

Department 120 - State Treasurer
Senate Bill No. 2005

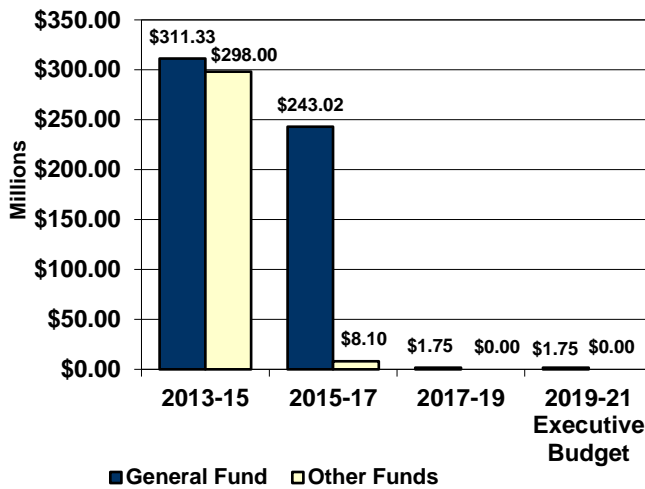
Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2019-21 Executive Budget	7.00	\$1,748,039	\$0	\$1,748,039
2017-19 Legislative Appropriations	7.00	1,747,399	0	1,747,399
Increase (Decrease)	0.00	\$640	\$0	\$640

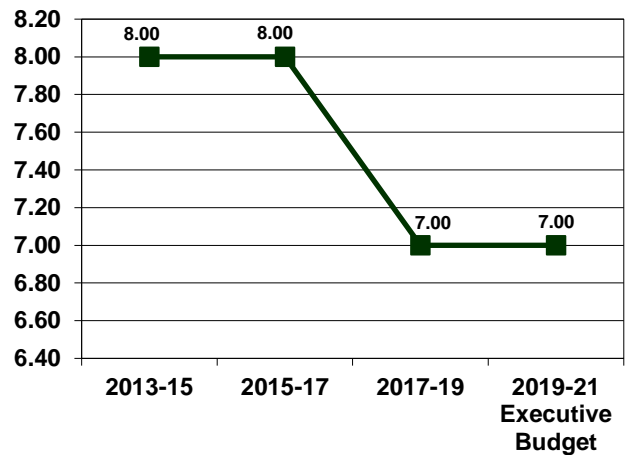
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 Executive Budget	\$1,748,039	\$0	\$1,748,039
2017-19 Legislative Appropriations	1,747,399	0	1,747,399
Increase (Decrease)	\$640	\$0	\$640

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2019-21 Executive Budget	\$1,748,039	\$0	\$1,748,039
2019-21 Base Level	1,747,399	0	1,747,399
Increase (Decrease)	\$640	\$0	\$640

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$54,456 is for salary increases, \$26,450 is for health insurance increases, and \$7,104 is for retirement increases. The Senate added funding for salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month. The Senate did not add funding for retirement contribution increase. The Senate also added \$14,621 for a salary equity increase for the State Treasurer.	\$88,010	\$0	\$88,010
2. Reduces funding for operating expenses primarily related to information technology costs	(\$59,031)	\$0	(\$59,031)

3. Reduces funding for the estimated coal severance payments related to the allocation formula change in Section 4 of House Bill No. 1005 (2017)	(\$9,000)	\$0	(\$9,000)
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Other Sections in Senate Bill No. 2005

Salary of State Treasurer - Section 2 provides the statutory changes necessary to provide a salary equity increase to the State Treasurer of \$5,889 per year, increasing the current annual salary of \$99,881 to \$105,770 and to increase the salary to \$107,885 (2 percent) in fiscal year 2020 and to \$111,122 (3 percent) in fiscal year 2021. The salary equity increase aligns the State Treasurer's salary with the salary of next lowest-paid state elected official.

Significant Audit Findings

The operational audit for the State Treasurer's office conducted by the State Auditor's office during the 2017-18 interim identified no significant audit findings.

Major Related Legislation

House Bill No. 1014 - Changes the oil and gas tax revenue allocations to the North Dakota outdoor heritage fund and the oil and gas research fund.

House Bill No. 1066 - Changes the oil and gas tax revenue allocation formulas and creates two infrastructure funds for grants to non-oil-producing counties, cities, and townships for infrastructure projects.

House Bill No. 1074 - Authorizes additional background checks for employees of the State Treasurer's office related to federal requirements.

House Bill No. 1530 - Transfers 50 percent of the legacy fund earnings to a newly created legacy income tax reduction fund rather than the general fund.

House Concurrent Resolution No. 3055 - Requires a two-thirds vote to spend the legacy fund earnings and retains the earnings in the fund rather than transferring them to the general fund at the end of each biennium.

Senate Bill No. 2036 - Removes obsolete language related to the coal conversion tax allocations made by the State Treasurer.

Senate Bill No. 2249 - Provides for oil and gas tax revenue allocations to a newly created state energy research center fund.

Senate Bill No. 2282 - Transfers 15 percent of the legacy fund earnings to a newly created economic diversification research grant fund rather than the general fund.

State Treasurer - Budget No. 120
Senate Bill No. 2005
Base Level Funding Changes

	Executive Budget Recommendation				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2019-21 Biennium Base Level	7.00	\$1,747,399	\$0	\$1,747,399	7.00	\$1,747,399	\$0	\$1,747,399
2019-21 Ongoing Funding Changes								
Base payroll changes		(\$19,339)		(\$19,339)		(\$19,339)		(\$19,339)
Salary increase		54,456		54,456		38,142		38,142
Health insurance increase		26,450		26,450		31,234		31,234
Retirement contribution increase		7,104		7,104				0
Provides an equity increase to the State Treasurer				0		14,621		14,621
Reduces funding for information technology costs		(59,031)		(59,031)		(59,031)		(59,031)
Adjusts funding for coal severance payments		(9,000)		(9,000)		(9,000)		(9,000)
Total ongoing funding changes	0.00	\$640	\$0	\$640	0.00	(\$3,373)	\$0	(\$3,373)
One-time funding items				\$0				\$0
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$640	\$0	\$640	0.00	(\$3,373)	\$0	(\$3,373)
2019-21 Total Funding	7.00	\$1,748,039	\$0	\$1,748,039	7.00	\$1,744,026	\$0	\$1,744,026

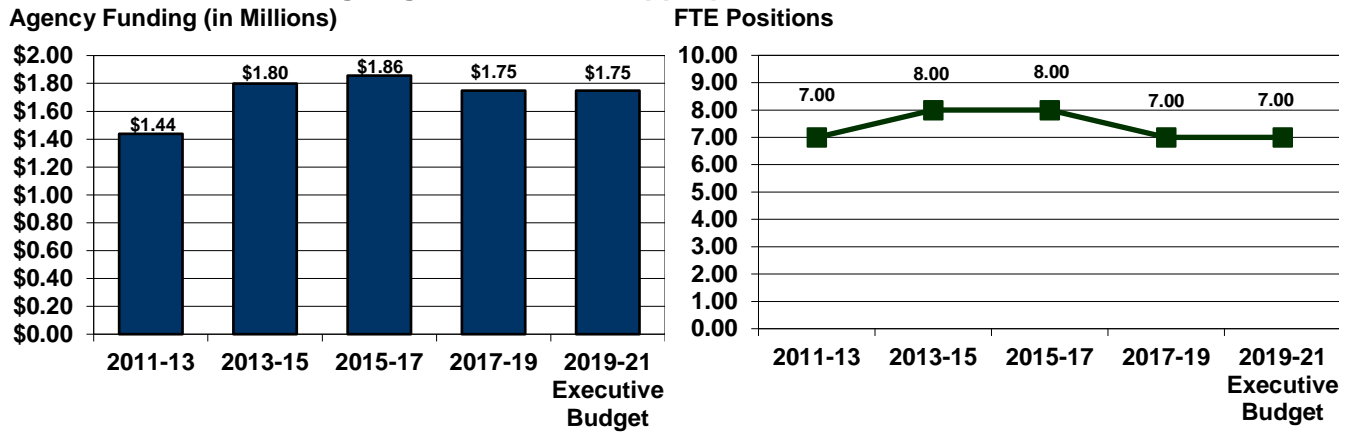
Other Sections for State Treasurer - Budget No. 120

	Executive Budget Recommendation	Senate Version
Salary of State Treasurer	Section 2 would provide the statutory changes necessary to increase the State Treasurer's salary from the current salary of \$99,881 to \$103,876 (4 percent) in fiscal year 2020 and to \$105,954 (2 percent) in fiscal year 2021.	Section 2 provides the statutory changes necessary to provide an equity increase to the State Treasurer's salary and to increase the salary to \$107,885 (2 percent) in fiscal year 2020 and to \$111,122 (3 percent) in fiscal year 2021.

Department 120 - State Treasurer

Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13



Ongoing General Fund Appropriations					
	2011-13	2013-15	2015-17	2017-19	2019-21 Executive Budget
Ongoing general fund appropriations	\$1,438,802	\$1,797,631	\$1,856,899	\$1,747,399	\$1,748,039
Increase (decrease) from previous biennium	N/A	\$358,829	\$59,268	(\$109,500)	\$640
Percentage increase (decrease) from previous biennium	N/A	24.9%	3.3%	(5.9%)	0.0%
Cumulative percentage increase (decrease) from 2011-13 biennium	N/A	24.9%	29.1%	21.4%	21.5%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- Added funding for 1 FTE accounting manager position \$195,223
- Added funding for temporary salaries \$60,000

2015-17 Biennium

- Added funding for information technology costs, including desktop support services \$101,658
- Reduced funding for salaries and wages related to the August 2016 budget reductions (\$74,309)

2017-19 Biennium

- Removed 1 FTE deputy state treasurer position and reduced funding for temporary staff (\$132,696)
- Added funding for operating expenses primarily related to information technology costs \$50,646
- Reduced funding for coal severance shortfall payments (\$48,952)

2019-21 Biennium (Executive Budget Recommendation)

- Reduces funding for operating expenses primarily related to information technology costs (\$59,031)
- Reduces funding for the estimated coal severance payments related to the allocation formula change in Section 4 of House Bill No. 1005 (2017) (\$9,000)

**GOVERNOR'S RECOMMENDATION FOR THE
STATE TREASURER AS SUBMITTED
BY THE OFFICE OF MANAGEMENT AND BUDGET**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury not otherwise appropriated, to the state treasurer for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,316,139	\$68,671	\$1,384,810
Operating expenses	251,260	(59,031)	192,229
Coal severance payments	<u>180,000</u>	<u>(9,000)</u>	<u>171,000</u>
Total general fund	\$1,747,399	\$640	\$1,748,039
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. AMENDMENT. Section 54-11-13 of the North Dakota Century Code is amended and reenacted as follows:

54-11-13. Salary of state treasurer.

The annual salary of the state treasurer is ~~ninety-six thousand nine hundred seventy-two dollars through June 30, 2016, and ninety-nine thousand eight hundred eighty-one~~ one hundred three thousand eight hundred seventy six dollars through June 30, 2018 and one hundred five thousand nine hundred fifty four dollars thereafter.