

DEPARTMENT 471 - BANK OF NORTH DAKOTA 2025-27 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Bank of North Dakota operations	\$70,899,761
Capital assets	<u>705,722</u>
Total special funds	\$71,605,483
Full-time equivalent (FTE) positions	187.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for state employee salary and benefits for 187 FTE positions (\$38,958,815) and temporary salaries (\$886,285)	\$0	\$39,845,100	\$39,845,100
2. Includes funding for operating expenses, primarily related to information technology costs (\$20,019,366), travel and professional development (\$1,696,233), postage (\$678,500), and repairs (\$406,750)	\$0	\$28,054,661	\$28,054,661
3. Includes funding for Bank of North Dakota contingencies, the same as the 2021-23 and 2023-25 bienniums	\$0	\$3,000,000	\$3,000,000
4. Includes funding for capital assets, including information technology equipment and software	\$0	\$705,722	\$705,722

Continuing Appropriations

Agriculture diversification and development fund - North Dakota Century Code Section 4.1-01.1-07 - Loans and grants to support new or expanding value-added agriculture businesses. For the 2021-23 biennium, the fund had \$10,000,000 of transfers from the general fund, \$1,896,000 of expenditures, and a fund balance of \$8,104,000 on June 30, 2023.

PACE fund - Section 6-09.14-02 - Buy down interest rates on loans for new or expanding businesses. For the 2021-23 biennium, the fund had \$47,902,075 of revenues, \$29,960,686 of expenditures, and a fund balance of \$81,264,781 on June 30, 2023.

Ag PACE fund - Section 6-09.13-04 - Buy down interest rates on agriculture-related loans. For the 2021-23 biennium, the fund had \$6,500,000 of revenues, \$4,962,583 of expenditures, and a fund balance of \$4,841,355 on June 30, 2023.

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. For the 2021-23 biennium, the fund had \$9,000,000 of transfers from Bank profits, \$3,400,000 of transfers from PACE funds, \$5,465 of other revenues, \$13,335,702 of interest rate buydowns, \$12,545 of administrative expenses, and a fund balance of \$1,489,078 on June 30, 2023.

College SAVE plan - Section 6-09-38 - Higher education savings plan. For calendar years 2022 and 2023, the Bank's administrative fees from the fund totaled \$1,141,069.

North Dakota achieving a better life experience plan - Section 6-09-38.1 - Savings plans for individuals with disabilities. The Bank has not established a program to administer plans, but plans are available through other states. For the 2021-23 biennium the fund had \$0 of revenues, \$0 of expenditures, and a fund balance of \$0 on June 30, 2023.

Rebuilders permanent loan fund - Section 6-09-46.2 - Loan program for residents affected by extraordinary losses from a presidentially declared disaster or governor-declared disaster or emergency in the state. For the 2021-23 biennium, the fund had \$850,534 of interest and investment revenue, \$27,570,085 of transfers from the consolidation of other loan programs, \$183,098 of expenditures, and a fund balance of \$28,413,432 on June 30, 2023.

Medical facility infrastructure loan fund - Section 6-09-47 - Loans for medical facility construction. For the 2021-23 biennium, the fund had \$923,000 of revenues, \$458,000 of expenditures, and a fund balance of \$50,678,000 on June 30, 2023.

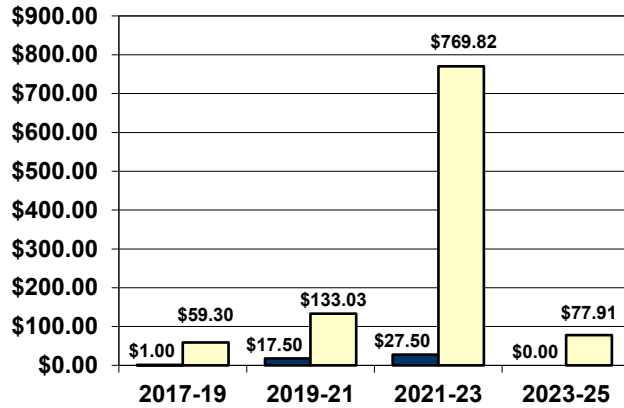
Federal student loan proceeds - Section 6-09-48 - Funds received in relation to federal student loans used to support the functions of the Bank related to higher education programs. For the 2021-23 biennium, the fund had \$1,088,092 of revenues, \$275,000 of expenditures, and a balance of \$813,092.

Infrastructure revolving loan fund - Section 6-09-49 - Loans for political subdivision infrastructure projects. For the 2021-23 biennium, the fund had \$4,704,000 of interest and investment revenue, \$26,742,000 of bond proceeds deposited in the fund, \$1,599,000 of expenditures, and a fund balance of \$156,610,000 on June 30, 2023.

Historical Appropriations Information

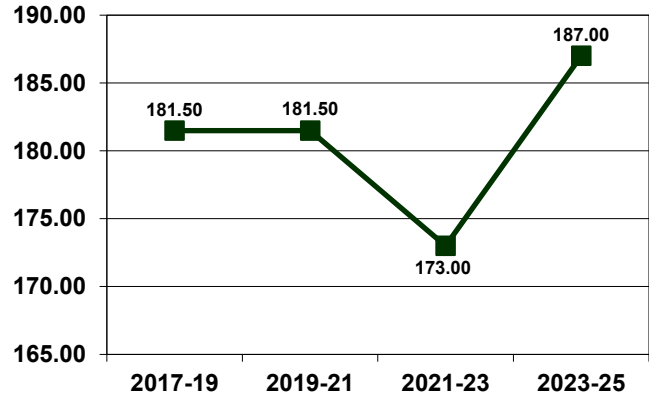
Agency Appropriations and FTE Positions

Agency Funding (Millions)



■ General Fund □ Other Funds

FTE Positions



Ongoing Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing other funds appropriations	\$59,287,301	\$59,299,204	\$64,357,799	\$68,816,548	\$71,605,483
Increase (decrease) from previous biennium	N/A	\$11,903	\$5,058,595	\$4,458,749	\$2,788,935
Percentage increase (decrease) from previous biennium	N/A	0.0%	8.5%	6.9%	4.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	0.0%	8.6%	16.1%	20.8%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

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 (IT) equipment \$65,000

2019-21 Biennium

1. Increased funding for Bank operations related to IT costs (\$876,800); professional development and services (\$139,508); Microsoft Office 365 licensing costs (\$37,352); and utilities, insurance, and other operating expenses (\$250,000) \$1,303,660
2. Decreased funding for Bank operations related to postage and temporary employees (\$75,550)
3. Increased funding for Bank contingencies to provide total contingency funding of \$3.5 million \$1,000,000
4. Added funding for IT equipment and software to provide total funding of \$1.51 million for capital assets \$700,000

2021-23 Biennium

1. Transferred 16 FTE positions to the Information Technology Department for a unification initiative resulting in a decrease in salaries and wages of \$3,287,172 and an increase in operating expenses of \$3,370,515 \$83,343
2. Added 7.5 new undesignated FTE positions to support future growth in Bank operations \$1,024,128
3. Increased funding for IT expenses (\$1,811,661) and Microsoft Office 365 licensing expenses (\$21,812) \$1,833,473
4. Decreased funding for Bank contingencies to provide total contingency funding of \$3 million (\$500,000)

- 5. Added funding during the November 2021 special legislative session for salaries and wages to provide funding for the 2nd year of the biennium for new FTE positions authorized in the 2021 regular legislative session \$1,025,369

2023-25 Biennium

- 1. Added funding for 14 FTE positions, including 2 credit underwriter positions, 2 valuation supervisor positions, 2 collateral valuation positions, 1 collateral valuation analyst position, 1 loan operations supervisor position, 1 loan servicing supervisor position, 2 loan servicing associate positions, 2 business banking associate positions, and 1 staff accountant position \$3,106,682
- 2. Increased funding for shared software and service rate increases (\$44,660) and the Information Technology Department rate changes (\$405,524) \$450,184

One-Time Other Funds Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time other funds appropriations	\$17,000,000	\$0	\$68,677,183	\$701,000,000	\$6,304,278

Major One-Time Other Funds Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

- 1. Added one-time federal Coronavirus (COVID-19) funding for grants to assist businesses with interest expense associated with debt incurred prior to the COVID-19 pandemic \$68,677,183

2021-23 Biennium

- 1. Added one-time funding from bond proceeds for allocations to infrastructure projects and programs \$680,000,000
- 2. Added one-time funding from the federal State Fiscal Recovery Fund for a fuel production facility incentive program \$21,000,000

2023-25 Biennium

- 1. Added one-time funding from the economic diversification fund for grants to institutions under the control of the State Board of Higher Education \$5,500,000
- 2. Added one-time funding for IT projects \$804,278