

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

20005

2007 SENATE APPROPRIATIONS

SB 2005

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No 2005

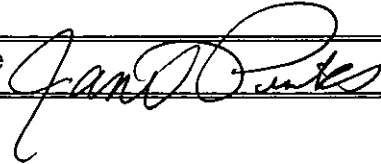
Senate Appropriations

Check here for Conference Committee

Hearing Date: 01/16/07

Recorder Job Number 1158

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on SB 2005.

Kelly Schmidt, State Treasurer, presented written testimony on SB 2005 discussing the mission of the State Treasurer's Office, the accounting and receipting for all state agencies, the securities and investments, the cash management, the tax distributions, the website, the request for additional FTE, and an amendment to SB 2005.

Chairman Holmberg asked to have the extra money from the CO2 pipeline elaborated on. He then stated that if nothing is done about the additional monies it would be returned to the general funds.

Lawrence Hopkins, State Treasurer's Office, indicated that the CO2 pipeline was built by Basin Power which created an exemption for the County, Basin is not liable.

Senator Christmann clarified this money comes from the general fund.

Senator Robinson asked about the FTE work flow and work load and would the funds requested be sufficient to have a comptroller with benefits.

Chairman Holmberg indicated this bill will be discussed during a full committee hearing. He then closed the hearing on SB 2005.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2005

Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01-25-07

Recorder Job Number: 1954

Committee Clerk Signature

Alice Pelzer

Minutes:

Chairman Holmberg opened the hearing on SB 2005 regarding the State Treasurer's Office.

He reviewed the bill and the request for a FTE.

Senator Grindberg moved a DO PASS, Senator Fischer seconded. There was further discussion on the FTE request. **A roll call vote was taken resulting in 11 yeas, 0 no, 1 absent. The motion carried. Senator Grindberg will carry the bill.**

The hearing on SB 2005 closed.

FISCAL NOTE
Requested by Legislative Council
01/02/2007

Bill/Resolution No.: SB 2005

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$8,448			
Appropriations			\$8,448			

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 2, 3, & 4 of this bill increase the statutory salary of the State Treasurer by 4% effective July 1, 2007 and another 4% on July 1, 2008.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Appropriation is increased 8,448 over the 2005-2007 biennium for statutory salary increase of the State Treasurer. The amount for increased salary and benefits is included in the executive budget and this bill.

Name:	Lawrence Hopkins	Agency:	Office of State Treasurer
Phone Number:	328-4694	Date Prepared:	01/03/2007

Date: 1-25-07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2005.

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass

Motion Made By Brendberg Seconded By Fischer

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm			Senator Elroy N. Lindaas		
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson		
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 11 No 0

Absent 3

Floor Assignment Brendberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 25, 2007 4:39 p.m.

Module No: SR-17-1278
Carrier: Grindberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2005: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS
(11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2005 was placed on the
Eleventh order on the calendar.

2007 HOUSE APPROPRIATIONS

SB 2005

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2005

House Appropriations Committee
Government Operations Division

Check here for Conference Committee

Hearing Date: 2/21/07

Recorder Job Number: 3518

Committee Clerk Signature *Anya Voegelé*

Minutes:

Chairman Carlson opened our hearing on Senate Bill 2005.

Kelly Schmidt, State Treasurer, spoke in support of the bill. See attached testimony

2005.2.21.07 A.

Chairman Carlson: Is the re-write of the tax distribution system being created by contract or by ITD?

Kelly Schmidt: ITD.

Chairman Carlson: Why would the public need to access your website?

Kelly Schmidt: They can see how much their city or township or county received.

Chairman Carlson: How many hits does it get?

Kelly Schmidt: We do not have that report yet.

Chairman Carlson: Was the amendment for the FTE offered to the senate?

Kelly Schmidt: Yes.

Representative Williams: What was the Senate's reaction to the amendments?

Kelly Schmidt: They said they could not vote to add an FTE because they voted to eliminate the Treasurer's office all together.

Chairman Carlson: Was the decrease in funding due to the pipeline property tax funding?

Kelly Schmidt: Yes.

Chairman Carlson: Are you qualified for the equity pool?

Kelly Schmidt: Yes but I don't know how that will effect the budget.

Chairman Carlson: How much do they get from the equity pool?

Lori Laschkewitsch: \$1,344 from the equity pool for three people.

Vice Chairman Carlisle: What are you thinking for salary and benefits for the new FTE?

Kelly Schmidt: About \$120,000.

Representative Kroeber: You still have complete division of power correct? No one who handles the incoming money handles the outgoing money.

Kelly Schmidt: Yes we do but it is really hard to do when we are short staffed.

Chairman Carlson: Why wasn't this FTE funded in the Governor's Budget?

Lori Laschkewitsch: We chose to fund the new tax distribution system.

Representative Skarphol: Is the price for the tax distribution system a firm fixed price?

Kelly Schmidt: That was the amount we got from the bid.

Vice Chairman Carlisle: The new FTE would be paid by a few different funding sources correct?

Kelly Schmidt: Correct.

Representative Kempenich: I see your ITD costs are going up. Is that because of your new system?

Kelly Schmidt: That is one time funding for the new system.

Chairman Carlson: What can we expect from the new system?

Kelly Schmidt: A more effective and efficient way to update the tax rates.

Chairman Carlson: Would it take less time or less people?

Kelly Schmidt: Not really because we will have to cross-check everything.

Representative Glassheim: Could you explain the CO2 pipeline?

Kelly Schmidt: The CO2 pipeline is a continuing appropriation in our budget. In the current biennium an estimate was made on what it is going to take to redistribute the CO2 pipeline money. Those dollars are put into our budget in lieu of tax money. Then it is distributed back out to the counties. It is General Fund money.

Chairman Carlson: How long will this continue?

Kelly Schmidt: Until 2010.

Chairman Carlson: Last session you were dealing with some large errors, have they been corrected yet?

Kelly Schmidt: Not all of them. The challenge we are facing is the combined School Systems.

Chairman Carlson: How much are we down?

Kelly Schmidt: Under \$20,000.

Representative Glassheim: How much was in your 05-07 budget for the CO2 pipeline?

Chairman Carlson: \$1.545 million.

Representative Skarphol: In 03-05 that number was \$1.690million, in 05-07 it was \$1.545million, is that number going to continue to reduce, if so what is the formula that determines what that number will be?

Lawrence Hopkins: As the property values go down, it will continue to decrease.

Representative Skarphol: What is the formula for this?

Lawrence Hopkins: It goes by depreciation value.

Randy Schneider spoke in support of the bill.

Representative Williams: Would you accept the position as it is written?

Randy Schneider: The job has appeal but I am happy with my current position.

The hearing was closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2005

House Appropriations Committee

Check here for Conference Committee

Hearing Date: March 16, 2007

Recorder Job Number: 5227

Committee Clerk Signature

Minutes:

Rep. Skarphol: As you can tell there was some discord over this particular budget. The changes on this amendment Section 5 reflects the one time funding for a computer project over which there was no discord. That was a one time funding change that we have been doing on all of these. I guess for purposes of discussion I should move .0101 to SB 2005.

Rep. Kreidt: I second that.

Rep. Skarphol: After some considerable discussion with the state treasurer on the part of our subcommittee I think our subcommittee is well convinced that she has a need for more bodies in her office. If you go back to the audit that was done of her office during the last biennium one of the statement's in the audit was it was imperative that this office have a controller that has a minimum of an accounting degree. She has one person in her office with an accounting degree. It's her deputy director who has his CPA. He is currently working 55-60 hours a week to ensure the job gets done in that office. She has another individual who has accounting skills with 20 some experience but isn't interested in going back to school to get a degree. Other than that, she doesn't have anyone in her office that has a degree. For that reason the 5 of us on Government operations division found it appropriate to allow the treasurers office to add 1 FTE with a salary of \$120,684. The addition to her budget that is reflected here is in some ways deceptive. I say that because in the analysis of her budget, in her agency she is required

to distribute what is called a CO2 Pipeline dollars. Each biennium she estimates the cost of doing that. Historically they estimate that number. There is a residual amount left because of the fact that the distributions never come quite up to the estimate. That isn't intentional. Historically there is always money left over. If you discount the computer project and discount the increased salary due to the 4 and 4, her office would turn back in somewhere around \$135,000.

Don Wolff: They are reducing the operating expenses by \$20,000. There is \$45,000 less in impact payments. There is a net overall addition of \$55,684 to pay for the \$120,000 for salaries and wages for the new position.

Rep. Skarphol: However, her original request lowered the amount that she requested in general fund dollars by \$135,000. Her original request was for \$135,000 less. We are adding \$55,000 back in. The net is that she will have \$80,000 less in general fund dollars.

Don Wolff: There was some additional money that \$135,000 was an original adjustment down on the tax payments on top of this \$45,000 that they are also taking on.

Rep. Skarphol: She actually has less general fund dollars in her budget than she would have last time if you were comparing apples to apples, even with the addition of this individual. Granted those dollars would go back to the general fund. She insists that the workload increase in her office was substantial enough that she has to have this individual.

Rep. Aarsvold: The \$45,000 is in low relative to the CO2 pipeline?

Rep. Svedjan: On the motion to adopt amendment .0101 to SB 2005 we will take a voice vote. All in favor say 'aye' all opposed say 'no'. The motion carries.

Rep. Skarphol: I move a do pass as amended.

Rep. Kempenich: I second that.

Rep. Svedjan: Is there discussion? If not we will take a roll call vote on SB 2005. The motion passes with a vote of 18-5-1. Is there a volunteer to carry this?

Rep. Skarphol: I will.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2005

House Appropriations Committee
Government Operations Division

Check here for Conference Committee

Hearing Date: 3/16/07

Recorder Job Number:

2005

OPPS

Committee Clerk Signature

Kampa Voegell

Minutes:

Chairman Carlson opened the discussion on Senate Bill 2005.

Representative Skarphol reviewed the green sheet.

Amendment 78029.0101 was adopted on 3/12/07 by roll call vote with a vote of 5 Yeas, 3 Nays and 0 Absent and Not Voting. Recorder Job 4919.

Vice Chairman Carlisle: State agencies have options within their operating budgets to send people to school to take courses. My question is that you have a person that needs to have a four year degree to meet the requirements. Can we offer one of your people the opportunity to go to school to meet those requirements without adding a FTE?

Kelly Schmidt: Every person in my agency could have an accounting degree and it would still not address the issues that we are having.

A motion was made by Representative Skarphol, seconded by Representative Kempenich for a DO PASS AS AMENDED recommendation to the full committee. The committee vote was 5 Yeas, 3 Nays and 0 Absent and Not Voting. The bill will be carried by Representative Skarphol.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2005

Page 1, line 16, replace "60,733" with "181,417"

Page 1, line 17, replace "768,228" with "748,228"

Page 1, line 18, replace "(135,000)" with "(180,000)"

Page 1, line 19, replace "693,961" with "749,645"

Page 2, line 1, replace "705,493" with "826,177"

Page 2, line 2, replace "923,015" with "903,015"

Page 2, line 3, replace "1,410,000" with "1,365,000"

Page 2, line 4, replace "3,038,508" with "3,094,192"

Page 2, after line 10, insert:

"SECTION 5. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$768,228 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The state treasurer shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Rewrite of mainframe software programs relating to tax distributions \$768,228"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2005 - State Treasurer - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$705,493	\$705,493	\$120,684	\$826,177
Operating expenses	923,015	923,015	(20,000)	903,015
In lieu of tax payments	<u>1,410,000</u>	<u>1,410,000</u>	<u>(45,000)</u>	<u>1,365,000</u>
Total all funds	\$3,038,508	\$3,038,508	\$55,684	\$3,094,192
Less estimated income				
General fund	\$3,038,508	\$3,038,508	\$55,684	\$3,094,192
FTE	6.00	6.00	1.00	7.00

Dept. 120 - State Treasurer - Detail of House Changes

	ADDS 1 FTE ACCOUNTING POSITION ¹	TOTAL HOUSE CHANGES
Salaries and wages	\$120,684	\$120,684
Operating expenses	(20,000)	(20,000)
In lieu of tax payments	<u>(45,000)</u>	<u>(45,000)</u>
Total all funds	\$55,684	\$55,684

Less estimated income		
General fund	\$55,684	\$55,684
FTE	1.00	1.00

1 This amendment adds funding for 1 FTE accounting position and reduces funding for operating expenses and in lieu of tax payments.

The House added a section identifying one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

Date: 3/12/07

Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2005

House _____ Appropriations- Government Operations _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number 18029.0101

Action Taken Adopt Amendment ~~by vote date~~

Motion Made By Skarphol Seconded By Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Al Carlson	✓		Vice Chairman Ron Carlisle		✓
Rep Keith Kempenich	✓		Rep Bob Skarphol	✓	
Rep Blair Thoreson		✓	Rep Eliot Glasheim	✓	
Rep Joe Kroeber		✓	Rep Clark Williams	✓	

Total Yes 5 No 3

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3/16/07

Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. 2005

House _____ Appropriations- Government Operations _____ Committee

Check here for Conference Committee

Legislative Council Amendment Number 78029.0101

Action Taken Do PASS As Amended

Motion Made By Skarphol Seconded By Kempenich

Representatives	Yes	No	Representatives	Yes	No
Chairman Al Carlson		✓	Vice Chairman Ron Carlisle	✓	✓
Rep Keith Kempenich	✓		Rep Bob Skarphol	✓	
Rep Blair Thoreson	✓		Rep Eliot Glassheim	✓	
Rep Joe Kroeber		✓	Rep Clark Williams	✓	

Total Yes 5 No 3

Absent 0

Floor Assignment Skarphol

If the vote is on an amendment, briefly indicate intent:

Date: 3/14/07
Roll Call Vote #: _____

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2005

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78079.0101

Action Taken Adopt amendment

Motion Made By Skarphol Seconded By Kreidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glasheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Vote - carries

House Amendments to SB 2005 (78029.0102) - Appropriations Committee 03/19/2007

Page 1, line 3, after "treasurer" insert "; and to provide for a report to the legislative assembly"

Page 1, line 16, replace "60,733" with "181,417"

Page 1, line 17, replace "768,228" with "748,228"

Page 1, line 18, replace "(135,000)" with "(180,000)"

Page 1, line 19, replace "693,961" with "749,645"

House Amendments to SB 2005 (78029.0102) - Appropriations Committee 03/19/2007

Page 2, line 1, replace "705,493" with "826,177"

Page 2, line 2, replace "923,015" with "903,015"

Page 2, line 3, replace "1,410,000" with "1,365,000"

Page 2, line 4, replace "3,038,508" with "3,094,192"

Page 2, after line 10, insert:

"SECTION 5. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$768,228 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The state treasurer shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Rewrite of mainframe software programs relating to tax distributions \$768,228"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2005 - State Treasurer - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$705,493	\$705,493	\$120,684	\$826,177
Operating expenses	923,015	923,015	(20,000)	903,015
In lieu of tax payments	<u>1,410,000</u>	<u>1,410,000</u>	<u>(45,000)</u>	<u>1,365,000</u>
Total all funds	\$3,038,508	\$3,038,508	\$55,684	\$3,094,192
Less estimated income				
General fund	\$3,038,508	\$3,038,508	\$55,684	\$3,094,192
FTE	6.00	6.00	1.00	7.00

Dept. 120 - State Treasurer - Detail of House Changes

ADDS 1 FTE ACCOUNTING POSITION 1	TOTAL HOUSE CHANGES

Salaries and wages	\$120,684	\$120,684
Operating expenses	(20,000)	(20,000)
In lieu of tax payments	<u>(45,000)</u>	<u>(45,000)</u>
Total all funds	\$55,684	\$55,684
Less estimated income	_____	_____
General fund	\$55,684	\$55,684
FTE	1.00	1.00

1 This amendment adds funding for 1 FTE accounting position and reduces funding for operating expenses and in lieu of tax payments.

The House added a section identifying one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

Date: 3/16/07
 Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2005

House Appropriations Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 78029.0101

Action Taken No Pass as amended

Motion Made By Skarphol Seconded By Kempnich

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempnich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleon	✓	
Representative Hawken	✓				
Representative Klein	✓				
Representative Martinson		✓			
Representative Carlson		✓	Representative Glassheim	✓	
Representative Carlisle		✓	Representative Kroeber		✓
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	✓	
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson		✓			
Representative Wieland	✓				

Total (Yes) 18 No 5

Absent 1

Floor Assignment Skarphol

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2005: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). SB 2005 was placed on the Sixth order on the calendar.

Page 1, line 3, after "treasurer" insert "; and to provide for a report to the legislative assembly"

Page 1, line 16, replace "60,733" with "181,417"

Page 1, line 17, replace "768,228" with "748,228"

Page 1, line 18, replace "(135,000)" with "(180,000)"

Page 1, line 19, replace "693,961" with "749,645"

Page 2, line 1, replace "705,493" with "826,177"

Page 2, line 2, replace "923,015" with "903,015"

Page 2, line 3, replace "1,410,000" with "1,365,000"

Page 2, line 4, replace "3,038,508" with "3,094,192"

Page 2, after line 10, insert:

"SECTION 5. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$768,228 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The state treasurer shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Rewrite of mainframe software programs relating to tax distributions \$768,228"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2005 - State Treasurer - House Action

	EXECUTIVE BUDGET	SENATE VERSION	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$705,493	\$705,493	\$120,684	\$826,177
Operating expenses	923,015	923,015	(20,000)	903,015
In lieu of tax payments	<u>1,410,000</u>	<u>1,410,000</u>	<u>(45,000)</u>	<u>1,365,000</u>
Total all funds	\$3,038,508	\$3,038,508	\$55,684	\$3,094,192
Less estimated income				
General fund	\$3,038,508	\$3,038,508	\$55,684	\$3,094,192
FTE	6.00	6.00	1.00	7.00

Dept. 120 - State Treasurer - Detail of House Changes

	ADDS 1 FTE ACCOUNTING POSITION ¹	TOTAL HOUSE CHANGES
Salaries and wages	\$120,684	\$120,684
Operating expenses	(20,000)	(20,000)
In lieu of tax payments	<u>(45,000)</u>	<u>(45,000)</u>
Total all funds	\$55,684	\$55,684
Less estimated income	_____	_____
General fund	\$55,684	\$55,684
FTE	1.00	1.00

¹ This amendment adds funding for 1 FTE accounting position and reduces funding for operating expenses and in lieu of tax payments.

The House added a section identifying one-time funding included in the budget and providing for a report to the 61st Legislative Assembly on the agency's use of the one-time funding.

2007 SENATE APPROPRIATIONS

CONFERENCE COMMITTEE

SB 2005

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2005 Conference Committee

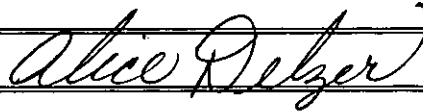
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: **April 4, 2007 pm**

Recorder Job Number: **5745**

Committee Clerk Signature



Treasurer's Budget

Chairman: This is fairly straightforward, reducing operating expenses by \$20,000, reduce tax payments by \$45,000 and added an FTE at \$128,684.00.

Rep. Skarphol: What the amendment does not reflect is the fact that the budget has nearly \$19,000 LESS in general fund dollars than for the upcoming biennium than it does for the current biennium, the reason for that is that there was a reduction in the amount of money that needed to be appropriated for the CO2 property tax distribution and the amount asked for by the treasurer's office where the FTE and salary and benefits associated with that is less than the amount reduced. That would be a \$20,000 shift in operating.

Chairman: What does that entail in lieu of \$20,000?

Rep. Skarphol: It is an effort in the treasurer's part to try to make sure that the added FTE was really reflective of the fact that there would be less cost associated with operating costs, less temporary overtime and is reflected properly in our budget. Section 5 language, it is a one time expenditure cost for a new computer system in the office, for all tax distributions and that does cause more money to be appropriated general fund dollars, if you discount that one-time expenditure, it would be \$19,000 less.

Sen. Krebsbach: Once again the one-time funding reflects what?

Rep. Skarphol: Just the cost of the computer project.

Sen Krebsbach: What about software programming?

Rep. Skarphol: The office has been sorely neglected, is probably the right term with regard to the technical advancements in the last two years. This is needed so that when they do change a tax or distribution, they can deal with it without having to reconfigure multiple places within the system.

Person: We've all had our opinions over the years, and the need for a treasurer's office, there's been various levels of performance, I struggle with adding, I supported getting rid of the treasurer's office, and I struggle adding an FTE to this budget based on the other department. It's not that they're not doing a great job, but its philosophical struggle I have with adding an FTE, but reducing the budget, which over the last 8 years we have not supported, and now we are here with a \$500 million surplus and we're adding all over the board. I recognize that it is a small budget and small issue, our good friend Sen. Andrist said, "this business could make a difference to anybody."

Rep. Skarphol: With regard to eliminating the office, I guess the voters of ND made a decision about that, and since they decided to retain the office, we have a responsibility to some extent to insure that the office has the tools it needs to work with. The treasurer's office to day is managing an awful lot of money compared to what it has in the past and that takes time and effort, not doubt about it. I think she's doing a fine job in the office with what she has to work with, but think some people in the office don't have what should be appropriate, and for that reason, I believe an FTE is warranted and if the new computer program gives her the ability to reduce staff in the future, I would expect her to do that, quite frankly.

Chairman: Did you have any discussion if OMB could step in and provide some of these services?