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## **BUDGET SECTION - LEADERSHIP DIVISION**

Wednesday, September 18, 2024  
Harvest Room, State Capitol  
Bismarck, North Dakota

Senator David Hogue, Chairman, called the meeting to order at 1:00 p.m.

**Members present:** Senators David Hogue, Brad Bekkedahl, Kathy Hogan, Jerry Klein, Merrill Piepkorn; Representatives Glenn Bosch, Josh Boschee, Zachary Ista, Mike Lefor, Don Vigesaa

**Member absent:** Representative Dennis Johnson

**Others present:** Thomas Beadle\*, State Treasurer; Renae Bloms, Susan Sisk, and Becky Ulberg, Office of Management and Budget; Rick Clayburgh, North Dakota Bankers Association; Joshua Kevan and Jim Voytko, RVK, Inc.; Don Morgan, Bank of North Dakota

Levi Kinnischtzke and Adam Mathiak, Legislative Council

*\*Attended remotely*

**It was moved by Senator Bekkedahl, seconded by Representative Lefor, and carried on a voice vote that the minutes of the June 19, 2024, meeting be approved as distributed.**

Ms. Susan Sisk, Director, Office of Management and Budget, commented on the results of the Office of Management and Budget (OMB) cash management study. She noted OMB created a steering committee to oversee the study and contracted with RVK, Inc., to conduct the study. She introduced representatives of RVK, Inc., and distributed the steering committee's recommendations ([Appendix A](#)) as a result of the study.

Mr. Jim Voytko, President, Director of Research and Senior Consultant, and Mr. Joshua Kevan, Senior Consultant, RVK, Inc., presented ([Appendix B](#)) the results ([Appendix C](#)) of the cash management study. Mr. Kevan noted RVK, Inc., recommends expanding the treasury management responsibilities of the State Treasurer and allowing broader investment opportunities for state funds beyond deposit in the Bank of North Dakota.

Mr. Thomas Beadle, State Treasurer, commented on the results of the cash management study. He noted:

- The State Treasurer's office works with state agency personnel and others to identify the cashflow needs of the state and to improve investment returns on state funds.
- The Bank pays lower rates than other investment options.
- He supports the consultant's recommendation to expand the state's treasury management functions.

Mr. Don Morgan, President/CEO, Bank of North Dakota, commented on the study results and reviewed the Bank's structure, how it is similar to and different from other banks, and its role in economic development in the state. He noted:

- The Legislative Assembly could determine the rate of return the Bank pays on state deposits.
- He supports continuing discussions on the report recommendations but concerns remain, including recapitalizing the bank if state deposits are removed.

Committee members suggested continuing discussion of the recommendations at the December Budget Section meeting.

Ms. Sisk presented information ([Appendix D](#)) on the revised general fund revenue projections for the 2023-25 biennium and preliminary projections for the 2025-27 biennium.

Ms. Sisk commented on the status of the State Office Building demolition. She noted:

- The bid for demolition was \$723,000, including \$238,000 for asbestos removal.
- The excess dirt from public health laboratory building construction will not be used as part of the State Office Building demolition as previously reported.

Mr. Adam Mathiak, Senior Fiscal Analyst, Legislative Council, presented a [memorandum](#) regarding S&P Global's revised general fund revenue projections for the 2023-25 biennium and preliminary projections for the 2025-27 biennium and a comparison to the OMB forecast.

Mr. Allen H. Knudson, Legislative Budget Analyst and Auditor, Legislative Council, presented information regarding a preliminary budget outlook for the 2025-27 biennium.

Mr. Knudson presented information regarding the budget process for the 2025 legislative session that will include two Governor's budgets.

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, presented a [memorandum](#) regarding the new and vacant FTE funding pool and other states' methods of capturing budget savings from vacant FTE positions.

**It was moved by Senator Klein, seconded by Representative Lefor, and carried on a voice vote that the Legislative Council staff prepare a summary of the division's activities for the 2023-24 interim for inclusion in the Budget Section's report to the Legislative Management.**

No further business appearing, Chairman Hogue adjourned the meeting at 3:30 p.m.

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Allen H. Knudson  
Legislative Budget Analyst and Auditor

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Adam Mathiak  
Senior Fiscal Analyst

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