



Department of Financial Institutions
Department No. 413
2025 Senate Bill No. 2008

EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	38.00	\$0	\$13,336,731	\$13,336,731
Base level	35.00	0	10,349,756	10,349,756
Increase (decrease)	3.00	\$0	\$2,986,975	\$2,986,975
Percentage increase (decrease)	8.6%	N/A	28.9%	28.9%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds funding to replace the 2023-25 vacant FTE pool (\$240,201) and the 2023-25 new FTE pool (\$826,742)
- Transfers \$362,920 from the operating expense line item to the salaries and wages line item, including \$159,485 for base payroll changes associated with the cost to continue salary increases and \$203,435 for other salary adjustments and equity increases
- Adds \$906,783 for 3 FTE positions and related operating expenses, including 1 FTE bank examiner position, 1 FTE information technology examiner position, and 1 FTE money transmitter examiner position
- Adds \$302,798 for operating expense increases related to information technology rate increases (\$57,007), legal fees (\$55,791), and examination process automation (\$190,000)

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 71 fees. The agency did not recommend any changes to the fees.

Major Related Legislation

Senate Bill No. 2028 - Budget approval process and continuing appropriation - Provides a continuing appropriation to the department, removing it from the appropriations process; requires the State Banking Board and State Credit Union Board to approve the budget for the department; and requires the department to report to the Appropriations Committees during each legislative session.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Department of Financial Institutions - Budget No. 413
Agency Worksheet - Senate Bill No. 2008

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	35.00	\$0	\$10,349,756	\$10,349,756
2025-27 Ongoing Funding Changes				
Salary increase			\$488,256	\$488,256
Health insurance increase			222,195	222,195
Funding to replace the 2023-25 vacant FTE pool			240,201	240,201
Funding to replace the 2023-25 new FTE pool			826,742	826,742
Transfers \$159,485 from operating to salaries - Base				0
Transfers \$203,435 from operating to salaries - Equity				0
FTE bank examiner position	1.00		302,261	302,261
FTE information technology examiner position	1.00		302,261	302,261
FTE money transmitter examiner position	1.00		302,261	302,261
Information technology rate increases			57,007	57,007
Legal fees			55,791	55,791
Examination process automation			190,000	190,000
Total ongoing funding changes	3.00	\$0	\$2,986,975	\$2,986,975
One-Time Funding Items				
No one-time funding items				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	3.00	\$0	\$2,986,975	\$2,986,975
2025-27 Total Funding	38.00	\$0	\$13,336,731	\$13,336,731

Federal funds included in other funds

\$0

Total ongoing changes - Percentage of base level

8.6%

N/A

28.9%

28.9%

Total changes - Percentage of base level

8.6%

N/A

28.9%

28.9%

Other Sections in Department of Financial Institutions - Budget No. 413

Section Description	Executive Budget
FTE position adjustments	Section 3 would authorize the Department of Financial Institutions to increase or decrease authorized FTE positions subject to the availability of funds.
Continuing appropriation	Section 4 would provide a continuing appropriation to the department and would require the department's budget to be approved by the State Banking Board and State Credit Union Board.

Sixty-ninth
Legislative Assembly
of North Dakota

**SENATE BILL NO. 2008
(Governor’s Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the department of financial institutions; to amend and reenact section 6-01-01.1 of the North Dakota Century Code, and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2025 and ending June 30, 2027 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$8,182,839	\$2,942,736	\$11,125,575
Operating Expenses	2,146,917	44,239	2,191,156
Contingency	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Special Funds	\$10,349,756	\$2,986,975	\$13,336,731
Full-time Equivalent Positions	35.00	3.00	38.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
	<u>\$0</u>	<u>\$0</u>
Total Other Funds	\$0	\$0

SECTION 3. EXEMPTION – FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of the law, the department of financial institutions may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The department of financial institutions shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.

SECTION 4. AMENDMENT. Section 6-01-01.1 of the North Dakota Century Code is amended and reenacted as follows:

6-01-01.1. Regulatory fund established – Uses – Continuing appropriation.

1. There is created a special fund designated as the financial institutions regulatory fund. The amounts received under the following chapters, and any other moneys received by the department of financial institutions, must be deposited into this fund: chapters 6-01, 6-03, 6-05, 6-06, 6-10, 13-04.1, 13-05, 13-08, 13-09.1, 13-10, and 13-11.
2. All moneys deposited in the financial institutions regulatory fund are reserved for use by the department of financial institutions to defray the expenses of the department in the discharge of its administrative and regulatory powers and duties as prescribed by law, subject to the applicable laws

relating to the appropriation of state funds and to the deposit and expenditure of state moneys.

3. All moneys in the financial institutions regulatory fund are appropriated on a continuing basis to the department of financial institutions to carry out its administrative and regulatory powers and duties within the limits of an annual or biennial budget approved by the state banking board and state credit union board.
4. The department of financial institutions is responsible for the proper expenditure of these moneys as provided by law and shall document the revenues and expenditures of the fund at the time and in the manner required by the office of management and budget.
5. Any cash balances in the financial institutions regulatory fund after all current biennium expenditures are met must be carried forward in the financial institutions regulatory fund for the next succeeding biennium.
6. All moneys derived from the investment of any portion of the financial institutions regulatory fund must be credited to the fund.