

OFFICE OF STATE

# TREASURER

NORTH DAKOTA

Thomas Beadle  
*State Treasurer*

# Agenda



- Summary of primary budget requests
- Agency Overview
- Comparison to 23-25 Biennium and Executive Budget

# Primary Request Overview



- **Salary Compensation Analysis Recommendation**
  - Add \$250,000 to our Salary line to fairly compensate employees
- **ITD Projects 25-27 Biennium**
  - Adds \$110,000 to support ITD projects for the 25-27 biennium
  - Adds \$7,000 as per OMB's adjustments for the ITD programming cost changes
- **CO2 Payment in Lieu of Taxes appropriation**
  - Add \$2 million in General Fund Dollars for disbursement to impacted counties
- **Coal Severance Payment Increase**
  - Adds \$4,000 in additional General Fund Dollars for disbursement to impacted counties

# Primary Request Overview



## Burgum's Executive Budget Recommendation

- **Cash Management Study Needs**

- Add \$1.1 million in General Fund Dollars to advance Cash Management Study recommendations
  - Includes 2 FTEs and \$400,000 in one-time funds for software and setup costs

- **Transfer of Unclaimed Property**

- Move Unclaimed Property from Land Department to the Office of State Treasurer
  - Includes \$858,388 from Special Funds and 4 FTEs, along with adding \$50,000 in one-time dollars from the General Fund for office remodeling

- **Item to remove**

- \$5,224 requested for DC Plan estimated costs no longer necessary

# Agency Overview



Article V, Section 2, of the North Dakota Constitution created the Office of State Treasurer and provides that the powers and duties of the state treasurer shall be prescribed by law. Chapter 54-11 of the North Dakota Century Code prescribes the powers, duties, and responsibilities of the state treasurer.

The Office of State Treasurer (OST) serves as custodian of all state funds, managing cash flow, investments, and timely tax distributions to over 500 political subdivisions.

Our mission is *“to fulfill our constitutional and statutory responsibilities, to assure sound financial oversight and transparency of all public funds, and to promote prudent practices in government.”*

# Agency Duties



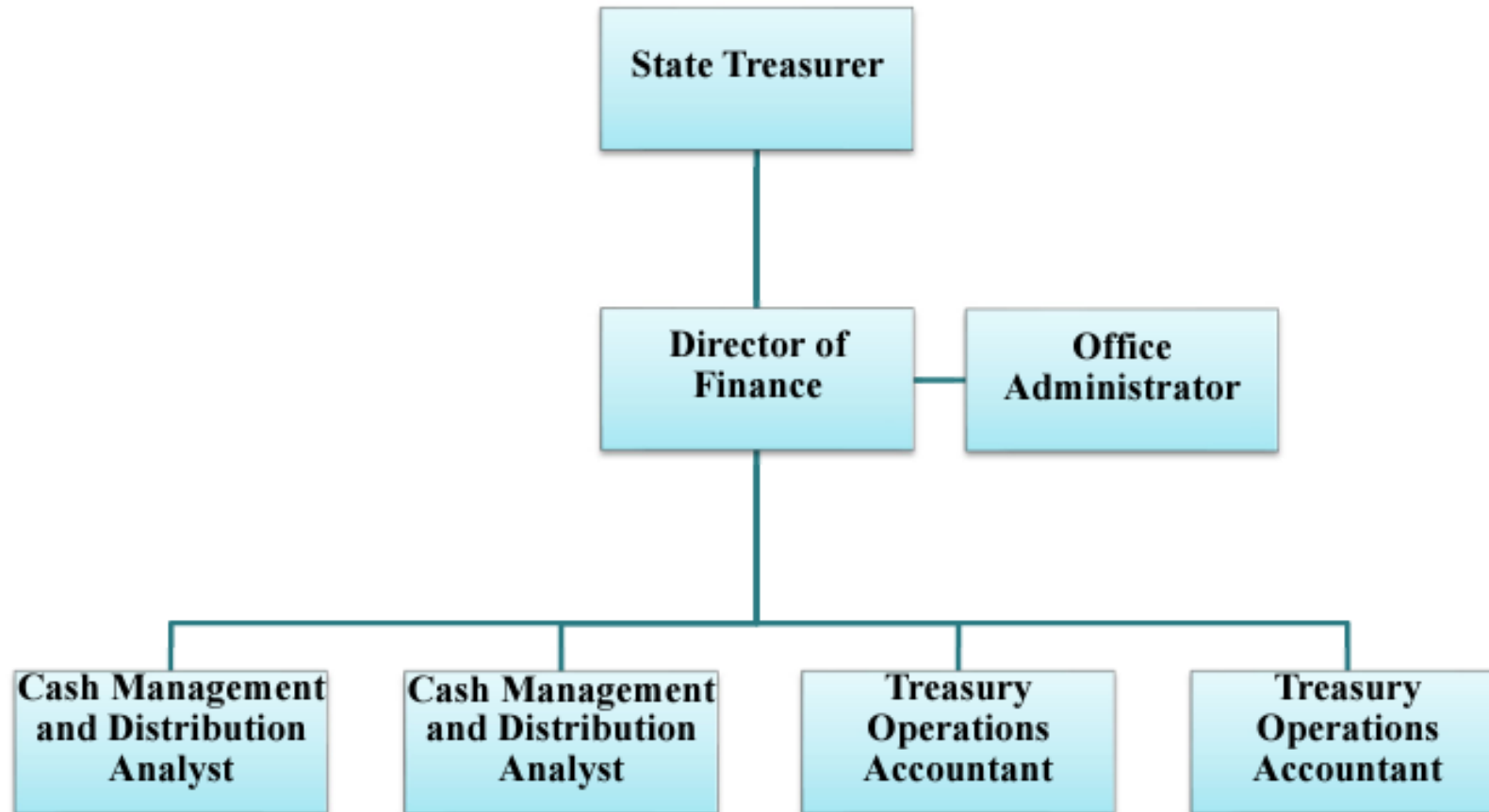
- Accounting
  - Paying all warrants or checks drawn against the state
  - Manage deposits and reconcile bank balances daily
- Tax Collections and Distributions
  - Manages disbursement of tax distributions to political subdivisions
  - Provide data, analysis, and education to stakeholders
- Financial Literacy
  - Collaborates with agencies on statewide Financial Literacy initiatives
  - Co-Chairs the Financial Literacy Commission established in 2024

# Agency Duties



- Cash Management
  - Work with agencies to gather information regarding collection, disbursement and balances
  - Heavy involvement in statewide Cash Management study that looks to improve this process
- Investments
  - Responsible for the investment of the State's general and special funds
  - Invested through CD's with the Bank of North Dakota, as well as various banks and credit unions across the state

# Office Organization





# Treasurer Boards



In addition to the responsibilities of the office, as required by statute or Constitution, the State Treasurer serves on six Boards: State Investment Board, Teachers Fund for Retirement, Board of University and School Lands, State Board of Tax Equalization, State Historical Board, and the State Canvassing Board.

Following an executive order by Governor Burgum, Treasurer Beadle also serves as Co-Chair of the statewide Financial Literacy Commission.

Treasurer Beadle also currently serves as President for the National Association of State Treasurers for 2025.

# Audit Findings



- The biennial audit for the period ending June 30, 2023, found no errors, internal control weaknesses, or potential violations of law.
- That report can be found at [nd.gov/auditor/2023-treasurer-office-state](https://nd.gov/auditor/2023-treasurer-office-state)

# Accomplishments and Goals



## Accomplishments:

- Distributed over \$1.5 billion to political subdivisions in 2024.
- Implemented changes that saved 424 hours through internal process adjustments

## Challenges:

- **Turnover and Compensation** – small agency that is hit hard by vacancies.
- **IT Costs** – always a challenge, difficult to keep up with needs

# Accomplishments and Goals



## Goals for 2025-27:

- Enhance the TDOC (Tax Distribution Outstanding Check) system for smoother operations.
- Overhaul the distribution platform to reduce manual data entry.
- Cash Management Study Implementation
- Website upgrades
- Expand financial education initiatives

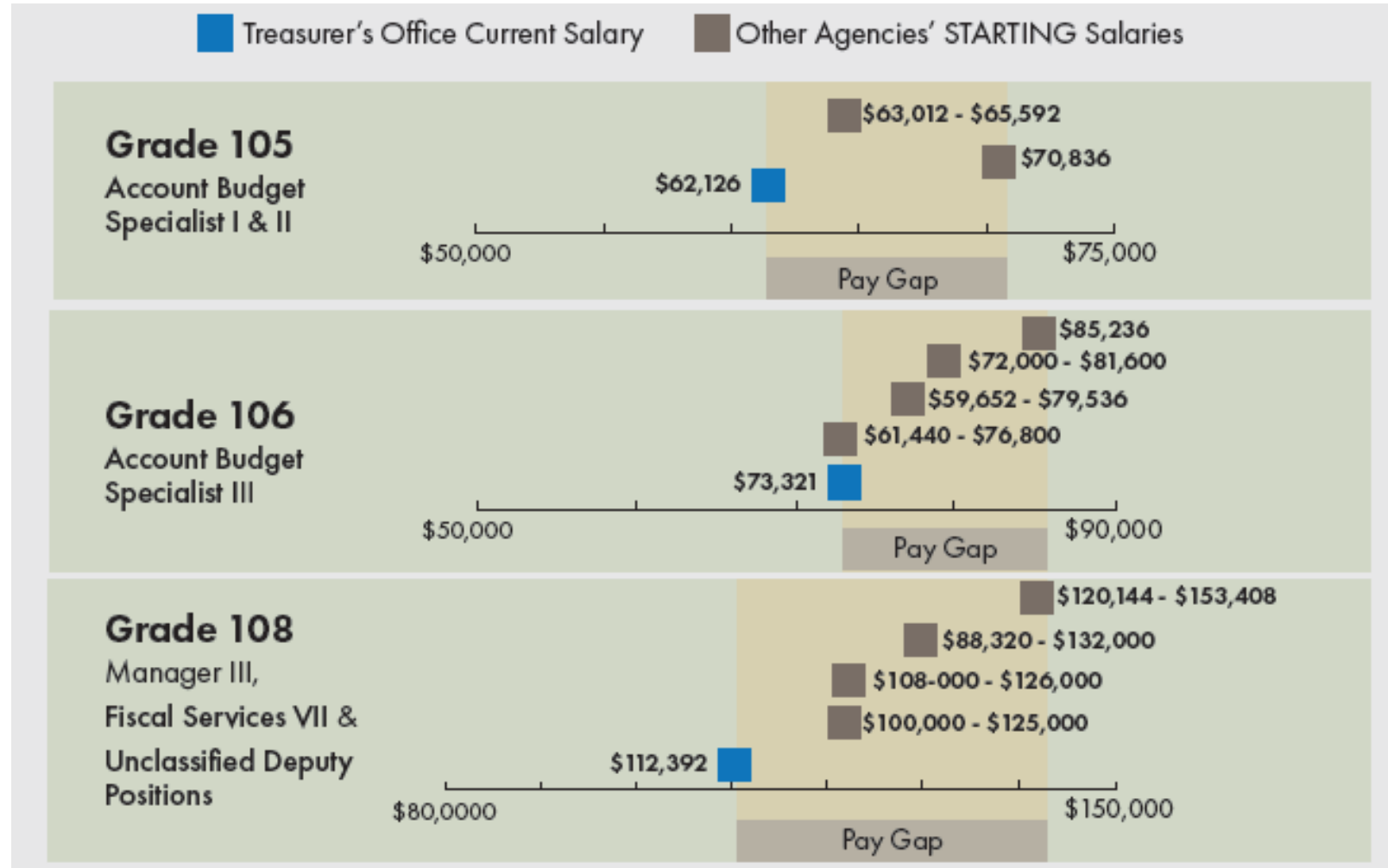
# Budget Comparison



## Changes from 23-25 Budget

- **Salary Compensation Analysis Recommendation**
  - Add \$250,000 to our salary and benefit line
    - The Office of State Treasurer is requesting additional dollars for our salary line in order to create a more competitive market when needing to hire and increase current employees salaries to be more equitable for the workload increases and incentivize employee retention. We are thankful for the target market equity dollars we received of 2%, however we also loss salary dollars to the FTE Funding Pool for the 2023-2025 Biennium.

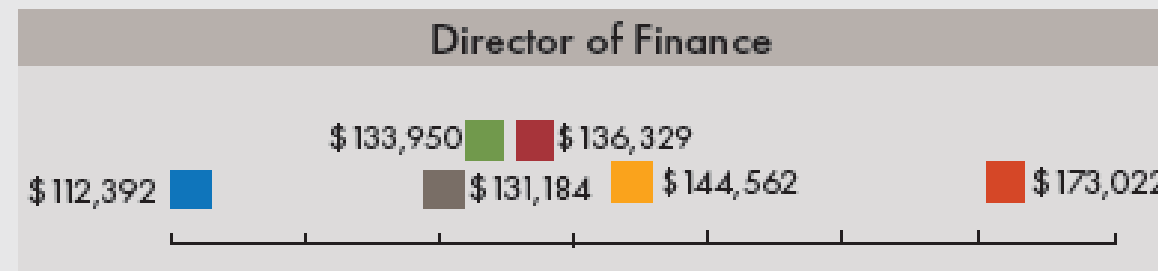
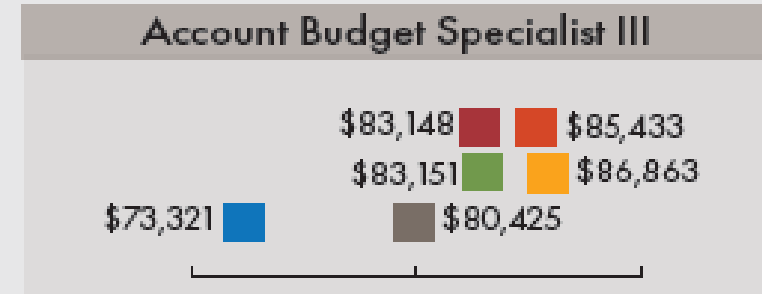
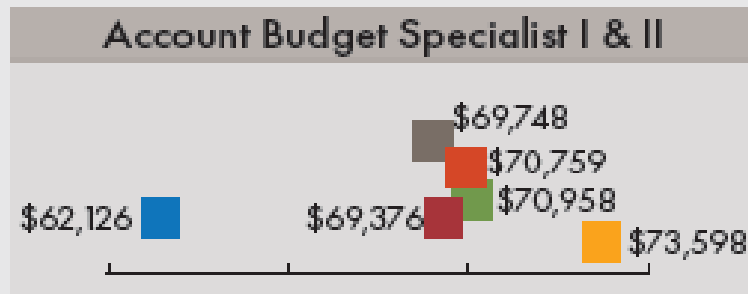
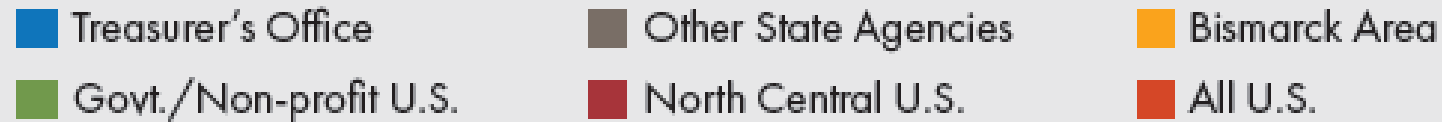
# Budget Comparison



# Budget Comparison

## NATIONAL & REGIONAL SALARY COMPARISON

The following charts show a comparison between various national and regional data using the mean salary for each.



North Central U.S.: IA, ND, WY, IL, IN, MI, OH, WI, MN, MT, NE, MO, SD, KY, and KS. Sources: Gallagher, Economic Research Institute, Mercer

# Budget Comparison



## Changes from 23-25 Budget

- **ITD Project Costs**

- Add \$110,000 to support ITD projects for the 25-27 biennium
- Adds \$7,000 to reflect adjustments in ITD's rate schedule
  - The ITD projects would have a great impact on daily processes, tax distributions, and certification processes. We would like to update Tax Distribution and Check Processing platform (TDOC) processes allow for more uploads, enhance search and filtering parameters in TDOC, and updates to our website. We feel these updates would reduce touchpoints, decreases the chance for error, reduce manual inputs and save a substantial amount of time.



# Budget Comparison



## Changes from 23-25 Budget

- **Payment in Lieu of Taxes**

- Add \$2,000,000 of General Fund dollars for the biennium
  - Dollars requested to make payment per NDCC 57-06-17.2 which states "the state treasurer shall make the required payment to each county not later than March first of the following year.." For the 25-27 biennium, it is anticipated that additional pipelines will qualify. Currently this estimate is based on historical payments and communication with the Tax Department.

# Budget Comparison



## Changes from 23-25 Budget

- **Coal Severance Payment Increase**

- Add \$4,000 of General Fund dollars for the biennium
  - Requesting additional funding in order to make whole the dollars as calculated due to the county related to repayment of 30% of the loss related to Coal Severance for the Coal Severance Shortfall distribution as stated in NDCC 57-62-02(3)b(5). The amount paid to the county, city, and school districts has been allocated based on the dollar amount appropriated and last biennium we fell short, and we were short again this biennium.

# Budget Comparison



## *Governor Burgum's budget recommendation*

### **Cash Management Study Implementation**

- \$1.1 million appropriated from the general fund, including \$400,000 in one-time funds for software and setup
- Authorization for 2 FTEs to fulfill additional workload demands

# Budget Comparison



## *Governor Burgum's budget recommendation*

### **Unclaimed Property**

- \$921,300 in special funds and \$50,000 in one-time general fund dollars to support the 4 FTEs moving from the Land Department to the Office of State Treasurer
- Recommendation that Governor Burgum included in his budget and was a recommendation that came from the red-tape reduction task force.

# Questions?



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