

**Housing Finance Agency
Budget No. 473
Senate Bill No. 2014**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	59.00	\$0	\$70,186,943	\$70,186,943
2025-27 base budget	54.00	2,500,000	68,742,347	71,242,347
Legislative increase (decrease) to base budget	5.00	(\$2,500,000)	\$1,444,596	(\$1,055,404)

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$0	\$0	\$0
2023-25 legislative appropriations	2,500,000	13,750,000	16,250,000
2025-27 legislative increase (decrease) to 2023-25 appropriations	(\$2,500,000)	(\$13,750,000)	(\$16,250,000)
Percentage increase (decrease) to 2023-25 appropriations	(100.0%)	(100.0%)	(100.0%)

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			\$488,030	\$488,030
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			336,296	336,296
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$986,476 for new positions and \$465,165 for vacant positions			1,451,641	1,451,641
Added 2 FTE homeownership and loan specialist positions	2.00		369,592	369,592
Added 1 FTE accountant position	1.00		257,410	257,410
Added 1 FTE homeless program manager position	1.00		213,880	213,880
Added 1 FTE business analyst position	1.00		257,410	257,410
Transferred \$1,098,292 for 5 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$988,463 resulting in the savings as shown			(109,829)	(109,829)

Transferred \$620,424 for estimated savings from vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$434,297 resulting in the savings as shown			(186,127)	(186,127)
Adjusted funding for operating expenses, including an increase of \$44,453 for information technology rate adjustments and a decrease of \$1,478,160 for budgetary savings			(1,433,707)	(1,433,707)
Decreased funding for grants, including a decrease of \$200,000 from federal funds related to budgetary savings and the removal of \$2.5 million from the general fund related to homeless grants		(\$2,500,000)	(200,000)	(2,700,000)
Total	5.00	(\$2,500,000)	\$1,444,596	(\$1,055,404)

FTE Changes

The Legislative Assembly approved 59 FTE positions for the Department of Trust Lands for the 2025-27 biennium, an increase of 5 FTE position from the 2023-25 biennium authorized level of 54 FTE positions. The Legislative Assembly added 2 FTE homeownership and loan specialist positions, 1 FTE accountant position, 1 FTE homeless program manager position, and 1 FTE business analyst position.

Housing Incentive Fund

Senate Bill No. 2210 (2011) created a special revolving housing incentive fund and provided a continuing appropriation to the Housing Finance Agency for disbursements from the fund to address housing needs in the state. House Bill No. 1014 (2015) continued the housing incentive fund into the 2015-17 biennium and amended the fund to limit the origination fee to 5 percent per award. Senate Bill No. 2014 (2017) removed the expiration date associated with the housing incentive fund and changed the reporting requirements for the Housing Finance Agency. The report to the Budget Section was changed from a quarterly report to a biennial report. The report to the Industrial Commission was incorporated into the reporting requirements of the fund, and a separate section of North Dakota Century Code requiring the report to the Industrial Commission was repealed. House Bill No. 1014 (2019) decreased the amount of funding designated for developing communities by 10 percent, from 25 to 15 percent and removed the prioritization and reporting requirements related to essential service workers. Senate Bill No. 2014 (2021) decreased the amount of funding designated for developing communities by 5 percent, from 15 to 10 percent, and designated 10 percent for projects to prevent homelessness. House Bill No. 1014 (2023) removed the 10 percent designation for projects to prevent homelessness and expanded the eligible uses of funding to include single family housing projects.

The Legislative Assembly has provided the following funding for the housing incentive fund:

	General Fund	Income Tax Credits	Bank of North Dakota Profits	Total
2011-13 biennium - Senate Bill No. 2210 (2011) and Senate Bill No. 2371 (2011) ¹		\$15,000,000		\$15,000,000
2013-15 biennium - House Bill No. 1029 (2013) and Senate Bill No. 2014 (2013) ²	\$15,400,000	20,000,000		35,400,000
2015-17 biennium - House Bill No. 1014 (2015) ³		30,000,000	\$10,000,000	40,000,000
2017-19 biennium - Senate Bill No. 2014 (2017) ⁴				
2019-21 biennium - House Bill No. 1014 (2019) ⁵	7,500,000			7,500,000
2021-23 biennium - Senate Bill No. 2014 (2021) ⁶	9,500,000			9,500,000
2023-25 biennium - House Bill No. 1014 (2023) ⁷	13,750,000			13,750,000
2025-27 biennium - Senate Bill No. 2014 (2025) ⁸				
Total	\$46,150,000	\$65,000,000	\$10,000,000	\$121,150,000

¹Senate Bill No. 2210 (2011) authorized a tax credit for income tax purposes for contributions to the fund, not to exceed an aggregate amount of \$4 million per biennium for all eligible contributors. Senate Bill No. 2371 (2011) increased the aggregate tax credit limit to \$15 million per biennium.

²Senate Bill No. 2014 (2013) provided for a one-time transfer of \$15.4 million from the general fund to the housing incentive fund. The bill continued the housing incentive fund tax credit through the first 2 taxable years after December 31, 2012, and increased the aggregate amount of tax credits allowed to all eligible contributors from \$15 million to \$20 million per biennium. Similar provisions were also included in House Bill No. 1029 (2013).

³House Bill No. 1014 (2015) provided for a transfer of \$5 million from the Bank of North Dakota's profits to the housing incentive fund with an emergency clause. The bill also provided a contingent transfer of \$5 million from the Bank's profits to the housing incentive fund if the Bank's profits exceeded \$130 million during calendar year 2015. The contingency was met, and the \$5 million was transferred to the housing incentive fund. The Legislative Assembly increased the funding available to the housing incentive fund through income tax credits from \$20 million to \$30 million.

⁴The 2017 Legislative Assembly did not provide any new funding for the housing incentive fund for the 2017-19 biennium.

⁵House Bill No. 1014 (2019) transferred \$7.5 million from the general fund to the housing incentive fund for the 2019-21 biennium.

⁶Senate Bill No. 2014 (2021) transferred \$9.5 million from the general fund to the housing incentive fund for the 2021-23 biennium.

⁷House Bill No. 1014 (2023) transfers \$13.75 million from the general fund to the housing incentive fund for the 2023-25 biennium.

⁸The 2025 Legislative Assembly provided \$35 million for the housing incentive fund for the 2025-27 biennium, including \$10 million from the general fund for homelessness programs and \$25 million from the strategic investment and improvements fund (SIIF) for housing projects and programs. However, the Governor vetoed this funding.

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.

Additional income - Section 6 provides appropriation authority to the Housing Finance Agency for any additional or unanticipated income from federal or other funds which may become available during the 2025-27 biennium. The section also requires the Housing Finance Agency to notify the Office of Management and Budget and the Legislative Council of additional income received resulting in an increase in appropriation authority.

Transfers to housing incentive fund - Section 7 appropriates and transfers \$10 million from the general fund to HIF for homelessness programs, transfers \$25 million from SIIF to HIF for housing programs, and designates \$150,000 for a grant to an organization for a Native American homelessness liaison. However, **the Governor vetoed this section** so no new funding is available for the housing incentive fund for the 2025-27 biennium.

Housing incentive fund administrative expenses - Section 16 identifies \$213,880 from the housing incentive fund for homelessness program position. Section 25 amends the housing incentive fund to allow money in the fund to be used for administrative expenses subject to legislative appropriation.

Homelessness study - Section 30 provides for a legislative management study of homelessness.

Related Legislation

There is no major related legislation affecting this agency.