

**Mill and Elevator Association  
Budget No. 475  
Senate Bill No. 2014**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2025-27 legislative appropriations</b>	<b>172.00</b>	<b>\$0</b>	<b>\$108,440,415</b>	<b>\$108,440,415</b>
2025-27 base budget	170.00	0	97,410,920	97,410,920
Legislative increase (decrease) to base budget	2.00	\$0	\$11,029,495	\$11,029,495

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

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
The legislative action:				
Added funding to provide employee salary increases subject to union negotiations			\$2,545,656	\$2,545,656
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month			1,032,908	1,032,908
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$2,367,332 for new positions and \$1,756,563 for vacant positions			4,123,895	4,123,895
Added 2 FTE railcar inspector positions	2.00		359,808	359,808
Transferred \$359,808 for 2 new FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$323,827 resulting in the savings as shown			(35,981)	(35,981)
Transferred \$2,356,718 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 \$1,649,703 resulting in the savings as shown			(707,015)	(707,015)
Added salaries and wages funding for overtime or a 4 <sup>th</sup> shift in milling operations			1,000,000	1,000,000
Added funding for operating expenses, including \$10,224 for information technology rate adjustments and \$2.7 million for milling capacity increases related to insurance, utilities, supplies, and other operating expenses			2,710,224	2,710,224
Total	2.00	\$0	\$11,029,495	\$11,029,495

### FTE Changes

The Legislative Assembly approved 172 FTE positions for the Mill and Elevator Association for the 2025-27 biennium, an increase of 2 FTE positions from the 2023-25 biennium authorized level of 170 FTE positions. The Legislative Assembly approved 2 FTE railcar inspector positions.

### Gain-Sharing Program

The gain-sharing program was implemented in 1990 with the primary goal of incentivizing employees to maximize profits and production through teamwork while maintaining a safe working environment. Each year, the Industrial Commission reviews and approves the criteria for the program. The following schedule provides information on the Mill and Elevator Association's profits and the gain-sharing program from fiscal year 2014 to fiscal year 2024:

	Profits (Losses) <sup>1</sup>	Gain-Sharing Payout to Employees	Gain-Sharing as a Percentage of Employees' Wages
2013-15 biennium - Fiscal year 2014	\$13,351,343	\$1,389,214	18.09%
2013-15 biennium - Fiscal year 2015	\$16,675,348	\$1,805,863	21.84%
2015-17 biennium - Fiscal year 2016	\$9,336,618	\$1,274,309	14.86%
2015-17 biennium - Fiscal year 2017	\$9,719,163	\$1,487,019	15.50%
2017-19 biennium - Fiscal year 2018	\$14,188,276	\$2,191,199	20.82%
2017-19 biennium - Fiscal year 2019	\$10,622,211	\$1,670,277	15.63%
2019-21 biennium - Fiscal year 2020	\$11,418,612	\$2,016,447	18.99%
2019-21 biennium - Fiscal year 2021	\$13,460,320	\$2,742,209	24.62%
2021-23 biennium - Fiscal year 2022	\$14,677,789	\$2,764,190	22.47%
2021-23 biennium - Fiscal year 2023	\$17,238,265	\$3,375,154	27.78%
2023-25 biennium - Fiscal year 2024	\$20,795,168	\$3,898,722	29.84%

<sup>1</sup>The amounts shown for profits and losses reflect the Mill and Elevator Association's profits after any gain-sharing payouts but before any transfers to state funds.

### Major Expansion and Renovation Projects

The Mill and Elevator Association regularly undertakes various capital projects that are financed through a line of credit and loans at the Bank of North Dakota. The repayments are deducted prior to determining the Mill and Elevator Association's profits. The schedule below provides information on major expansion and renovation projects:

Fiscal Year	Project Description	Cost
2007	Constructed a new C mill to increase spring wheat milling capacity	\$6.3 million
2009	Constructed a new E mill resulting in a production capacity increase of 1,000 hundredweights (cwt) per day of spring wheat	\$2.4 million
2010	Expanded the D mill resulting in a production capacity increase of 1,000 cwt per day of durum wheat	\$2.4 million
2013	Three phase renovation and expansion of the K mill	\$8.4 million
2015	Construction of a new G mill and additional flour storage	\$38.7 million
2016	Constructed a high-speed truck and rail unloading system to receive wheat	\$9.3 million
2018	Phase 2 high-speed rail unloading system and increased grain storage	\$24.7 million
2020	Terminal receiving scales and conveyors	\$8.5 million
2021	Automated flour packing system	\$4.7 million
2022	Construction of new H and I mills to increase spring wheat capacity by 8,000 cwt per day and durum wheat capacity by 3,000 cwt per day	\$24.5 million
2025	Phase 1 wheat middlings storage and handling facility	\$34 million
2025	Phase 2 wheat middlings storage and handling facility (\$8 million); Phase 3 wheat middlings storage and handling facility (\$7 million); Durum wheat truck loading bins (\$4 million); Increase whole wheat milling capacity (\$3 million)	\$22 million
Potential future projects	Modernization of terminal elevator; Add a 9 <sup>th</sup> floor to the A and B mills to increase milling capacity; Install additional electrical generators	Unknown

### Profits and Transfers of Profits

Beginning in the 2009-11 biennium, 5 percent of the Mill and Elevator Association's annual profits are transferred to the agricultural products utilization fund and 50 percent of the remaining annual profits are transferred to the general fund pursuant to North Dakota Century Code Sections 54-18-19 and 54-18-21. The 2013 Legislative Assembly limited the transfers from the Mill and Elevator Association's profits to the general fund to \$6,817,200 for the 2013-15 biennium. Section 20

of Senate Bill No. 2014 (2017) increased the transfer of annual profits to the general fund from 50 to 75 percent, and pursuant to the expiration date in Section 32 of the bill, the increase was effective only for the 2017-19 biennium.

The following schedule provides information on the Mill and Elevator Association's profits and the transfer of profits to state funds from the 2013-15 biennium to the 2025-27 biennium:

	Profits (Losses) <sup>1</sup>	Transfers to State Funds
2011-13 biennium	\$19,955,625	\$10,506,703
2013-15 biennium	\$30,026,691	\$8,318,534
2015-17 biennium	\$19,055,782	\$10,004,285
2017-19 biennium	\$24,810,487	\$18,917,997
2019-21 biennium	\$24,878,932	\$13,061,439
2021-23 biennium	\$31,916,054	\$15,160,125
2023-25 biennium (estimated)	\$38,800,000	\$20,500,000
2025-27 biennium (estimated)	\$42,100,000	\$22,100,000

<sup>1</sup>The amounts shown for profits and losses reflect the Mill and Elevator Association's profits before any gain-sharing payouts and transfers to state funds.

#### 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.

#### Related Legislation

There is no major related legislation affecting this agency.