	Industrial Commission - Increases the amount the North Dakota Pipeline Authority may borrow for pipeline capacity positions by \$40 million, from \$60 million to \$100 million
SB 2015	Department of Corrections and Rehabilitation - Authorizes a contingent line of credit of up to \$989,891 for purchasing tasers, body cameras, and ballistic vests if federal funding is not available
SB 2017	Office of Administrative Hearings - Allows for borrowing of up to \$150,000 to manage cash flow needs
SB 2018	Department of Commerce - Provides a line of credit of up to \$25 million for a transfer to the North Dakota Development Fund
SB 2188	Industrial Commission - Extends the Clean Sustainable Energy Authority's access to a \$390 million line of credit through June 30, 2029
SB 2265	Department of Veterans' Affairs - Authorizes a line of credit of up to \$3 million for a grant to a nonprofit organization for construction costs associated with infrastructure at a veterans' national cemetery
SB 2342	Agriculture Commissioner - Authorizes a line of credit of up to \$5 million for deposit in the agriculture diversification and development fund to provide funding for a value-added milk processing facility incentive program

#### Other Sections in Senate Bill No. 2014

**New and vacant FTE pool line item** - Section 3 provides guidelines regarding the use of funding in the new and vacant FTE pool line item.

**Transfer to general fund** - Section 9 transfers \$140 million from the Bank of North Dakota's current earnings and undivided profits to the general fund during the 2025-27 biennium.

**Transfers for other programs** - Section 10 transfers \$60 million from Bank of North Dakota profits to economic development programs, \$1.9 million to the University of North Dakota small business development center to match federal funds, and up to \$5 million to the Parks and Recreation Department for an interest rate buydown on the line of credit for the Theodore Roosevelt Presidential Library project.

**Rail revolving loan fund** - Sections 11, 20, and 24 create a new rail revolving loan fund to provide loans for rail infrastructure improvements, require the Department of Transportation to coordinate with the Bank of North Dakota for rail projects financed from the new fund, and transfer any outstanding loans and money in the rail fund to the newly created rail revolving loan fund.

**Confidential and exempt Bank of North Dakota records** - Sections 17 and 18 amend statutory provisions relating to Bank records to clarify the confidentiality of indirect financing records and to exempt insurance coverage from open records.

**Rebuilders loan program** - Section 19 amends the rebuilders loan program to allow loans for weather-related incidents or economic hardships as determined by the Governor.

**North Dakota Pipeline Authority borrowing** - Section 21 increases loan guarantees from SIIF by \$20 million, from \$140 million to \$160 million, reflecting an increase of \$40 million for North Dakota Pipeline Authority borrowing and a decrease of \$20 million for other loan guarantees. Section 26 increases the amount the North Dakota Pipeline Authority may borrow for pipeline capacity positions by \$40 million, from \$60 million to \$100 million. Section 32 provides an effective date of July 1, 2027, related to the increased funding available from SIIF for the loan guarantees.

**Partnership in assisting community expansion (PACE)** - interest rate buydowns - Section 22 increases the amount of funding that may be used for interest rate buydowns under the PACE fund from \$500,000 to \$1.5 million for projects with a substantial economic impact and removes the matching requirement for the additional \$1 million of interest rate buydown funding.

**Economic development study** - Section 31 requires the Bank of North Dakota to study economic development opportunities in western North Dakota in coordination with the Department of Commerce and oil-producing counties and to provide reports on the results of the study. However, the **Governor vetoed this section**, which also removed \$250,000 of appropriation authority related to the study.

#### **Related Legislation**

**House Bill No. 1015 - Contingent loan repayment** - Provides a contingent appropriation of \$13.6 million from the general fund to pay the outstanding balance and accrued interest on a Bank of North Dakota loan related to state costs incurred for responding to unlawful protests if the state receives at least \$13.6 million from the federal government in a judgment award.

**House Bill No. 1018 - Military gallery line of credit repayment** - Appropriates \$4.2 million from SIIF for the repayment of a line of credit from the Bank of North Dakota for the military gallery expansion project.

**House Bill No. 1020 - Water infrastructure revolving loan fund** - Transfers \$40 million from the resources trust fund to the water infrastructure revolving loan fund to provide funding for water project loans.

**House Bill No. 1024 - Loan repayment intent** - Provides legislative intent for the Attorney General to seek reimbursement from the federal government to repay a Bank of North Dakota loan related to state costs incurred for responding to unlawful protests.

**House Bill No. 1278 - Cash management board** - Creates a cash management board to review existing policies and procedures for the management of money in the state treasury in coordination with the State Treasurer and Bank of North Dakota and requires the Bank to provide staff services for the board.

**House Bill No. 1369 - School construction assistance revolving loan fund** - Changes the loan amounts available to school districts to decrease the loan amount for projects totaling less than \$75 million by \$5 million, from \$15 million to \$10 million, and to decrease the loan amount for projects totaling \$75 million or more by \$10 million, from \$30 million to \$20 million.

**House Bill No. 1619 - Long-term care facility infrastructure loan program** - Creates a long-term care facility infrastructure loan program and appropriates \$15 million from SIIF to the Bank of North Dakota to provide funding for the loan program.

**Senate Bill No. 2003 - Profit transfers** - Extends the period for the Bank of North Dakota to transfer profits to the skilled workforce student loan repayment program fund, the skilled workforce scholarship fund, and the State Board of Higher Education for dual-credit tuition scholarships through June 30, 2027.

**Senate Bill No. 2149 - Air Force base school construction project** - Expands the school construction assistance revolving loan fund to allow school construction projects on an Air Force base to qualify for a loan from the fund.

**Senate Bill No. 2188 - Clean Sustainable Energy Authority** - Extends access to a \$390 million line of credit from the Bank of North Dakota through June 30, 2029.